

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 28 May, 1985.

Time — 8:00 p.m.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES

**MR. CHAIRMAN, C. Santos:** Committee, please come to order.

We are now on Item 2.(e)(1) Employee Housing; Salaries; 2.(e)(2) Other Expenditures; 2.(e)(3) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, just before we quit at supertime, the Minister indicated that he gave us the breakdown on the housing, I believe he said there were three residences in Government Services.

**MR. CHAIRMAN:** The Honourable Minister.

**HON. J. PLOHMAN:** Nine in Government Services, Mr. Chairman, three in Community Services.

**MR. H. GRAHAM:** Nine in Government Services. Well, that makes it even worse. Can the Minister indicate where in Government Services he would require nine houses?

**HON. J. PLOHMAN:** Well, Mr. Chairman, we have been making some efforts to decrease this program over the last number of years, to decrease the total number of units that were being managed, and once they're declared surplus by departments, they are then under the jurisdiction of the Department of Government Services for disposal. So most of those are in that category and others that have not been disposed of are being leased out to the public.

**MR. H. GRAHAM:** Is the Minister telling us that of the nine houses, there are none being used by Government Services' staff?

**HON. J. PLOHMAN:** Apparently, Mr. Chairman, there is one that is occupied by the caretaker at Portage la Prairie, who is on call, and that has been in place for a number of years and the classification there is that it applies only to the present incumbent. When that changes then, of course, the arrangement will be ended.

**MR. H. GRAHAM:** By far the largest number was with Natural Resources. I presume that is for game wardens and park superintendents and things of that nature, is that correct?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, mostly in remote communities in areas throughout the province.

**MR. H. GRAHAM:** Does the government have a maintenance program of regular maintenance for those

houses for renovation and paint and things of that nature?

**HON. J. PLOHMAN:** Mr. Chairman, yes, under the Other Expenditures section, the \$247,900 that is listed covers the maintenance for those units.

**MR. H. GRAHAM:** Could the Minister indicate how often they are painted?

**HON. J. PLOHMAN:** Mr. Chairman, it's not a definite time that is applied there. It is on an as-required basis.

**MR. H. GRAHAM:** it's sort of a hit-and-miss program.

**HON. J. PLOHMAN:** I wouldn't classify it as hit-and-miss. When it's brought to the attention of the department that painting is required and is assessed and agreed to, obviously, the work will be done.

**MR. H. GRAHAM:** I have no further questions, Mr. Chairman.

**MR. CHAIRMAN:** 2.(f)(1)—pass; 2.(f)(2)—pass; 2.(e)(2)—pass; 2.(e)(3)—pass.

2.(f)(1) Security and Parking, Salaries; 2.(f)(2) Other Expenditures - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, there's a rather significant increase in salaries in security here. Could the Minister indicate where the additional staff has been placed?

**HON. J. PLOHMAN:** Mr. Chairman, this includes additional dollars for a full year salary cost for five building guards for the new Law Courts Building. The other major increase in that \$104,000 difference, which doesn't represent any staff increases, but as I have indicated, full year costs of salaries at the Law Courts Building is for merit increases and that kind of thing.

**MR. CHAIRMAN:** The Member for River Heights.

**MR. W. STEEN:** Mr. Chairman, to the Minister. In his department's report on Page 20, where it says, "Security and Parking Services," it says here, "A Cabinet directive in 1982 authorized the department to replace private security arrangements with government-hired security personnel."

When that move was made in 1982, how many persons from the private sector were replaced with full-time government persons?

**HON. J. PLOHMAN:** Mr. Chairman, we're dealing with a period three years ago, so I don't have those exact figures with me. They were discussed, of course, at length in the Estimates during those years. I'm not sure that the staff has an estimate on the number of staff increases in this particular area during that year. There was a significant increase during the 1982-83 and 1983-

84 year, in implementing that new policy, but there has been no increase due to that program this past year.

**MR. W. STEEN:** Then I would suggest, Mr. Chairman, through you to the Minister, that that item shouldn't have been placed in the Annual Report. If you don't want to invite a question relating to it, you're obviously talking about a Cabinet directive that took place in 1982 and this is the 1983-84 report, which is only a year later.

What I want to know is, are we getting better service than what the private operators gave us in the past and are we doing it for the same amount of money, approximately? I'm trying to compare apples and apples, and not the additional staff that was hired because of the Law Courts, because that has come onstream since the move. Was it a good move and are we getting full value?

**HON. J. PLOHMAN:** My understanding, Mr. Chairman, is that it is working out satisfactorily. As the member indicated, he was referring to the 1983-84 Annual Report, and we're dealing here and looking back at 1984-85 in last year's Estimates. I'm just simply indicating to the committee that there have been no changes and no additions in that program from 1984-85 to 1985-86.

Those particular contracts that were terminated, there were a number of them. There were a number of additional staff. There were some extra costs to doing that at that particular time, and I understand that it is working out satisfactorily for the department at the present time. Naturally, some of those people that came onstream during the last couple of years are eligible for merit increase and that's one of the reasons there's the dollar increase in the salaries area.

**MR. W. STEEN:** I would take it, Mr. Chairman, that the Minister says that there was some initial increase in costs and that would be perhaps because the personnel that the government had on staff would be paid at a higher rate than the persons in the private sector were being paid by the private contractor. Therefore there was an increase in salaries, which likely ate up whatever profit the private contractor had, and made the service somewhat more costly.

**HON. J. PLOHMAN:** It did share that the disparities that were in place previously with regard to wages, were corrected. That's certainly one of the implications of that particular move. Those people doing the same work were being paid the same money for it.

**MR. CHAIRMAN:** 2.(f)(1)—pass; 2.(f)(2)—pass.  
2.(g)(1) Gimli Properties, Salaries; 2.(g)(2) Other Expenditures - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, in the Annual Report on the last page of Appendix D, lists the tenants of the Gimli Industrial Park. Could the Minister indicate if there are any changes in that list, or if there are any additions or deletions?

**HON. J. PLOHMAN:** It's my understanding, Mr. Chairman, that there have been no major changes or

specific changes with regard to occupancy at the Gimli Industrial Park, that it's been fairly stable the past year.

**MR. H. GRAHAM:** Mr. Chairman, I notice by the Annual Report that there are two or three federal agencies in there. Can the Minister indicate if those are long-term leases or if they're short term, or when the terms of those are up?

**HON. J. PLOHMAN:** Mr. Chairman, could the member refer directly to those that he's - the CN?

**MR. H. GRAHAM:** The National Research Council, for example.

**HON. J. PLOHMAN:** Well, the National Research Council, I'm advised, was on a three-year lease at Gimli Industrial Park and that expires as of March 31, 1986. The indications are now by the new Federal Budget that that will not be continued.

**MR. H. GRAHAM:** I also notice Canadian National Railways are in there. Is that school still carrying on there and how long is that? What's the term of the lease for that?

**HON. J. PLOHMAN:** Mr. Chairman, this one looks to be a fairly permanent program. It is a 15-year lease involved there and we're about five years into that lease, so there's about 10 years to go. It seems that the program has been quite successful and the plans are to see an expansion in that program over the next couple of years which is encouraging, so that particular lease would be there for some time.

**MR. H. GRAHAM:** Mr. Chairman, I understand that there is still considerable room left at the Gimli Industrial Park. Could the Minister indicate what is the usage factor of the total facility and how much space is still available?

**HON. J. PLOHMAN:** Mr. Chairman, of the 709,000 square feet of available space there, approximately 543,000 is occupied. That's about 76.6 percent. There are 28 tenants including private companies, individuals and government departments and agencies located in the park.

**MR. H. GRAHAM:** Can the Minister indicate what efforts his department is making to make sure that the park is fully utilized? Is there a campaign on to promote the use of that park?

**HON. J. PLOHMAN:** Well, we're looking at number of options with regard to that park at the present time, as to whether we should be actually looking at privatization of the park, if it should be turned over to some of the tenants and companies that are there to allow them to own the property that they're in at the present time. As the members may be aware, there's a substantial subsidy with regard to operating that park each year and we would like to see that drain eliminated. So therefore we're working with the local communities and the development corporation, the recreation commission, to look at options for turning that over

into, perhaps, an industrial park operated by the municipalities or with provisions for ownership by the individual businesses that are there.

At the present time these things are being looked at and we hope to have some decisions within the next few months with regard to the future of Gimli Industrial Park and the government's involvement in it.

**MR. H. GRAHAM:** Mr. Chairman, it appears as though there is a pretty heavy concentration of personnel with over \$1.25 million in salaries allocated to that one property. Can the Minister indicate how many personnel are involved and what is the nature of the employment for most?

**HON. J. PLOHMAN:** Mr. Chairman, there are 55 employees at the Gimli Industrial Park. The majority of them are involved with the operation of the food facilities, the cafeteria facilities for the CN Training Centre. Caretaking staff is the next largest category and there are also a number of maintenance personnel and then a small number of administrative personnel, so that's the general breakdown, the categories of people there, a total of 55 SYs.

**MR. H. GRAHAM:** Mr. Chairman, in many of the items in the Minister's Estimates he lists "Recoverable from Other Appropriations." I notice that there is no recovery from other departments in this particular operation. Is that just an oversight or can the Minister indicate what the recovery factor is in the operation of the park?

**HON. J. PLOHMAN:** Mr. Chairman, what we don't show here is because of the return that comes in with regard to the operation is from outside agencies other than government. It's not shown as a recovery; it's shown as revenue; it realizes revenue to the government so it doesn't show in our budgets. However, there is a substantial revenue that does come in from the Federal Government and other agencies that are there.

There's the new Armed Forces Cadet Program which will realize \$305,000 recoverable from the Federal Government and, of course, there are other leases there that generate revenue, but there is a total net subsidy by the province and if that is what the member is asking, what the difference is between the revenues and the expenditures there, then I will provide him with that information. I'm not sure that was the question though.

**MR. H. GRAHAM:** Mr. Chairman, I would suspect that since it is listed just this way without showing any recovery, that in all probability there is a financial statement available for the operation of the Gimli Industrial Park. Is there?

**HON. J. PLOHMAN:** Mr. Chairman, as part of our budget information, there's financial information given. There's not a separate financial statement or financial report submitted with regard to Gimli Industrial Park.

**MR. H. GRAHAM:** Mr. Chairman, if there is not a separate financial report, can the Minister indicate where we would obtain the information on the operation of the Gimli Industrial Park? The Minister has said there's a fairly heavy subsidy. I think it is only fair that

seeing as how we're spending a fair bit of money, could the Minister indicate what the total income is from various leases in the park?

**HON. J. PLOHMAN:** Mr. Chairman, the total revenue is estimated for '85-86 at \$2,245,000.00. The total expenditures are as indicated in the budget, \$2,511,000, so the deficit is \$266,000 projected for '85-86, for our operating expenses.

**MR. H. GRAHAM:** Mr. Chairman, the Minister has made a reference to other things where they have embarked on energy saving programs. Is there an energy saving program in effect at the Gimli Industrial Park?

**HON. J. PLOHMAN:** Mr. Chairman, I don't have the exact specifics on exactly those measures that have been taken there to reduce energy, but there definitely is an energy saving program in existence at Gimli Industrial Park to reduce the costs of energy at the park.

**MR. H. GRAHAM:** The Minister has indicated that there's a deficit of some \$200,000.00. Has the Minister given any consideration, seeing as how quite a number of staff are hired to operate a cafeteria, has the Minister considered tendering the cafeteria facilities out for public bids?

**HON. J. PLOHMAN:** Mr. Chairman, as long as we continue to operate and manage that facility, we would not be looking at changing the staffing figures with regard to the cafeteria. There are a number of civil servants that are there and have jobs and we're certainly not looking to put them out of work at the present time, although I understand that it has been tried a couple of times in the past and did not prove satisfactory.

If the move is made to turn the Gimli Industrial Park over to various other agencies, municipal or the private sector, then obviously there would be some resulting changes with regard to the status of the staff there. That is one of the considerations that we have with regard to that move. But as long as we are continuing to operate it, we will be retaining the staff to do the job that is there.

**MR. H. GRAHAM:** Has the Minister ever given any consideration to contracting out the maintenance?

**HON. J. PLOHMAN:** Mr. Chairman, certainly the staff that is there are familiar with the requirements and the needs and are working out very well. There is a limit to maintenance services available through public tender in the area, and there has been no consideration given to changing that situation at the present time.

I might point out that since 1977-78, there has been a significant reduction in the number of employees at the Gimli Industrial Park, from 77 in 1977-78, to 55 at the present time. I would think that steps have been taken on a yearly basis to ensure that the park is operating as efficiently as possible with regard to the staffing that is there.

**MR. H. GRAHAM:** Mr. Chairman, can the Minister indicate who in his department is charged with the

responsibility for the day-to-day operation of the Gimli Park?

**HON. J. PLOHMAN:** Yes, the manager of Gimli Industrial Park is Jim Dunlop and he reports directly to the director.

**MR. H. GRAHAM:** To the director of what?

**HON. J. PLOHMAN:** To the Executive Director of Property Management.

**MR. H. GRAHAM:** To the Executive Director of Property Management?

**HON. J. PLOHMAN:** Keith McMillan, he's right beside me.

**MR. H. GRAHAM:** Mr. Chairman, the Minister seems to be concerned about the deficit. I think we all are concerned about it, although I have to say that the deficit in the operation of this doesn't seem to be out of line with the deficit that the Minister of Finance's running for the total province. There does seem to be some consistency in that respect.

**HON. J. PLOHMAN:** Thank you.

**MR. H. GRAHAM:** But, Mr. Chairman, I would hope that every effort is taken to increase the utilization of that park. If that can be achieved, it would appear that with a 25 percent vacancy rate, there is a possibility of it being a viable financial operation.

I would like to know what efforts Mr. Dunlop is making and what his budget is for promotion of the utilization of that park?

**HON. J. PLOHMAN:** Mr. Chairman, the Department of Business Development and Tourism is responsible for the promotion of the park. The Department of Government Services merely operates and manages the park, so there is no particular section in the budget that deals with promotion through our budget. We're working with the Department of Business Development and Tourism to look at alternatives for Gimli Industrial Park as I indicated earlier.

The work there has been ongoing for the last number of months in conjunction with the local communities, and I believe that it's getting to the point now where some decisions will be made shortly with regard to the future and perhaps, as a result of that, a reduction in the cost to government of this park.

**MR. H. GRAHAM:** Those are some of the questions I had. Perhaps some of the questions should have been asked of the Minister of Business Development and Tourism.

**MR. CHAIRMAN:** The Member for River Heights.

**MR. W. STEEN:** Mr. Chairman, the Minister mentioned that the Gimli Industrial Park was 76 percent occupied. What has been the trend for the last number of years? Is that the highest occupancy it's had for the last number of years or is it on a downward trend?

**HON. J. PLOHMAN:** Mr. Chairman, the numbers have been fairly steady in the last couple of years as I indicated earlier. In looking at the annual report for 1983-84 and comparing it to the exact nature of the tenancy there, since that time in 1984-85, they were fairly stable and consistent in terms of the numbers.

Previous to that, a number of years ago there may have been a time when there was a slightly higher occupancy rate, but it was never fully occupied at any time and there hasn't been a substantive change.

**MR. W. STEEN:** The Minister mentions that it costs about \$260,000 a year for some 55 employees, so it's costing him less than \$5,000 per employee from government funds per job. So I'm sure that if we could ever get that up to a place of about 90 percent occupied, it would look and appear to be on a break-even point.

How hopeful is the Minister on either turning it into a co-op owned by the existing tenants or some form of a condominium arrangement because there's quite a variety of tenants, like the CN Rail Transportation and the methods and the means that they would have, versus some of the very small operators in there. It's not like all partners in the program would have the same financial backing and that makes me wonder whether it will ever become privately owned by the tenants because of the wide variance and their abilities to own.

**HON. J. PLOHMAN:** All of these are being considered. Certainly Manitoba Housing is involved with the housing portion at the Gimli Industrial Park. There are also discussions with regard to separating certain portions of it, as to whether some should remain owned by the government and others sold, depending on the nature. So there has to be a flexible arrangement at the park and I think we have been making some progress toward that and the recreation centre is another entity there that has to be dealt with separately.

I should mention that the deficit we talked about was the \$266,000, not the total cost of the salaries for the staff, so if the member was under the impression that we were talking about the salaries, I'm certain he didn't think they were getting \$5,000 a year, but that's the figure he used and I just wonder whether that was a misunderstanding about the costs of the salaries there. I understand what he meant was that the cost per job was \$5,000; so actually there are other costs involved with the park as well. There's the tax component that Municipal Affairs is responsible for, in addition to the deficit that we run in this department for operating and so that expense as well and additional payroll costs, benefits, additional benefits that we also have to pay, by the Civil Service Commission, I should say, so this is in the Department of Government Services that we're talking about a \$266,000 operating deficit.

There's also the Capital improvements that go into it that aren't taken into consideration under Operating; so there's a number of other areas where there's a drain that we have to consider when we're looking at turning this over to or changing the nature of the operation.

**MR. W. STEEN:** Mr. Chairman, I'd like to ask the Minister if he could find out from Mr. McMillan what

the approximate number of persons that are employed by tenants that are there.

What I'd like to know is how many people go to work there every day, that may not work for us, approximately?

**HON. J. PLOHMAN:** Mr. Chairman, it's my understanding, including full-time and seasonal and part-time employees, there's a total of 328 employees at the Gimli Industrial Park.

**MR. W. STEEN:** Mr. Chairman, it's obvious then that this is a valuable component to the Gimli area, as far as being an employer, this industrial park, and I wonder why, and if the Minister should take it up with his deputy and the accounting people in this appropriation for next year that they should show a revenue aspect so that we can evaluate what the private sector are paying in the way of rent that is recoverable, so that it doesn't look like it's a \$2.5 million total drain on the taxpayer of Manitoba.

**HON. J. PLOHMAN:** Mr. Chairman, we've discussed this on other occasions in other Estimates with members of the opposition, obviously with regard to the matter of how revenues and recoveries are shown, but the Department of Finance requires that all revenue generated from outside sources has to be called revenue and comes directly into the Department of Finance not shown in the individual departmental budgets.

It comes from other departments within governments and it's shown as a recovery and it's shown as an offsetting figure in the budget; so we've given that information to the member and so he's aware, the committee's aware of what those revenues are, but they're just not shown in this particular budget because of the requirements by the Department of Finance.

**MR. W. STEEN:** Perhaps, Mr. Chairman, the Minister can, for the next set of Estimates, get the major item that caused about three hours discussion under the lease back arrangement shown in the Minister of Finance's Estimates for another year.

**MR. CHAIRMAN:** 2.(g)(1)—pass; 2.(g)(2)—pass.

2.(h)(1) Alterations, Furniture, Furnishings and Incidental Expenses - Project Management: (1) Minor Projects; (2) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I have been asked by the Member for Portage to inquire as to the - I believe there are some renovations being made to the North Grove Building in the Manitoba Development Centre in Portage. Would that come under Capital?

**HON. J. PLOHMAN:** Yes.

**MR. H. GRAHAM:** It would not be in this line?

**HON. J. PLOHMAN:** There are only minor alterations that are required by other departments and it's fully recoverable from other departments. It's simply here so that we have spending authority to undertake those

renovations and then we recover it from other departments.

**MR. CHAIRMAN:** 2.(h)(1)—pass; 2.(h)(2)—pass.

2.(j)(1) Technical and Energy Services: Salaries; 2.(j)(2) Other Expenditures - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, the Minister of Energy and Mines announced a program that was surveying various areas of the province on an energy efficient basis. Would that be in his own Estimates or is this part of it?

**HON. J. PLOHMAN:** No, Mr. Chairman, we do not have anything to do in Government Services with that program. That would be in the Minister of Energy and Mine's Estimates. What we're dealing with here is energy reduction, operations that are undertaken through the department on our own facilities.

**MR. CHAIRMAN:** 2.(j)(1)—pass; 2.(j)(2)—pass.

Resolution No. 77: Resolved that there be granted to Her Majesty, a sum not exceeding \$84,617,700 for Government Services, Property Management, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 3. We have called this item and I'm calling them one by one. 3.(a)(1) Executive Administration: (1) Salaries; 3.(a)(2) Other Expenditures—pass; 3.(a)(2)—pass. 3.(b)(1) Fleet Vehicles: (1) Salaries; 3.(b)(2) Other Expenditures; 3.(b)(3) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I notice, for a change here, we find the Minister is making some money and I think he should be commended for that - \$3,697,600.00. Does that amount go direct to the Minister of Finance or does the Minister have the option of using that on a lateral transfer within his department?

**HON. J. PLOHMAN:** Well, Mr. Chairman, the additional money in recoveries goes towards the purchase of the new vehicles each year, so that is used for vehicle replacement.

**MR. H. GRAHAM:** Well, Mr. Chairman, if that is what the Minister is using for replacement, I would suggest that he's probably not charging enough because he's only recovering about one-third of what it's costing.

**HON. J. PLOHMAN:** Well, Mr. Chairman, I don't know what the nature of the member's question was at that point, but the fact is that this amount of money offsets the capital costs of providing the Vehicle Replacement Program. You'll see the capital cost listed for vehicle replacement under Capital Expenditures and this is an offsetting recovery which is not quite the same. There are also some revenues involved as well that make up the difference.

**MR. H. GRAHAM:** Well, Mr. Chairman, if you don't mind jumping, we go to No. 7 and we find that vehicle replacement is \$4.5 million and he's recovering 3.7, approximately. So, I would suggest he's still not recovering enough from the various departments. I may have to re-evaluate my initial statement.

**HON. J. PLOHMAN:** I want to thank the member for his compliment. They're few and far between and so it was very nice while it lasted.

What I can say though is that we also have other revenue from boards, commissions, agencies and so on that makes up the difference, so the member would be very pleased to know that we're pretty well at a break-even and that's the way the program was designed for full replacement charges, depreciation costs taken into consideration from other departments for the operation of the fleet.

**MR. H. GRAHAM:** Mr. Chairman, in other years there has been quite a bit of discussion on the size of vehicles and the down-sizing and the up-sizing and all the rest of it. I don't choose to go into that at all. I'm quite prepared to say pass.

There are one or two others that want . . .

**MR. CHAIRMAN:** The Member for River Heights.

**MR. W. STEEN:** Mr. Chairman, to the Minister. Years ago, the government used to have a program where they traded cars every three or four years and I've noticed in the last half-dozen years that some cars seem to stay with us for quite a spell. I remember former Premier Schreyer drove a Chevrolet that must have, in the latter stages, been five or six years of age and I'm sure with the mileage that a person like him would have been putting on, it must have been going around about the 200,000 mile mark. Is there a policy as to when a vehicle is traded or is each vehicle assessed, based on its condition?

**HON. J. PLOHMAN:** Well, generally, Mr. Chairman, it is 129,000 kilometres or four years that is the replacement period. However, that's as a policy; from time to time, there's a variance to that depending on the nature of the vehicle and the preference of the individual driver. For example, if we're dealing with the full-size cars that were purchased under the previous administration versus the compact variety for Ministers, for example, there might be some Ministers who want to hang on to their older cars a little bit longer . . .

**MR. CHAIRMAN:** They get sentimental.

**HON. J. PLOHMAN:** . . . until they have to get into that smaller vehicle.

I guess when the member is referring to replacement program that used to be in place - he talked about three years - I don't know if it's ever been three years. Certainly, in the 1978-79-80 period, there was no replacement taking place and the vehicle fleet was running down dramatically during that period of time because the previous administration had some cuts in this particular area. However, that was found to be penny-wise and pound-foolish. The repair costs were so great that it caught up to the government fairly quickly.

Of course, we've undertaken to continue a reasonable replacement program over the past three and a half years and we are maintaining the fleet in reasonably good condition and reducing the repair and maintenance costs for our vehicles over the years and

also reducing, of course, the amount of gas that has been required because of the down-sizing policy. So, it has been pretty successful in terms of the overall cost to government.

**MR. W. STEEN:** To the Minister. When the department buys new vehicles and, I'm sure they buy them on a fleet basis, do they trade in or they wholesale the used products?

**HON. J. PLOHMAN:** The vehicles are used for seasonal programs by the various departments, a number of them are, and then they're sold by auction to the highest bidder.

**MR. W. STEEN:** So there's no such thing as the department buying 30 vehicles and trading 30 vehicles in to the dealer or the car manufacturer that has the best total price?

**HON. J. PLOHMAN:** Mr. Chairman, no, it wouldn't be that kind of arrangement.

**MR. W. STEEN:** Mr. Chairman, I said at the outset of the Estimates tonight that the forecast was for rain tomorrow and that the Member for Pembina couldn't be on the farm, but he could have also gone home and visited farmers that were off the fields. Those last remarks by the Minister saying that the former government ran the department into a hole just might have added another hour to the Minister's Estimates.

**HON. J. PLOHMAN:** Well, Mr. Chairman, I can't govern myself in what I say about what the Member for Pembina is doing - and I won't.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, I agree the Minister can't govern himself by what I say, but that's why he's so incompetent.

Mr. Chairman, could the Minister indicate what the size of the government fleet is right now?

**HON. J. PLOHMAN:** Mr. Chairman, it's just slightly over 2,500 vehicles.

**MR. J. ORCHARD:** Is that increasing or decreasing?

**HON. J. PLOHMAN:** Well, Mr. Chairman, it's not changing from '84-85. We have a policy in place that limits the number of vehicles to the current number and if the departments want additional vehicles, they have to be reprioritized from a lower-priority list of vehicles that is kept by the department and it is a matter then of utilizing one of the lower-priority vehicles for the new higher-priority program or request that is required by a department, so the numbers are staying the same.

**MR. D. ORCHARD:** Then, is the Minister indicating that since they have this policy in place of maintaining a relative, steady number of cars - what was the size of the vehicle fleet back in, say, 1981? Is it today up or down from the 1981 fleet size?

**HON. J. PLOHMAN:** Well, I don't have the 1981 figure when the member was in government, but we do have the '82-83 figure which was higher than it is now. It was 2,581 versus 2,529 at the present time.

**MR. D. ORCHARD:** Does the Government Services Minister have any idea how many privately owned vehicles the government is currently paying to the owners as employees' mileage for the operation of their vehicles privately owned?

**HON. J. PLOHMAN:** That's not part of the Vehicle Fleet Management Program, Mr. Chairman, so we do not have that information. It's not part of our administration.

**MR. D. ORCHARD:** Within your department, how many vehicles do you pay mileage on, to employees who own them?

**HON. J. PLOHMAN:** Mr. Chairman, since it's not part of this appropriation, this management part of the Vehicle Fleet Program that we're dealing with under the Estimates, we don't have that information under this program. We could get that kind of information, but we don't have it with regard to the discussion of the vehicle fleet. — (Interjection) — Of course, and I don't have that, Mr. Chairman.

**MR. D. ORCHARD:** That information would be appreciated - for the Minister to provide that at the next sitting of committee.

**HON. J. PLOHMAN:** Mr. Chairman, we have to get that from the Department of Finance. I would think that kind of information for this department and many departments, whatever the member wanted, would be appropriately asked for by Order for Return.

**MR. D. ORCHARD:** In other words the Minister doesn't know how many employees operate their own vehicles and are paid mileage within his department?

**HON. J. PLOHMAN:** Mr. Chairman, there's a lot of employees in this department that use their own vehicles for going to and from work, and perhaps use them in some duties related to their work. That would vary from department-to-department, and the nature of the work that they do, day-to-day, month-to-month, obviously, and I'm sure the member is fully aware that that is the case. That practice, of course, would have been in place since vehicles have been used by government employees.

**MR. D. ORCHARD:** The answer is still that the Minister is not aware of what his department spends and reimburses employees for private car use.

**HON. J. PLOHMAN:** Mr. Chairman, I have not asked for that information.

**MR. D. ORCHARD:** Well I have, Mr. Chairman, asked the Minister for that information and is it possible for him to provide it?

**HON. J. PLOHMAN:** Mr. Chairman, as I've indicated, I think the best way to secure that information would

be through Order for Return. By the time we request that kind of information and have staff compile it through Finance, there's a lot of work involved and takes a considerable amount of time. I am not certain, unless we had comparative figures from several years back, that it would be meaningful in any event.

**MR. D. ORCHARD:** Mr. Chairman, I think any figure that you develop in terms of cost, using taxpayers' dollars, is meaningful to the taxpayer. Is the Minister suggesting that the only way that information would be available is through an Order for Return, which the government can conveniently not answer until they're defeated at the polls in the next election?

**MR. CHAIRMAN:** Hypothetical.

**MR. D. ORCHARD:** You've got to call an election before that, Al. — (Interjection) — No, I said you guys won't have to pick up the tab. You heard me.

**MR. CHAIRMAN:** 3.(b)(1) - the Member for River Heights.

**MR. W. STEEN:** Mr. Chairman, to the Minister, under Fleet Vehicles, does the provincial central garage come under this expenditure?

**HON. J. PLOHMAN:** Yes, Mr. Chairman.

**MR. W. STEEN:** Can the Minister tell me the number of staff persons that work in the provincial garage?

**HON. J. PLOHMAN:** The total staff involved under Fleet Vehicles - I believe all of them in the central garage are 50.31, the same as last year, Mr. Chairman.

**MR. W. STEEN:** That's fine.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, can the Minister indicate, outside of ministerial vehicles - which I assume the same privilege exists today as did when I was more familiar with the policy, that a Minister can essentially order his ministerial car from a dealer of his choice in his own constituent - can the Minister indicate whether all other vehicles are purchased by tender?

**HON. J. PLOHMAN:** Mr. Chairman, that policy was changed from the time that the member was most familiar. I expect that he's talking about previous to November 1981, when he may have been most familiar with the policy and that was that Ministers could order a vehicle from a dealer of their choice. We've changed that policy, Mr. Chairman, to require a tendering process for all purchases, however the ministerial vehicles are purchased in a particular region, but we always get quotes from a number of dealers, I believe a minimum of three in the area.

**MR. D. ORCHARD:** Basically I think that's the process under which - I know my vehicle was purchased on the basis of three tenders from garages in my constituency and I presume that's the same policy that's in place

right now. So then the Minister is saying that all other vehicles are purchased on a tender basis. Can the Minister indicate how wide a circulation that tender is given?

**HON. J. PLOHMAN:** Mr. Chairman, all new vehicles are tendered and the tenders go out to all those that are listed by the Purchasing Branch that have shown interest or have bid in previous years, and all of the manufacturers.

**MR. D. ORCHARD:** Are there any exceptions to that rule other than the possibility of cars acquired by a Minister?

**HON. J. PLOHMAN:** No. The only exceptions are those purchased from Red River Community College that were damaged and support their auto-body program at Red River Community College. Other than that they're all tendered including, as I indicated earlier, the ministerial vehicles, but under somewhat different process.

**MR. D. ORCHARD:** So then the Minister is giving the assurance to this committee that a Minister of the government cannot phone up a car dealer of his choice and say, what have you got on the lot? I need a car, such-and-such, a mid-sized car or whatever; have you got one and can you sell it to me and give me a price on it, and buy it from that person?

**HON. J. PLOHMAN:** Mr. Chairman, I've indicated very clearly, that cannot be done. That apparently was the case in previous governments, but that is not the case now.

**MR. D. ORCHARD:** So it would be fair to assume then, that if a Minister of this government was doing that, that would be in violation of all of the tendering and purchasing guidelines that are set down by this government and adhered to by this government?

**HON. J. PLOHMAN:** Mr. Chairman, insofar as that, I don't know if there have been cases in the last two or three years where that may have happened, but at least in the last year, and perhaps somewhat longer than that, the policy has actually been a written policy and has been adhered to strictly. I'm not certain whether, in the first year of our administration, there was a different policy followed, but certainly this has been the policy for the last year and perhaps somewhat longer than that.

**MR. D. ORCHARD:** The Minister is telling me that it's been a written policy for the past year. Prior to that would it have been possible for a Minister to phone up a car dealer of his choice and order a car for use within his department?

**HON. J. PLOHMAN:** Mr. Chairman, I don't know exactly what period the member is talking about. It's possible that in 1982, for example, that could have happened, but that is not the policy that's in place at the present time. I can't really say whether that's happened in the last four years or not. It hasn't happened in the last year and perhaps the last two years.

**MR. D. ORCHARD:** Are Ministers who administer given Crown corporations or holding companies bound by the same restrictions, that cars for use in those Crown corporations or wholly-owned government operations, must purchase their vehicles through Government Services by public tender?

**HON. J. PLOHMAN:** There's no difference in the way Ministers are treated. What Crown corporations do with regard to their procedures is one thing and what the Ministers do is another, and that is bound by the policy that we have established through Government Services.

**MR. D. ORCHARD:** So then a Minister who, within his department, has a Crown corporation and let's use Gimli Properties, for instance, as an example. If a car was needed at Gimli Properties you would, as Minister responsible, have to go through the public tendering process to purchase a vehicle for use at Gimli Properties?

**HON. J. PLOHMAN:** Mr. Chairman, using that example that the member has used, Gimli Properties is operated as part of the Government Services operation and is treated the same way that requirements for vehicles are treated for any other area of the department.

**MR. D. ORCHARD:** In other words, you couldn't, as Minister, go out and buy a car for that, assuming that a car was needed. You would have to go through the public tendering process?

**HON. J. PLOHMAN:** Mr. Chairman, I'm a little bit confused as to whether the member is asking whether I'm going to go out and buy a car for Gimli Properties for use by some employee there, or whether he's talking about the Minister's vehicle at the present time?

**MR. D. ORCHARD:** You know what I'm talking about.

**HON. J. PLOHMAN:** I think, Mr. Chairman, the Member for Pembina knows what the procedures and policies are too, and I think it's made clear. I don't think there's anything further that I have to add to it.

**MR. D. ORCHARD:** Mr. Chairman, just so the Minister has made it clear. You're purchasing a vehicle - and I'm not talking about the Minister's vehicle - I'm talking about a vehicle for use by the department at something like Gimli Properties - you would have to go through the formal public tendering process to acquire that vehicle?

**HON. J. PLOHMAN:** That's right, Mr. Chairman. The overall vehicle fleet is assessed through the automated system that is there. Those vehicles that require replacement are identified on a system basis and they are replaced in the same way, regardless of whether it's Gimli Properties that we're talking about or whether it's Community Services or some other part of government.

**MR. D. ORCHARD:** Thank you.

**MR. CHAIRMAN:** 3.(b)(1)—pass; 3.(b)(2)—pass; 3.(b)(3)—pass.

3.(c)(1) Office Equipment Services, Salaries; 3.(c)(2) Other Expenditures; 3.(c)(3) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I don't know whether

**HON. J. PLOHMAN:** We're making money again?

**MR. H. GRAHAM:** I think I would like to ask a few questions dealing with Equipment Services and purchasing. Does a client of Government Services have the right to identify a particular piece of equipment as being necessary, or do they have to provide specs for the purchase of that kind of equipment? How does the purchasing operate?

**HON. J. PLOHMAN:** Insofar as office equipment is concerned, the Office Equipment Branch writes up the specifications that are required and sends it over to the Purchasing Branch which does the tendering of those pieces of equipment. We're dealing primarily with typewriters, adding machines, things like that. Electronic equipment is not a part of this and is not covered under the Equipment Branch.

**MR. H. GRAHAM:** So, in essence, if a secretary in our office wanted a particular type of typewriter, they could order that particular typewriter by name and model, or how does the system work?

**HON. J. PLOHMAN:** Mr. Chairman, Office Equipment will put out tenders for typewriters with certain specifications and buy them in volume, buy a number of them, and then if they are available, Office Equipment has them available to a particular department when the request comes in and they happen to have the one available that they've asked for, then it will be granted. If that particular one is not available, then the particular office would obviously not be able to get the one that they specifically asked for, but a similar model. There are a number of them purchased in volume for specifications that are drawn up through Office Equipment.

**MR. H. GRAHAM:** Who draws up the specifications for the various pieces of equipment?

**HON. J. PLOHMAN:** The Office Equipment staff are responsible for drawing up those specifications as I've indicated earlier. Their job, of course, is to keep abreast of the latest technology and developments and what's available so that they can reflect that in their specifications.

**MR. H. GRAHAM:** Is it possible then that the specs could be drawn up in such a way that only one product is available in the market?

**HON. J. PLOHMAN:** Mr. Chairman, the specifications are drawn up in such a way that several bids can be submitted by manufacturers, suppliers of that equipment, so that it is not drawn up, so that it would eliminate all competition. It's obviously desirable from government's point of view to have a number of bids

possible, so the specifications are written in such a way as to provide for as much competition in that regard as possible.

**MR. H. GRAHAM:** Mr. Chairman, it was not too long ago that the whole sound system in the Legislative Chamber was changed at considerable expense. I presume that there were specifications drawn up to specify a certain type of equipment to be used. Can the Minister indicate - in that particular case would it be the staff that would draw up the specifications or would they hire specialty consultants to do that type of work?

**HON. J. PLOHMAN:** Well, Mr. Chairman, that took place several years ago but I understand that in the particular case for the Chamber, there were consultants engaged to draw up the specifications for the sound system in the Legislature.

**MR. H. GRAHAM:** The reason I asked the question, Mr. Chairman, is I know on numerous occasions, members of the Assembly have complained about the results of the installation of that equipment, the fact that they can't hear and things of that nature. I always become concerned when they hire consultants because the consultants can conceivably write into the specifications certain specs that would, in effect, prohibit competitors from bidding on the equipment because the company that he represents happens to have the only type of equipment that would meet the specs. Is that a possibility that could occur?

**HON. J. PLOHMAN:** Well, Mr. Chairman, there are certain specialized areas where certain expertise is required. That would be one example of where special expertise was required.

I understand in that particular case, that the rate specifications were as broad as possible so that there was opportunity for many or several different suppliers to bid, so it was not identified in such a narrow way that only one suppliers would be able to meet the specifications, Mr. Chairman.

**MR. H. GRAHAM:** Mr. Chairman, we are now moving into a new type of office equipment that seems to springing up in various offices throughout this building and that is in the field of word processing. Can the Minister indicate how many different types of word processors the Government Services have purchased in the last three years? Are they compatible one with another?

**HON. J. PLOHMAN:** Well, Mr. Chairman, the Office Equipment, as I've indicated earlier, is only involved with typewriters and electronic typewriters which might be the first phase of word processing, but that's as far as Office Equipment is involved through Government Services. The Information Management Division in the Department of Finance is responsible for all of the other electronic equipment and word processing equipment that is used by government and it is not part of the jurisdiction of the Department of Government Services at this time. They do it in consultation with the Manitoba Data Services and we are having some discussions and

consultations with the Department of Finance as to whether word processing is most appropriately handled through Information Management Division or whether there should be some consideration of amalgamating these two services at some time in the future. At the present time, we have no jurisdiction over the whole area of word processing.

**MR. H. GRAHAM:** Since Government Services do not handle word processing, can the Minister indicate what other services are required by government that his department does not handle.

**HON. J. PLOHMAN:** Well, Mr. Chairman, I think we should stick to with what the department does handle. When the member talks about what services are not handled, that's a pretty broad question. There's the Queen's Printer, which obviously is not part of the Department of Government Services at this time. Office supplies, they're also not included in Government Services at this time.

**MR. H. GRAHAM:** Office equipment is, but not office supplies.

**HON. J. PLOHMAN:** Yes, office supplies is included under the Queen's Printer.

**MR. H. GRAHAM:** Well, Mr. Chairman, this makes it rather confusing and rather difficult to find out just where the purchasing lies. I was under the impression that Government Services does all the purchasing of goods and materials for government, but now we're finding out that they don't.

I think it might be easier if the Minister indicated to us which purchases they do not handle. I was under the impression they handled them all, but that apparently is not the case.

**HON. J. PLOHMAN:** Mr. Chairman, we have to remember that the member should be differentiating here between purchasing and the Office Equipment Services Branch that we're talking about now. We're not dealing with the purchasing; that hasn't changed. We're just talking about the responsibility of the branch with regard to equipment here and buying and leasing to departments. That's the responsibility that we have.

**MR. CHAIRMAN:** 3.(c)(1) - the Member for Elmwood.

**MR. R. DOERN:** Mr. Chairman, I just wanted to make a remark in passing in line with what the Member for Virden was saying. I just want to appeal to the Minister to see whether or not he could make an improvement in the sound system in the Legislative Chamber.

A lot of money was invested in that. We've had the system in place for a number of years and we now have the disastrous system of so-called natural voice and there are people in the Chamber who mumble or face the Speaker so they can get their mug on television, supposedly addressing the Speaker, supposedly addressing the Chair but, in fact, glueing their eyes on the lens of the camera. There are three or four notorious examples in the front bench.

**A MEMBER:** Name them.

**MR. R. DOERN:** Name them? The Minister of Finance, the Premier . . .

**A MEMBER:** Smile and frown, Howie.

**MR. R. DOERN:** . . . the Minister of Energy and the Attorney-General. That's for starters.

**HON. J. PLOHMAN:** They're all closest to the camera.

**MR. R. DOERN:** But, Mr. Chairman, the point is that when it comes to natural voice, there are people who cannot project over their own desk and in the old days of 10 years ago or whenever, prior to the system being installed, each MLA had an amplifier or a microphone, whatever it was, in front of him, a speaker, and on top of that his own microphone; so there were like 57 amplifications of any voice in the Chamber and nobody had any problem hearing.

**HON. J. PLOHMAN:** Who changed that?

**MR. R. DOERN:** The point is that it was changed and it's now better for Hansard, it's now better for that purpose. Up in the gallery there are amplifiers, but down on the floor we have great difficulty hearing people like the Minister of Finance and there are others as well. I'm simply saying that I don't see why a sound engineer can't be brought in and asked to make suggestions on how the sound level could be improved in the Chamber.

I would ask the Minister to give that undertaking to explore making an improvement in that area and I'd be happy to talk to him about that later.

**HON. J. PLOHMAN:** Mr. Chairman, just to comment on that, I think that matter would be most appropriately dealt with by the Legislative Management Commission dealing with services to members and the Member for Pembina says that they won't make a decision. I don't think this matter has been referred and his party is represented on that commission and they can certainly facilitate decisions by working co-operatively.

So, Mr. Chairman, I really believe that's where it has to start and if that comes forward as a request to the Minister of Government Services from the commission as a result of the members getting together and deciding that this is something that should be addressed as a priority, then we will be glad to co-operate in doing whatever we can to look at that further and see that some changes could be made.

**MR. R. DOERN:** Mr. Chairman, that is, of course, going the bureaucratic . . .

**HON. J. PLOHMAN:** These guys aren't bureaucrats, Mr. Chairman, these are your colleagues.

**MR. CHAIRMAN:** Order please, for the purpose of recording.

**MR. R. DOERN:** When it comes to recarpeting the Chamber or putting in new drapes or a whole series of things, the Minister has that authority . . .

**HON. J. PLOHMAN:** Not in the Chamber.

**MR. R. DOERN:** . . . and I think he could undertake that without going through some long, convoluted procedure.

**MR. CHAIRMAN:** 3.(c)(1) - the Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, the Minister indicated under this line that electric typewriters were purchased. I heard him correctly?

**HON. J. PLOHMAN:** Electronic typewriters, memory typewriters. Well, they're all electric. There are not too many manual typewriters left.

**MR. D. ORCHARD:** Can the Minister indicate whether there is a major supplier of these, one firm that is the major supplier to government of these electronic typewriters?

**HON. J. PLOHMAN:** Mr. Chairman, there are at least two major suppliers for government memory typewriters. IBM and Olivetti are two of those and 3M, so there are three at least.

**MR. D. ORCHARD:** And do those suppliers supply the machines directly to Government Services?

**HON. J. PLOHMAN:** In most cases, the specifications are drawn by Office Equipment and they go to Purchasing where the tenders are let and the purchasing takes place and they're turned over to Office Equipment for lease back to the departments.

**MR. D. ORCHARD:** Mr. Chairman, I didn't ask the Minister the paper flow and the routing. I asked him whether those three companies he mentioned sold directly to the government.

**HON. J. PLOHMAN:** Mr. Chairman, how they market their goods is certainly their affair. In some cases, they can deal directly with government or they can go through their agents.

**MR. D. ORCHARD:** Mr. Chairman, does MTS fill any of these tenders?

**HON. J. PLOHMAN:** Mr. Chairman, I'm advised that some time in the past, MTS has, on occasion, bid on the typewriters but not in the last year or so. They had one model that they were marketing, but I don't believe from the information I have that they were successful at any time in the past.

**MR. D. ORCHARD:** So, the Minister is saying that in the past year, to his knowledge, MTS has not been successfully tendering on any of the electronic typewriters purchased by Government Services?

**HON. J. PLOHMAN:** That's correct as it applies to electronic memory typewriters, and that's what we're talking about, that they have not been.

**MR. D. ORCHARD:** Under Office Equipment, has the Telephone System supplied any other types of equipment purchases under this appropriation?

**HON. J. PLOHMAN:** Not to my knowledge at the present time, Mr. Chairman.

**MR. CHAIRMAN:** 3.(c)(1)—pass; 3.(c)(2)—pass; 3.(c)(3)—pass.

3.(d)(1) Purchasing: Salaries; 3.(d)(2) Other Expenditures - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, under Purchasing, can the Minister indicate in round figures what percentage of purchases are made that are tendered by public tenders?

**HON. J. PLOHMAN:** All purchases, Mr. Chairman, are done by tender, by competition. They are not all advertised but the department maintains an up-to-date list of suppliers that are invited to bid on equipment that is required by the government at any particular time, so that there is a competition and tendering process for all purchases made through the Purchasing Branch.

**MR. H. GRAHAM:** Mr. Chairman, the Minister is maybe jumping the gun here. My next question was what percentage of purchases are made by invitational tender? That's the question I should have asked first.

**HON. J. PLOHMAN:** Well, Mr. Chairman, perhaps then the member could clarify further what he means by invitational tender. As I said earlier, the department maintains an up-to-date list of all suppliers for particular kinds of equipment.

**MR. H. GRAHAM:** Well, Mr. Chairman, when I asked about public tender I presumed that there would be a public notice published, that Government Services requested bids to supply the following equipment and that would be a public notice that was either published in the newspapers or some other method.

By Invitational tender I don't believe there are any notices given other than a notice is sent to a few people who are on probably a long list of suppliers. I would like to know what percentage in round figures is done by public tender where notice is printed and what percentage is done by invitational tender?

**HON. J. PLOHMAN:** Mr. Chairman, if Purchasing was to advertise publicly every time there was a purchase required, it would involve several thousand advertisements every year and that is not done. The percentage is almost 100 percent in terms of purchasing through the list that I've mentioned of suppliers that are available or have shown an inclination to bid in the past on a particular kind of equipment that is required. It's not strictly invitational and that would seem to indicate just a few of those suppliers would be invited to tender. All of those on the list that have shown an interest in supplying the equipment that are supplies that are needed are given an opportunity to submit a bid.

If we wanted to look at the example of vehicles, I have a long list, a page long of all those dealers and manufacturers who are given an opportunity to submit a bid. There is an extensive list compiled and it is rather thorough and seems to be working relatively well and

fair. If there's anyone that did not know about a particular opportunity, a tender that had gone out because they hadn't been operating in the past and they hadn't shown any interest, they weren't on the list, then they certainly would replace them on the list for the next opportunity.

**MR. H. GRAHAM:** Mr. Chairman, if a supplier of goods writes a letter to the Government Services Purchasing Department, if they have shown enough interest to write a letter asking that their name be put on the list, is that sufficient interest for that supplier to be assured that he would be notified everytime the tenders were called for goods and services that he is able to supply?

**HON. J. PLOHMAN:** If a letter is sent in, if it comes to my office, certainly, I would forward it to the department and ask them to place this particular firm on the tender list and that is the practice, that firm would be placed on the tender list, tenders would be forwarded. If they showed no inclination after a couple of opportunities and did not return any correspondence, did not indicate any interest, then they would be dropped from the list. Certainly, if they are interested and they are bidding, they would be continued to be included on the tender list and invited to bid.

**MR. H. GRAHAM:** Would the Minister then be notified that their name had been taken off the list?

**HON. J. PLOHMAN:** Mr. Chairman, the Minister would not be notified in every case if they had been taken off the list. If I got a complaint from someone, I would certainly look into it and forward it back down and ask why these people had not been retained on the list, but I haven't received that kind of complaint.

I have received some concerns with regard to purchasing from time to time, and as I said, I've asked the department to follow up and ensure that they're given a fair opportunity.

**MR. H. GRAHAM:** Mr. Chairman, the Minister has indicated that the way a person is to get on the list is to write a letter to him, to the Minister personally, asking that their name be placed on the list.

**HON. J. PLOHMAN:** I didn't say that, Mr. Chairman. I said if the letter comes to me, I forward it on. Obviously there are other ways to indicate their interest, either by phoning the Purchasing Branch, phoning other members of the department and indicating their interest, or writing.

**MR. H. GRAHAM:** Mr. Chairman, I just want the record to show that I asked the Minister how a person would get their name on that list, and the Minister indicated that if they wrote a letter to him, he would make sure their name got on the list.

**HON. J. PLOHMAN:** Well, of course.

**MR. H. GRAHAM:** Now if there's another way to get on the list, would the Minister indicate, please, how that person can get on the list by some other means than writing a letter to the Minister?

**HON. J. PLOHMAN:** Mr. Chairman, what I did say is that if I received a request, I would forward it on to ensure that they were placed on the list. Certainly they can contact the Purchasing Department which many of them do, and request that they be placed on the list.

**MR. H. GRAHAM:** Mr. Chairman, if the Minister has shown enough interest to make sure that a supplier's name gets on the list, would it not be common courtesy that the Minister be informed when that supplier name is taken off the list?

**HON. J. PLOHMAN:** Mr. Chairman, the member knows that any requests I get come from an individual or a firm that is interested, and I said I would pass them on. If that firm, in the same way, indicated they felt that they had been unfairly treated, I would also ask the department to place them on the list and ensure that they are given every opportunity.

So that's where the involvement of the Minister's offices comes, not in a reporting mechanism from the Purchasing Branch as to who is on the list at a particular time. I, frankly, don't have time to deal with all of that and I don't think it's a matter that I should be dealing with.

The department also advises me that they do publicize the opportunities that are available through government in various shows, trade shows that take place, with the Federal Government as well, so that suppliers are aware of what opportunities are there for government purchasing.

**MR. H. GRAHAM:** Mr. Chairman, the Minister indicated that if a supplier did not bid on one or two tenders their names may be dropped from the list. Is that correct?

**HON. J. PLOHMAN:** What I indicated is that if there was no correspondence forthcoming from the individual firm, if they did not indicate any interest whatsoever, if they do not even return the tenders or indicate that there was a reason why they couldn't bid on a particular situation, a particular call, and if that happened a couple of times in a row, there was no interest shown whatsoever, then they would be dropped from the list.

**MR. H. GRAHAM:** Are there any other criteria used for dropping a supplier's name from the list?

**HON. J. PLOHMAN:** If a supplier does not provide good service or performance with regard to the delivery of the goods or the quality of the particular goods that have been tendered and he has been successful on bidding on, there are problems with the supplying, he would be notified by the Purchasing Department that they have concern about his ability to supply and he may be passed over, I would think on occasion, because of that.

If he indicates another interest at some time in the future, he certainly could be considered again at that time. But it would depend on performance and it's rather an exceptional case where this would happen, certainly not the rule, rather infrequent that this kind of situation would arise. But the member asked if there were any

other criteria or any other situations where that might happen and I'm advised that that might be the case. I'm not aware of any other criteria that are used.

**MR. H. GRAHAM:** Mr. Chairman, if the supplier, through no fault of his own, finds that it's impossible for him to supply some of the goods and services required because of labour problems at the factory or something of that nature, is that taken into consideration in future tenders?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, generally that would be taken into consideration.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman.

Mr. Chairman, the Minister indicates that the department maintains a list of suppliers and when a department has a request for a given piece of equipment that - if I can ask the Minister if this is the way the system works - presumably the suppliers of that equipment would receive an invitation to tender from Purchasing Branch, and on that basis would submit a tender, if they so desire?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, that's my understanding of the process.

**MR. D. ORCHARD:** Mr. Chairman, could the Minister explain why the Purchasing Branch sent out a tender to at least one supplier of services in Manitoba for "two only Midland 70-340 Lunch Bucket portable synthesized radios" when, in fact, there is only one supplier in Manitoba of the Midland radio line, that being the Manitoba Telephone System? Why would the invitation to tender be sent out to suppliers who cannot supply that particular radio?

**HON. J. PLOHMAN:** Mr. Chairman, without having the details of that particular purchase in front of me, I understand that that tender qualified that with a provision for/or equal, so that a firm who had a particular model that was equal in capabilities, could be considered as well.

**MR. D. ORCHARD:** Mr. Chairman, the tender says, as above, or approved alternates. What were the approved alternates?

**HON. J. PLOHMAN:** Well, Mr. Chairman, I understand that the tender went out to 11 suppliers. Some of those could have bid but decided that they weren't competitive and, therefore, did not submit bids. At this particular time, the specifications were written rather narrowly and since that time there are broader specifications for this kind of equipment and there would be at least three that would be bidding at this time, I'm advised, as opposed to October, 1984. It's a constantly evolving situation out there with the suppliers, particularly with the technical equipment that is available and it varies from time to time as to how many suppliers might be capable at any particular time of supplying a particular piece of equipment that is required.

Certainly, there would be broader specifications at the present time and would undoubtedly result in more

than one bid. However, in that particular case, that was the situation.

**MR. D. ORCHARD:** Mr. Chairman, this bid - and I'll give you the numbers so that we can make sure we're talking about the same one - it's Tender No. 23-119. It was supplies required by the Department of Energy and Mines in Winnipeg. It's a very narrow tender. It doesn't say what the approved alternates are and when it requests Midland model radios which are only supplied by the Manitoba Telephone System, I want to tell you that raises the hackles of the private sector suppliers out there that are scratching to make a living when the government gerrymanders the tendering process to narrow it down so that they don't have a look-in on the tender business, that the tender is worded in such a way that anyone who doesn't supply Midland, i.e., MTS, need not apply.

If that's the way the Purchasing Branch is operating so that given suppliers are given almost a carte blanche on certain items by the way the tender is written, as it is in this case, then that throws into disrepute the whole system the Minister has been expounding on tonight. It causes the private sector who are paying the taxes in this province, it puts them in a very, very ugly mood when they consider that they don't have a look-in, they can't compete on this kind of a tendering process when it's narrowly written in favour of the Crown corporation, MTS, so that they only will end up supplying that kind of equipment, you're wasting government money in sending out this tender to other suppliers because the alternates aren't even specified. They can't get Midland radios because MTS is the sole supplier and it makes the tendering process a sham.

If the Minister is now saying that has been rectified so that the private sector competitors in the supply business now have an open chance to compete, then I would have to say that some of the concerns that we have been constantly bringing to the attention of this government primarily through the Public Utilities hearings about the predatory competition of MTS against private sector suppliers is wrong, then I feel tonight that we've at least made some semblance of progress towards getting this government to really open up the tendering business instead of having it biased in favour of the Manitoba Telephone System.

**HON. J. PLOHMAN:** Well, this is certainly an exception and not the rule. Generally speaking, brand names are not specified, generic names are specified, and that is the rule. However, under certain circumstances, when a department requests a particular piece of equipment with a particular brand name and they do not specify any alternatives and there's an urgent requirement for that piece of equipment, this occasion can arise. It is not the rule and it is on odd occasions that this would actually take place.

Alternates were specified by Purchasing even though the request had come in with no alternates specified and, of course, the competitors could have bid a better quality radio that with other features that would have been considered. However, they did not do that.

As I've indicated, though, that has been changed. Broader specifications are specified at the present time and, generally, that is the practice of the Purchasing

Branch to make every effort to make every bid as competitive as possible.

**MR. CHAIRMAN:** 3.(d)(1) to 3.(e)(4) were each read and passed.

3.(f)(1) - the Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, could the Minister explain the role undertaken under Telecommunications here?

**HON. J. PLOHMAN:** Mr. Chairman, the member is aware of the general function of the Telecommunications Branch which is to provide advice to departments evaluating and authorizing telecommunications equipment that is required by the government throughout the system.

In addition to that they operate the central switchboard and receptionist services in certain facilities of government.

Mr. Chairman, they are also responsible for assembling and compiling the interdepartmental telephone directory information. They do evaluations of the current telecommunications services that are available in the government at the present time and they discuss and liaise with the Manitoba Telephone System on technology and developments that are available, equipment that's available, evaluate it and make decisions as to the kinds of equipment that should be utilized by government.

**MR. D. ORCHARD:** Under Telecommunications, what services do they provide advice on, other than the basic telephone network within government?

**HON. J. PLOHMAN:** Mr. Chairman, I indicated the general responsibilities in terms of evaluating the latest equipment that might be available, telecommunications equipment, for example, at the present time we're looking at the areas of teleconferencing and how that could be utilized between government buildings and various locations in the province to reduce travel costs, by utilizing the technologies available through the telephone system; telestrators that might be available, the audio-video capabilities that are evolving in the system at the present time.

They are also looking at the areas of interconnecting communications between branches for word processors and memory typewriters, that kind of thing, in addition to the telephone function as it's conventionally known.

**MR. D. ORCHARD:** Mr. Chairman, was the department involved with the negotiations with MTS in the establishment of the audio-visual link via coaxial cable between the Teaching School of Psychiatry and the Brandon Mental Health Centre?

**HON. J. PLOHMAN:** Mr. Chairman, there was no direct involvement in that particular project by the Telecommunications Branch of the Department of Government Services.

**MR. D. ORCHARD:** That begs the question, was there any indirect involvement?

**HON. J. PLOHMAN:** Only that the staff was aware of what was happening. I don't believe they were asked

for any specific or particular advice by the Department of Health and the Telephone System at the time that the program or project was being put in place.

**MR. D. ORCHARD:** Can I take from that answer that Government Services was not involved in negotiating the price charged, etc., etc., by MTS for provision of that service?

**HON. J. PLOHMAN:** No, there was no involvement.

**MR. D. ORCHARD:** Can the Minister explain why Other Expenditures are up by some \$120,000 this year?

**HON. J. PLOHMAN:** There's a built-in MTS rental rate increase, that was approved by Public Utilities Board; there's additional WATS and rental costs as well coincident to the new switchboard at The Pas, which are the two major areas; and increased ongoing and other message centre usages by the department. That's the three areas that account for the increase.

**MR. CHAIRMAN:** The Member for River Heights.

**MR. W. STEEN:** Mr. Chairman, to the Minister, in his report on Page 13, he makes reference to the fact that the total expenditure for WATS was \$719,200.00. I would trust that that is shown here in Item (f)(2) Other Expenditures. Is that part of that expenditure?

**HON. J. PLOHMAN:** Yes, Mr. Chairman.

**MR. W. STEEN:** Further on, it mentions that there's a saving of \$327,500 by going the WATS route. Was the year of '83-84, which is mentioned in your Annual Report, the first year of the WATS system being in operation for the Provincial Government?

**HON. J. PLOHMAN:** In June of '84, Mr. Chairman, there was the introduction of the new Centrex system and expansion of the WATS system in the province, so that was a major change in that particular year. That would have been reflected in the saving with the WATS being used instead of the long distance that was previously used.

**MR. W. STEEN:** To the Minister, this is perhaps somewhat a technical question, but how does the telephone system arrive at a figure for the WATS? Do they take the previous year's calls that are made and calculate them and how far they're being - to what jurisdictions, and then they come up with a group rate for the following year or would, for example, the Province of B.C. pay a lot more for a WATS line per employee than us because they're located on the west coast of our country and might be phoning Ottawa just as often as Manitoba? How is this package put together?

**HON. J. PLOHMAN:** Mr. Chairman, it's done by distance and area and frequency of calls, I understand, but I would defer that particular question to Gordon Holland, but he's not here right now. I really have to say that the member is correct, we don't know the exact criteria that are used by the MTS in setting those rates, but

I'm sure some of the considerations that were mentioned by the member are part of the criteria that are used in developing the actual rates.

**MR. W. STEEN:** You made the statement in your report that there's been a large saving of \$327,000; how did you calculate that?

**HON. J. PLOHMAN:** That was over the previous system, Mr. Chairman, and as to what the costs are now. We know what our costs are, but the question that was asked was not what our costs are and how the saving is achieved by changing the system that we're using. The question was, what criteria are used by MTS in setting the rates. The fact is that they are cheaper, as exemplified by the experience that we have, and it's reflected in the Annual Report.

**MR. W. STEEN:** Mr. Chairman, does the MTS tell the Minister's Department a year in advance what the group rate or the flat rate will be for the WATS rental service?

**HON. J. PLOHMAN:** I believe the WATS rates are approved by the Public Utilities Board and we're aware of them. Before the department went into this new system and greater utilization of the WATS lines, we were made aware obviously by MTS of what the costs would be and what the cost savings would be and of course our staff people in the Telecommunications Branch would have evaluated that to determine whether it was cost beneficial for the government to make the change or not.

**MR. W. STEEN:** If an individual buys a monthly bus pass from the Transit System, the Transit System always says you can use the pass as much as you want. Can the Provincial Government use the WAT System as much as they want and it doesn't have a bearing on the rate, it's a group rate?

**HON. J. PLOHMAN:** I understand, Mr. Chairman, that the costs could change from year to year, depending on the usage, and the experience reflected. There is some change in the rates if it goes over a certain threshold or under a certain threshold, but I don't know what those figures would be.

**MR. CHAIRMAN:** 3.(f)(1)—pass; 3.(f)(2)—pass; 3.(f)(3)—pass; 3.(g)(1)—pass.

3.(g)(2) - the Member for River Heights.

**MR. W. STEEN:** I recall that the Minister in his opening remarks made some reference to the postal services and the fact that there have been some savings that have been generated in this particular branch of his department, and that is, I trust there are less pickups from various government offices now than there had been in the past.

**HON. J. PLOHMAN:** Mr. Chairman, as a general rule, there has been a reduction in pickup from twice a day to once a day.

**MR. W. STEEN:** And as postal rates are increasing at the federal level, this is one way of offsetting them.

**HON. J. PLOHMAN:** Well, that's one way of offsetting them. We have been notified, of course, that there now is a increase, since the budget was set, in the postal rates that will result in an additional cost to government of approximately \$180,000, to the Manitoba Government, and that is not reflected in this budget and will be required in the coming year, because of the postal increase.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, has the Minister any indication that the reduction from two down to one pickup per day for mail service will result in a saving here, but additional costs for courier services?

**HON. J. PLOHMAN:** I think we can anticipate that there may be some additional cost for courier service, however, that wouldn't be reflected in this particular appropriation; that will have to be evaluated to determine whether it is a cost efficient way of doing it. Certainly, at the Legislature we still retained the two pickups per day, but there will be some areas of government where there is a requirement to have additional service and they undoubtedly will be using other means of achieving that.

We will be working with departments to discourage that use and to ensure that we realize the savings in the reduction to government overall. That's a difficult area and it's one would have to be monitored.

**MR. D. ORCHARD:** Mr. Chairman, has the postal services appropriation set up a formal monitoring of the use of courier services by the departments of government, so that you can see whether this reduction in pickup from twice daily to once daily, in fact, achieves a net saving overall to government, because I'm sure the Minister is aware that courier services are not budgeted for under one appropriation in Government Services, each various line in the Estimates can, by and large, have an allocation and an expenditure for courier service; hence it's spread throughout the entire bureaucracy.

Without having an ability to monitor that, I don't think the Minister can say that this reduction in the frequency of pickup can achieve a net saving unless they are monitoring very closely for at least the next year the cost of courier service to government, because he may well find that in fact he has increased the cost overall to government and to the taxpayers.

**HON. J. PLOHMAN:** Well, I've indicated that that is entirely possible, although I've also indicated that we have contacted departments and discouraged them from utilizing the courier services as an alternative. There may have to be more work done in that area to ensure that departments are not simply providing the same service through a more costly method, which would be courier service.

We don't have a particular monitoring function in this area of the department certainly for it, and it's one that we would have to consider through Treasury Board, through the Department of Finance, I would imagine, to actually get a figure on how much the courier services have increased. That certainly could be done through

Treasury Board and the Department of Finance, and is one that I will raise with them to determine whether we are indeed effecting a cost saving here.

**MR. D. ORCHARD:** Mr. Chairman, I would strongly recommend that, because I can appreciate this department's efforts to reduce cost, which theoretically shouldn't interfere dramatically with the flow of information in government, but unless you have established a formal monitoring system for the initial time period, this year, that you've reduced your pickup service, you, I believe, could very quickly lose control of your cost savings and in effect drive it up.

I would recommend to the Minister that he take that to Treasury Board and assure that there is some, maybe not through all departments, but maybe randomly through several departments there is a monitoring of their courier service use this year over last year to see whether there is a net saving to government through this move.

**MR. CHAIRMAN:** 3.(g)(1) - the Member for River Heights.

**MR. W. STEEN:** One question for the Minister, a final question. Once I was talking to the production manager of one of our local breweries and I asked him what the lifespan of a paper carton that the beer bottles are distributed in, and he said you get one and a half trips from each cardboard container.

Has the department ever done any studies as to the major envelopes that we use for interdepartmental mailing as to the average number of trips that we get from those envelopes?

**HON. J. PLOHMAN:** I guess an informal way of doing that would be to notice that those envelopes are readdressed until they're finally full, so there's certainly much more than one time, and obviously is much more efficient than not utilizing them, but we haven't actually done a count of how many times they're utilized. It's obvious that it's several times from the experience that any one of us would have in utilizing them.

**MR. CHAIRMAN:** 3.(g)(1)—pass; 3.(g)(2)—pass; 3.(g)(3)—pass; 3.(g)(4)—pass.

Resolution 78: Resolved that there be granted to Her Majesty a sum not exceeding \$3,396,600 for Government Services, Supply and Services, for the fiscal year ending the 31st day of March, 1986 - the Member for Virten.

**MR. H. GRAHAM:** Before we pass this resolution, I think it should be noted that we in the opposition have expressed our concerns about the methods the government uses in purchasing at a time when we're trying our very best to create jobs, jobs, jobs and more jobs, which is the philosophy of this government. We find that, in essence, the government through its purchasing, quite often is purchasing direct from companies bypassing the small businessman and is probably denying a few jobs in the Province of Manitoba.

The tendering process that has been used or is in use, is one that, in my opinion, leaves something to

be desired. We find that quite often the specifications are drawn up in such a way that it does effectively prevent many companies from supplying products, which might be equally as good or in some cases might even be superior.

So the whole process of government purchases is, in my opinion, one that should be reviewed completely so that the people of Manitoba can be assured that the purchases of government are done in such a way that the public is protected and we have, at the same time, every opportunity for local suppliers to bid on government supplies.

**HON. J. PLOHMAN:** Mr. Chairman, I disagree with the member's statements. I think that the member is generalizing and using the odd exception to attempt to make a point here. It's clear to me that there are the odd exceptions where there isn't as much opportunity as there generally is, but that certainly is not the rule.

We have put in place a Buy Manitoba Program that has assisted Manitoba small businesses by enabling them to compete, and if they have a manufacturing presence in the province they are given preference over those who don't, so that there is that spinoff and employment factor here in the province. This has occurred many times since we've put this in place, this Buy Manitoba Program to assist local suppliers - a program that was put in place by our government and one that certainly was not in place under the previous government.

**MR. CHAIRMAN:** Resolution 78—pass.

What is the pleasure of the Committee?

**SOME HONOURABLE MEMBERS:** Committee rise.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Committee, come to order. We are considering the Estimates of the Department of Agriculture, Item 5. Farm and Rural Development Division (a) Administration: (1) Salaries - the Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman. I have a few questions I'd like to raise with the Minister at this time regarding the Agro-Man Agreement that was signed previously, I believe in 1980, by the previous Minister of Agriculture.

I believe it was a five-year agreement that was signed and I believe it has terminated. I wonder if the Minister could indicate whether that program is now completed.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, I'd appreciate that the honourable member raise his questions when we're on Appropriation No. 7, the Canada-Manitoba Value-Added Crops Production Agreement. Both agreement, one is terminating, one is beginning; they're both under that heading, Mr. Chairman.

**MR. A. DRIEDGER:** That's fine. I keep picking the wrong areas to talk to the Minister, we're building up a case

here . . . would be the Manitoba National Products Marketing Council, as well as this one; but that's fine then. I'd like to just maybe touch on the TRIP Program in this area, would that be the appropriate place to discuss it, the TRIP Program?

**HON. B. URUSKI:** Mr. Chairman, I'm assuming the program he's talking about is the Crown lands, the TRIP Program under Agro-Man. That's under Agro-Man, as well, Mr. Chairman. There is a Crown Land TRIP Program he might want to discuss. If it's dealing with the Agro-Man portion, it would be under Appropriation 7. If it is the regular Crown land program, it would be when we reach Crown Lands, under Item (h) in this sub-appropriation.

**MR. A. DRIEDGER:** No, what I was referring to was the program whereby farmers who want to clear land and get a freeze on the interest rate. I wonder if the Minister could give us an update on that program.

**HON. B. URUSKI:** Mr. Chairman, we'll have the staff and the details of that when we come to the Value-Added. That's the Tree Rangeland Improvement Program, I think TRIP is the short name for that.

**MR. A. DRIEDGER:** Maybe I'm the one that needs some clarification on this because I understood that program was not necessarily under the Agro-Man Agreement. I thought that was a program initiated by the previous Minister of Agriculture where people undertook to clear land . . . — (Inaudible) —

**HON. B. URUSKI:** Mr. Chairman, there's been a slight reduction in the number of clubs, eight or nine clubs, I think it's reduced. The last statistics that we have is '83 so we don't have the '84, last year's statistics. The last year's statistics, there's a slight drop in the number of clubs from the previous year; 320 was in '82.

**MR. J. DOWNEY:** What has happened in 4-H numbers in our regions over the last year? Have we seen a reduction or an increase in the numbers of young people participating in 4-H?

**HON. B. URUSKI:** Mr. Chairman, there are 311 clubs with 5,824 members and 2,040 leaders, Mr. Chairman. There's been a slight reduction in the number of clubs. I think eight or nine clubs. I think it's reduced. The last statistics that we have is 1983, so we don't have the 1984, last year's statistics. There's a slight drop in the number of clubs from the previous year, 320 was in 1982 and they're down to 311.

The number of members is 5,824; the number of leaders is 2,040; there's been an increase in the number of new leaders to 700; and the number of new members has increased by about 5 percent, from 1,900 to over 2,000; and total project enrolment, there's been a big increase in the total project enrolment, from 6,000 in 1982, to 6,400 in 1983.

The average age remains at 12.1 years, and of course the average tenure continues to remain at just under three years, Mr. Chairman, 2.9 years, so basically in looking at statistics going back over the four years that I have on file, 1983 - the last year of statistics we have

- is comparable very closely to 1981. In 1982 there was a slight upsurge; 1983 would be very comparable with 1981.

**MR. CHAIRMAN:** 5.(a)(1) to 5.(c)(2) were each read and passed.

5.(d)(1) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I note in the Southwest Region there was a reduction in salaries and in the Central Region there was an increase in salaries and I'm wondering what the Minister's explanation is for an increase in the Central Region, Salaries Expenditure. Have they shifted staff? Have they got a new thrust going in the Central Region and not in other areas, or what is the explanation for that?

**HON. B. URUSKI:** Mr. Chairman, maybe I'm not reading this thing properly. There is a slight increase in the salaries in the Southwest Region, but there is a decrease in the salaries in the Central Region. Is that what the honourable member is saying? I guess we don't have the same book.

**MR. J. DOWNEY:** It's the opposite way round. There's a reduction in the Southwest Region and an increase in the Central Region.

**HON. B. URUSKI:** Mr. Chairman, I don't think we have the same book because I'm looking at the Southwest Region. I see in my book that's the '84 figures of \$1,517,000.00. Oh, Mr. Chairman, I don't even have the same book as the honourable member. I'm sorry, we got that book from the Clerk's Office and I don't even have that book here.

**MR. J. DOWNEY:** What's going on here, Mr. Chairman?

**HON. B. URUSKI:** Mr. Chairman, I want to point out to the honourable members that the numbers that were in the book that I received from the Clerk's Office were last year's figures.

**MR. J. DOWNEY:** You're just running a little behind, Billy.

**HON. B. URUSKI:** Mr. Chairman, there is no reduction in the number of positions. What is happening is that new positions are being filled at a lower level and that creates a lower salary.

**MR. J. DOWNEY:** Mr. Chairman, I didn't understand what the Minister said. He indicated that because positions were being filled at a lower salary, I can't understand why in the Southwest Region, last year in salaries - I just use it as an example - there was \$1,489,300.00. This year it's \$1,441,000.00. The Central Region last year was \$1,486,900; and this year it's \$1,515,600.00.

Now there has to be either a change in staff or don't the same policies apply for the Southwest Region as the Central Region? I just asked for an explanation and I'm not satisfied with what the Minister indicated.

**HON. B. URUSKI:** Mr. Chairman, the same number of staff years in the Southwest Region as last year, 43.28.

The reason - I just checked with the staff - is that we have appointed a new regional director at a lower level, that is part of it. And, of course, last year's reduction of the assistant ag rep in the Deloraine area, which position was moved into the farm management specialist, Mr. Chairman, and that's the reason for the difference in salaries.

**MR. J. DOWNEY:** Mr. Chairman, what he's substantiating is what I said earlier today. He's cutting back the services to rural Manitoba. That's right, he's cutting back services. That's the reason he just gave us, there's less money being spent. Mr. Chairman, I just want the committee to know that what I indicated was accurate, that we are seeing a cutback in the services, Mr. Chairman. So he's substantiating what I said earlier, that there is a reduction in services . . .

**MR. CHAIRMAN:** 5.(d)(1) to 5.(f)(2) were each read and passed.

5.(g)(1) Manitoba Water Services Board - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, normally when we get to Water Services Board activities, it's been tradition for the Minister to table the projects that are in progress and those that are planned for the upcoming year, whether it be water projects or sewage projects in whatever communities, we would normally get a listing of them, those that are in the process of having work carried out or projects that are intended for the coming year; and I would ask the Minister if he would provide that information to us?

As well, Mr. Chairman, has the Minister got any thoughts or considerations as to taking the central operations of Water Services Board out of Brandon, making any changes, because the New Democratic Party when that change was made, when we moved the services to the Brandon area there was a tremendous kaffuffle and the government opposed it, they did not want to see the decentralization. The NDP opposition at that time opposed it so I just ask the Minister if there's any thought being put into making any changes on the location of the head office of Water Services Board from Brandon and also a commitment on the list.

**HON. B. URUSKI:** Mr. Chairman, the honourable member should reflect on what he has just said. There was never any disagreement about decentralizing any Government Services to rural Manitoba. The previous administration prided itself on decentralizing the whole regional network of the Department of Agriculture, the entire regional support programs under the Schreyer era, Mr. Chairman. So we certainly have never had difficulty in decentralization.

What we did have a difficulty with is in the manner that it was carried on. Mr. Chairman, the former Minister should remember staff were being moved without even knowing that there was a decision to be moved, and that's basically what had happened with the decision of the Water Services Board to Brandon.

Mr. Chairman, the record of employment tells you how it was carried on. We lost many people in the whole transition because there was very little discussion, very

little consultation with staff and knowing that moving, regardless of what service you're in, is a difficult time at best, and it should be worked through a process of discussion and consultation.

There may be the odd time when an individual moves, depending on the reasons, that may not be possible; but certainly when you're moving an entire branch, an entire operation from one community to another, surely there has to be some sensitivity at the ministerial level as to how that change is carried on. That was the only argument that we had, Mr. Chairman.

Mr. Chairman, I want to advise the honourable member that we will provide the list of the projects for the honourable member. He should be aware of some of the changes that we are trying to make in the way we deliver the program.

We are attempting to, because of the time lag usually experienced in municipalities, receive approval from the ratepayers, the process that they go through, the whole process of regulatory approvals through environment, in some instances; and the number of steps that municipalities have to go through we are attempting to build up an inventory of approvals similar, for example, to the Highways Department, where the Highways Department attempts over a number of years, to build up approvals in excess of what can be delivered in an annual budget.

Mr. Chairman, we as well are attempting to negotiate a federal/provincial agreement to extend the provision of sewer and water services to rural communities. We have not been able to achieve that; we don't know where it will end up, but we certainly believe that this program deserves an infusion and a co-operative approach to at least, on the federal/provincial basis, of dealing with the larger communities having the Federal Government involved similar to the agreement that was in place a number of years ago.

Over the last year we have attempted to gain that agreement; we have not succeeded. We intend to proceed along those lines, and that's the general trend we're going in terms of the Water Services Board, giving it the priority that it does deserve in rural Manitoba, and are attempting to have a federal presence in that program, because I have to say there are many more requests than there is budget in terms of meeting all the requests.

But the problem does arise at varying points during the construction season that certain approvals or certain decisions by local governments have not been made, and unless we have a large number of approvals there, we are unable to complete the entire budget allocation. In other words, spend the money that has been allocated, and we are making some changes in that whole area as well.

**MR. CHAIRMAN:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** My first question of course is, did the Minister indicate when he's going to be tabling the projects that are coming forward? He's very sensitive about everything having to be dealt with in a certain category, and if he's going to table the results tomorrow and then we can't debate it, I'd be rather concerned about that.

Well, obviously I'm sure the Minister wants to get it sorted out there. He must have a program available that he's been doing.

Is the Minister going to tell me now that we'll be debating this under Capital Projects, because then he'll probably rule us out of order and say that we should have debated it under this section.

**HON. B. URUSKI:** No, Mr. Chairman, we will try and pull out, even this evening if we can, the list of the projects that have received approval. There are, in fact, requests in the mail, and I don't want to say that those have been approved when they haven't, because it is a kind of a mix and match, and I want to give the member as up-to-date information as I can in terms of the program.

We will attempt to provide that information this evening on what has been approved, and I want to be very clear. That's not to say that those projects, in fact, can be scheduled in this construction season; it's a matter of the projects having received funding approval; it's a matter of having all the other approvals in place so that construction can commence.

But there is a list and I've asked the director to go through that list and we'll provide the information for the honourable member tonight.

**MR. A. DRIEDGER:** Yes, I'd like to maybe draw to the Minister's attention the fact that there are some problems with Water Services in the southeast portion of the province, namely along the Red River, where water quality and water services have been a problem for a long time. I believe there's a project under way right now where a plant is being contemplated in the St. Jean-Letellier area that is going to be supplying water to the Village of Dominion City, and I wonder if the Minister could maybe indicate what's happened in the Town of Emerson. There's been some differences of opinion in terms of the kind of water that they would like to have.

They've made numerous enquiries at various times to the Water Services Board and have not had very satisfactory information. They were contemplating the possibility of bringing in water from the States because the States have managed to tap a major water aquifer to the east of the Town of Noyes, I believe it is, and the county out there, they have set up a water system and have been prepared to supply the Town of Emerson with a good source of water, good underground water and the question that I have is, why would the Water Services Board not cost-share on the same ratio for that kind of a supply of water as it would by having a plant set up that's going to be processing the water out of the Red River? The mayor and residents of Emerson feel that they'd have a much better supply of water if they could tap into the supply that is available from the American side. They've been running into nothing but a stall, I suppose, and lack of information. Apparently Water Services will not approve a venture where the water will be coming from the States or cost-share that portion of it like they will for any other project here.

**HON. B. URUSKI:** Mr. Chairman, as I understand the basic policy of the Water Services Board - because

there is a board that handles all these applications and these approvals in terms of trying to schedule the towns - the basic issue, I believe, in Emerson's case is that the council or the Mayor of Emerson wishes to use the services of facilities south of the border.

In terms of Water Services Board estimates, the Water Services Board does attempt to provide the best solution to projects in trying to determine what kind of projects go ahead because there are in many of these instances several alternatives and in terms of Emerson, it's strictly a case of economies. It is cheaper, as I understand it, to provide services and water sources from the Red River at a more economical basis than having the water supply from south of the border.

**MR. A. DRIEDGER:** I think the Minister is sort of fudging around the real problem without really knowing what the circumstances are. In fact, the people in the south of the Red River feel that they have a much better source of water available than the water treatment plants out of the Red River and feel they should probably be able to have a more reliable source of water maybe by tapping, either into the American water or maybe by tapping the aquifer itself, which reaches into the Vita area there. There's been very little investigation done, I suppose.

I raised it during the Department of Natural Resources Estimates with the Minister at that time. I think both the Department of Natural Resources, as well as the Water Services Board, are aware of the major water aquifer that is in the Eastern Region out there.

The Americans have proceeded on that and have tapped this source. I think we're just behind the ball again, in terms of trying to get with it. I feel very critical that the Water Services Board has not really made a good effort, in terms of seeing what is available, the cost factor; because when we consider using water out of the Red River and the water treatment costs, and then piping it down to communities like Dominion City, Letellier, St. Jean, even further west than that, that we have a major source of great water out there and everybody seems to have their blinders on and not care about it.

That is why, in desperation, the Town of Emerson, because it couldn't get any satisfaction from Water Services in terms of looking at the possibility of bringing in water from that water aquifer out there to the east, that's why they were trying to tie into the American water supply, because that's coming from the same source. It's coming from that major source of water that is out there. I don't know whether nobody really cares whether it's there; certainly the Americans do, the Americans are tapping into it real well and somehow we're not moving on that.

That is where the question came up to begin with, Mr. Minister, where the Town of Emerson had the opportunity to tie into this water system from the Stateside, from the Town of Noyes. As far as economics are concerned, I have my doubts; you know the Minister says, well it's a matter of economics of tying in with the American system. I think it's more a matter of certain regulations that we have that we do not make that kind of arrangement.

**A MEMBER:** We do.

**MR. A. DRIEDGER:** Well, then, why was there not further consideration given? Because the Water Services Board apparently has made up their mind that the Town of Emerson is going to have a water treatment plant and they're going to have water out of the Red River, or else they're going to have nothing. That is why I raised the concerns.

I want to be critical of the Minister because the Water Services Board, every time this issue has been raised by the Town of Emerson, have been getting a runaround. The only thing the Water Services Board seems to be considering is our way. We'll set up a water treatment plant for water out of the Red River, or else everything else is not acceptable.

I want to raise this with the Minister, I'd like some answers. Why are we not investigating this great potential of water? Water is the single greatest resource that anybody has, and we have it there, and somehow we can't seem to get the information that is required for something like that.

**HON. B. URUSKI:** Mr. Chairman, I'm pleased that the honourable member did vent his spleen on this one issue. I want to advise him that I did not have the full information that I gave him and so I probably should have waited for staff to come back.

He should be aware that Manitoba Water Services Board has been co-operating fully with the community. In fact, Mr. Chairman, it was the Water Services Board that requested PFRA to do the study that he's referring to, two years ago. We are waiting for the PFRA study - we hope to have it sometime this summer - examining the other alternative.

But when he raised the question, he left me with the impression that why are we not considering the south-of-the-border-solution? Why are we not considering that solution? I gave him the answer to that question on the basis of economics. The Water Services Board attempted to, and it does attempt, to get the lowest cost, best solution to projects.

On the basis of present-day costs, it was much more feasible to look at the alternative of water treatment from the Red River. I didn't have the information fully for the honourable member. We referred this matter to PFRA and, hopefully, this summer we will have the results of that study so that can be made available to the community, and then the options can be weighed as to what then is the best solution and at what cost.

**MR. A. DRIEDGER:** So the Minister is indicating that he expects the PFRA report to be coming in some time during this summer, and that once the report is in, then the community of Emerson will be offered, let's say, options, in terms of the water source that they can be looking at and maybe weighing it three ways? The Red River water with a water treatment plant; the possibility of maybe bringing in water from the aquifer, the water aquifer we have in the east - and that would not only have to be for the Town of Emerson, all the communities along the Red River could ultimately possibly enjoy the benefit of that quality and type of water. And if you look at it over a long period of time - instead of just the immediate thing of the costs of installing water treatment plant - see whether there's some long-range benefit of utilizing this water.

I want to repeat again, the Americans are onto it and that is the same source of water; they're utilizing it to the maximum and before we know it we have no control over the water aquifer underneath there with the Americans and, if they plan to expand and set up an expanded irrigation program out of that thing, they will be utilizing the water that we have the same right to and could use as well.

**HON. B. URUSKI:** Mr. Chairman, the member is accurate. We have looked at the two options. We are now awaiting for the recommendations on the third, so that that can be examined and then a decision can be made on the three options that are available.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I don't know whether the Minister has decided to provide to us a listing of the capital projects that will be considered by the Water Services branch for this year. If so, I'm wondering if he's going to read them or whether . . .

**HON. B. URUSKI:** I'll read them.

**MR. C. MANNES:** You'll read them, fine.

**MR. J. DOWNEY:** Mr. Chairman, it states it's just a handing out of a sheet of a list of the items and projects that are going to be carried on. Can he not do it as it traditionally is done?

**HON. B. URUSKI:** Mr. Chairman, the honourable members want the information or don't they want the information? Mr. Chairman, I can give him the projects: Binscarth, a small project totalling \$8,000; Dominion City, the total cost of the project, \$280,000; Elie, a small project of \$10,000; Elm Creek, \$284,000; Gladstone, \$4,000; Hamiota — (Interjection) — Okay, do you want me to give you these? All right. Mr. Chairman, because the sheet does not contain the details of what he is asking for, I have to go to another area here. I'll go back and start at the beginning.

Binscarth is water distribution and water supply; the Dominion City project is water supply; Elie is water distribution and sanitary sewer project; Elm Creek, a total of \$284,000, is a water supply project; Gladstone would be sewage treatment project of \$4,000; Hamiota is a water distribution, sanitary sewage treatment project, a total cost of \$220,000; and Hamiota, another project for the water supply, a total cost of \$204,000; Holland water supply of \$6,000; Killarney, sanitary sewer project and a sewage treatment project. \$148,000; Landmark, sewage, sanitary sewer, a service connection and a sewage treatment, \$464,000.00. This is in the 1985-86 year, Mr. Chairman. Mitchell is a sanitary sewer project of \$50,000; Pilot Mound, water services, water supply project of \$157,000; the Red River Regional Water System, the water supply project, \$1.5 million; the Roblin water supply and water distribution project and the sanitary sewer and the sewerage treatment of \$100,000; Russell is the water supply project of \$300,000; St. Adolphe, sewerage treatment project of \$10,000; Ste. Rose, a water supply project and a sewerage treatment project totalling \$410,000; Sandy

Lake, water distribution and a sanitary sewer project of \$68,000; Snow Lake, a sewerage treatment of \$70,000; and a Snow Lake project of sewerage treatment as well, \$1.7 million; Gimli, sewerage treatment, service connection and a sanitary sewer and a service connection, \$170,000; Winkler, sewerage treatment and a sanitary sewer of \$1.256 million; and Winnipeg Beach, a sanitary sewer and a service connection of \$1.5 million, for a total projected loan and grant total of \$9.425 million, Mr. Chairman.

**MR. C. MANNES:** Mr. Chairman, I thank the Minister for that listing. I'm wondering though if he could provide that detail. We'll obviously be able to read about it in Hansard tomorrow or the next day, but if possible it would be acceptable to us if he would give us a copy of that particular listing, which has been traditionally done, I might add.

Mr. Chairman, the Minister indicated an allocation of \$1.5 million to a Red River Regional Water Supply. Specifically, what area? Is that what the Member for Emerson was replying to? What was that?

**HON. B. URUSKI:** Mr. Chairman, it was one of the projects. It's not the specific project as to the Community of Emerson. We're really talking about Dominion City, I believe, Letellier, Gretna and Altona and the farming community in-between.

**MR. A. DRIEDGER:** Just a further clarification. The Minister, in the second item I believe that he read, talked of a water treatment or water service water supply for the Village of Dominion City and now he's saying that it's again included under the total project of \$1.5 million. I wonder if he could clarify that.

**HON. B. URUSKI:** Mr. Chairman, the Dominion City project is a pipeline from the water treatment plant in Letellier - I think the treatment plant is in Letellier - but there is a special project for the pipeline from Letellier to Dominion City. That's the specifics of the project.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, my specific concern is a proposed water distributions system within the Municipality of Macdonald and there has been some debate within that area now for a few months with respect to various alternatives and I understand that council, in the next week or so, is going to advertise for first reading of some scaled up or scaled down water distribution system that would service the communities within that municipality.

I understand that certain promises have been made through PFRA and through the Water Services Branch of the Manitoba Department of Agriculture with respect to granting of certain sums of money in support of that project. I would ask the Minister specifically, what commitment has his department made to that project?

**HON. B. URUSKI:** Mr. Chairman, until a project has gone through all the hoops of approval and estimates and everything, there is no commitment made in terms of the project.

The program that we do have in place is available. It's a matter of queuing up. What I mean by that, Sir, is that by-laws and intentions are approved, estimates are there and then submissions are made by Water Services to Treasury Board for approval of the project in line with the amount of funding that is available. Certainly that project would be eligible for cost sharing under the program, I would think, but the scope of the project, the extent of the project has yet to be determined and no commitments can be given on the basis that whatever project is there will be there.

As I indicated to the Honourable Member for Emerson, what the Water Services Board attempts to do with the limited amount of funds is, of course, to try and get the best solution at the lowest cost for the community, so there may have to be alternatives examined. But one of the key areas, of course, is the municipality and the ratepayers of that municipality making their decision as to whether they're prepared to fund a project.

**MR. C. MANNES:** I understand that, Mr. Chairman, but is there in place some specific criteria? Is there a municipal citizen grant or does it depend on the size of the system? On what basis are grants made in situations like this? Are they basically on a per capita grant or some other criteria?

**HON. B. URUSKI:** Mr. Chairman, there is a formula in place and has been in place since the early 1970s. It was updated last year to take into account primarily soil conditions or ground conditions, rock conditions for communities who had excessive costs. We did look at those kinds of areas. We looked at the North in terms of their conditions of cost or extra costs as a condition of the formula or increasing the formula and, as well, a major change that we made in the formula that has increased the amount of support to communities is on the basis of the interest rate charged on the debenture to be issued for the capital cost of the project.

Prior to 1984, the basis of the debenture was on an 8 percent interest rate and the honourable member knows where interest rates have gone. As a result the level of support to communities dropped on the basis of the low interest rate carried.

We are now, as a result of changes in the formula, carrying an annual rate which may in fact be higher or lower than the prevailing bond rate, but at least it is a rate that is pegged every rate so that people or municipalities which do decide to go into a project, know what the basis and the terms of the formula are and they will know in advance as to what kind of dollar support from the formula that is there. But it has increased substantially, which of course does place pressure on the amount of projects that we can put into place and that's why we've been attempting to, over the last year. Because of the large number of requests that we have - although they're not finalized - there's a lot of requests in place for sewer and waterworks across this province and the board tries to accommodate those on a priority basis dealing with, primarily, environmental concerns and others, but they attempt to schedule them on a priority basis.

**MR. C. MANNES:** Mr. Chairman, a final supplementary involving basically, two questions. The

Minister said the word "queue" indicating that there's a line up for the scarce resources that are being directed to this particular project area.

If one was to supply today, would they necessarily go to the back of that line-up? How long is that line-up or is there some reason that could bring them forward ahead of the pack, and more importantly can the Minister share with us his understanding as to what PFRA is prepared to do in support of these water projects? Is there any change at all within their view or into their committed support, in terms of dollars, to these types of community water and sewer projects?

**HON. B. URUSKI:** Mr. Chairman, there are a number of issues that the board considers in terms of attempting to prioritize the projects that the requests come in for. They do, of course, look at industry requirements. They look at the environmental concerns and requirements. They look at the public health concerns and requirements. They look at water shortage. They also look at the readiness of municipalities.

Some projects, for example, have had approval and funding had been put in place, but some problems in the municipality, either with land or whatever issues come up and they can't go ahead. As a result, as I indicated to the Honourable Member for Emerson, we are trying to build a commitment or a level of approvals so that we could deliver at least a maximum amount of funding that we have. In other words, receive commitments for about at least twice the amount of level of funding that we have, so that in fact we can deliver a full component of funding of \$3 million that we have in place. That's what we're attempting to do; that is a process that we've moved along in the last year, but those are some of the criteria that the board uses.

Mr. Chairman, the PFRA assistance is also on a formula basis. They have a formula.

**MR. C. MANNES:** No change in their approach to these projects in the upcoming future?

**HON. B. URUSKI:** Well, we don't know, Mr. Chairman, but I would say, as of now and the funding that's been in place, the co-operation has been excellent with PFRA, and Water Services and PFRA do work very close in terms of scheduling the projects. I don't foresee - I may be proven wrong - but when both jurisdictions are involved in it like we are involved in the Red River Regional Waterworks, which is a massive undertaking and is a very good project in terms of the water supply for that area of the province, there is very close co-operation and has been. We certainly have no problems with PFRA.

The difficulty that we are encountering is the level of funding to deal with some of the more major ones that are on the horizon.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. I want to deal again with another matter of dealing with policy and it was the decision by this Minister to reimplement a full recovery charge for Dugout Filling Underwater Services Board. The Minister likes to try to make a lot

of political mileage about transferring of costs from the Federal Government to the users of Federal Government services and the rate at which it should happen. I want the record to clearly state, Mr. Chairman, that during the drought of the 1980, and until this Minister got in charge, there was a wave of the dugout filling costs. The first opportunity this Minister got he didn't go up at \$100 per dugout filling, he didn't go up at \$200, he immediately went from nothing to \$300 for a certain distance and then \$350.00.

Mr. Chairman, the point I am bringing out is that the Minister of Agriculture says one thing and does another. He continues to do that, Mr. Chairman; he goes from no charge, which was in place when we were in government, to an increase from 0-\$300 and 0-\$350.00. Well, he laughs about it, Mr. Chairman. Well what are the farm community to expect when a Minister who tries to pretend on one hand that he is their great saviour and great protector but, on the other side of the coin, he's jabbing at it them? I'm not saying that he can't justify some recovery, but he got pretty severe, I would say, in the way in which he went about it and is pretty much an offset to the argument that he has when he is trying to say that he is totally innocent when it comes to charging the farm community for services provided by his department.

As well, Mr. Chairman, I would like to deal in the area of all the Water Services Board work, or work-related. I know that last year the Jobs Fund had made a lot to do about work - I believe it was in Portage la Prairie. I asked the Minister of all water and sewer-related projects are now being approved by the Water Services Board, or is there outside approval, whether it be under the Jobs Fund or something else? Are all projects now approved by the Water Services Board relating to sewer and water and waterworks projects? I ask the Minister that.

As well, Mr. Chairman, I think it's important to note - I should thank - the Water Services Board last year, when there were some drought-related problems and any contact I had with them I had a good response from them. There was effort put forward in the locating of a dragline machine or two to assist certain individuals who were severely strapped for water. They were very co-operative.

I would as well like to, Mr. Chairman, ask the Minister what the bidding practice of the department is as far as the allocating of work is concerned, whether all work is tendered out? I've had, at certain times, concerns brought to my attention that some of the well drilling, some of the testing work may not be tendered out and everybody has a fair shot at it; it's been brought to my attention twice now that there were some concerns over the allocation of work. So, I ask the Minister if all work is tendered out, all well drilling is tendered out, all contracts are tendered out, and at what dollar value aren't they tendered out? What dollar value is the policy of Water Services not to tender a project out; whether it be in construction, whether it be in water well drilling, whether it be in testing or whatever? There must be a policy guideline that the department goes by.

As well, Mr. Chairman, when I'm on my feet, I would like to put on the public record and, from what I can understand, the reports that I've had, is again to compliment the Water Services Board and the former

director, the former board chairman, Ed Hudek, who in a recent communication to me said that he'd stuck his neck out a little bit on the sewage treatment plant. As I understand, it really is a project that is working well. My observations and comments that I have from the local level is that the sewers project is working well.

I think it's a good example of what can really happen if you have common-sense people dealing on the departmental side with common-sense people at the local municipal level. I think, if I remember correctly, the initial cost was something like 25-30 percent less than what the conventional types were and that the quality of water, after process at that plant, is exceptionally good and is somewhat better than what the water is that the Town of Souris received before they put it through their water treatment plant. I would like a brief report from the Minister on that.

As well, my colleague from Roblin-Russell, I would like to as well talk about briefly and get a report on the Roblin effluent irrigation system. I know that it was my colleague from Roblin-Russell's leadership and pressure to support and to look at an alternative to the dumping of the effluent into the Shellmouth River which had caused a lot of people a lot of concern on the environmental factor, that the initial project, when we came into office, was to put the effluent from Roblin into the Shellmouth River - Shell River, I'm sorry, not the Shellmouth but into the Shell River where, in fact, there were a lot of people used the water for domestic use. They used it for a recreational area and it was not acceptable to the community. With the support of my colleague from Roblin-Russell, came forward with the desire and with the pressure to look at an alternative. The alternative that was looked at and decided upon was an irrigation system to make productive use of the effluent, to irrigate farmland to produce alfalfa. I would hope that the Minister has a report as to how successful that project is working.

I guess if I have a bottom-line criticism for this Minister in this area is that there has not been one area of new initiative, of foresight or of vision or encouragement to get into that kind of development with the kind of tools and programs that he has within his department. I haven't heard of him encouraging one other effluent plant where there could be irrigation developed, Mr. Chairman, and if there is, I would ask him to correct me.

I would ask him as well if the plant at Souris, as it's working very well and again the Water Services Board under the leadership of the current director and I'm sure the former chairman of the board, Mr. Hudek, who is sunbathing in Sudan at about a 50 degree temperature right now, working on a CIDA project, I believe it is, that kind of leadership and initiative has helped him in environmental matters. It's been cost cutting for the province, but I have not seen any initiative come from this Minister or any leadership come this Minister in any area.

Yes, he's made some cost-saving measures for municipalities or towns that have difficult times or heavy expenses in putting in the systems, but that's living up to a dollar-and-cents thing, but it really isn't showing any major savings. It isn't showing any major savings or leadership dealing with this whole area.

Mr. Chairman, as well I would have thought that the Minister may have set some initiatives forward dealing

with water use or conservation of water or major water projects in the Western Region of the province for water conservation to use in some of the communities. You know we hear the Member for Emerson talk about some of the concerns about having to bring water in from the U.S.

Here we are, we're a nation, we're a province, of bountiful amounts of water and yet we can't get our act together to put together conservation projects or water ponding projects or pipeline systems to support ourself. We have to bring water into Altona from Neche, south of the border. We hear comments now that it has to be brought in from south of the border for our other communities. It's really deplorable, yes, even though it may have happened that the agreement under my administration or our administration had to be worked out with Neche, but that was happening traditionally.

Mr. Chairman, what we need in this province, what we need to come forward is some innovative thinking in the development of water conservation. We need the co-operation of our federal counterpart in PFRA. — (Interjection) — Yes, I would like to see water brought through from Diefenbaker Lake through the cities of Moose Jaw and Regina, down into the southern reaches of Southern Manitoba, and across to the Winkler area to provide fresh water for the system.

Well, Mr. Chairman, the Minister says from his seat, what would we have to pay for it? Well who's going to pay for it? Who's going to pay for anything, Mr. Chairman? The people of the country pay for it and it's job creating. It's building our resources, it's developing our resources. It gives us some long-term benefits, such as we look at the benefits of the Winnipeg Floodway and we had a Premier, Duff Roblin, with a vision to go ahead and put that kind of a structure in place.

Yes, Mr. Chairman, we saw the former Conservative Government do developments in the North to drain the Pasquia area with some major pumping units and drainage projects. But we've never seen any of that kind of positive thinking come from this Minister.

I look back at the report. Most of the initiatives, most of the projects and programs came about during our term of office as far as supporting the farm communities and I'm very proud, indeed, that small communities like Medora, like Minto, populations of not 500, not 300, but 150 to 200 now have water services, water at their taps because of programs implemented and sewage systems, so that they don't cost as much as what the traditional systems were.

It's that kind of positive thinking, it's that kind of development that Manitoba needs, Mr. Chairman. Unfortunately we're not getting it under the Minister. We're not getting it under the NDP government, and I don't look forward to it coming about under their administration.

Mr. Chairman, I've asked several questions in this whole area and I would hope that the Minister could deal with them; the one on the bidding system; the report on the sewer system; a report on the Roblin program; and of course I want to re-emphasize again, this Minister's record as far as passing charges on to the farm community where, in fact, we've seen him increase the dugout drilling charges from nothing to \$300 and \$350 all at one jump, Mr. Chairman, something

that has to stick with his record when he starts talking about the imposition of government charges on the farm community. That's on his record.

**HON. B. URUSKI:** Mr. Chairman, I guess I'll deal with his last point first indicating, just so the record would be clear, that there was a charge when he was Minister. He did waive the charges during the drought period; that is true.

**MR. J. DOWNEY:** We had a drought again last year.

**HON. B. URUSKI:** And we reimposed the charges. Mr. Chairman, the charges are not a full cost recovery.

**MR. J. DOWNEY:** Oh, yes, they're pretty close.

**HON. B. URUSKI:** Well, Mr. Chairman, let the honourable member be aware that the costs of labour and providing the service are covered. The cost of capital and the provision of the equipment are not included in any of those charges, never have and have not there. It is correct to say that the labour costs are being covered. Mr. Chairman, he should be aware, yes, he should be aware as well that there are in fact local contractors in the western part of the province who do provide a service. The contractors have to make a living, and they do make a living. Mr. Chairman, the charge is basically a service cost to cover the labour of the staff of the Water Services Board, no more, no less. That's how the service is being provided, and I would assume will be provided in the future, and it has been well used, Mr. Chairman, notwithstanding the charge.

The number of dugouts varies from year to year, but goes anywhere from 900 in '81-82 to 300 last year, and goes up and down depending on the year of service. This year already there have been 13 applications; 2 were cancelled; 10 applications were filled and 1 dugout is being filled this year. There were 2 new applications and 9 have been repeats from other years.

Mr. Chairman, the member talks about innovation. I presume he wasn't listening very well when I said the major concept that we put into place this year is a first anywhere, I believe, in Western Canada. I think, Mr. Chairman, the Red River water supply project is one of the first anywhere in Western Canada and has major implications and major cost savings for communities involved.

The concept of having one large treatment plant and a piping system for a large number of communities is in fact a major saving. In fact, we are able to provide twice as much water for the same cost as we would have provided under the old system. It is less than half the cost of the conventional systems of putting in a water treatment plant in every community and putting in those capital costs in replacement.

That is a major innovation in terms of the provision of services, Mr. Chairman. That is where communities can be provided a good source of water at a reasonable cost and, in fact the provision of that service has less maintenance, less capital cost for the communities and the people involved. That's what the innovations should be like and that's what we have been providing, Mr. Chairman, and that's been done under this Minister, under this government, under this department.

So we have no difficulty in promoting the projects that were innovated by the department. In fact, the Souris project, the Cowatt system that was installed in Souris was a very innovative and low cost service. In fact, Mr. Chairman, I want to tell the honourable member that the system now is being repeated in the Town of Snow Lake in Northern Manitoba. We are using the system, it has proven out, we are pleased with it and we are installing it in the community of Snow Lake.

Mr. Chairman, insofar as the Roblin project, it is working very well. I am advised we have no environmental problems to date, and no public health concerns identified as yet. Mr. Chairman, we are considering other communities; in fact, we have a request from the Community of Hamiota to use the water from their sewage lagoon, to be piped and used on their public golf course in the community; that is being considered. But certainly the public health concerns and the environmental concerns have to be looked at and have to be reviewed before that project can go ahead.

There are other communities that have raised this matter, but certainly it's not one that one can say, you snap your fingers and you're going to do it. One has to be careful, in terms of what the results will be, so we can certainly, and the former Minister can take pride in the setting up or the beginning. I think the Cowatt system was begun a number of years back, I don't know how far back. It was installed a couple of years ago in Souris. — (Interjection) — I didn't hear the honourable member very well, it's just as well that I didn't hear him, Mr. Chairman.

There is the other question of community wells and the tendering. I understand that board policy is that any wells that are costing less than \$15,000, or estimated to cost less than \$15,000, the community is provided with three of the well-drillers within the area and the community can request, though, quotations or bids from those drillers. The community, of course, have the options of choosing either the lowest bidder. If they decide to choose other than the lowest bidder it is at their discretion, but they have to pay the difference in price if they choose other than the lowest bidder.

In any well projects where the estimated cost is over \$15,000, they are tendered completely. They are totally public tendered and they're awarded to the lowest bidder. That is generally the basis of the tendering process for community wells.

**MR. CHAIRMAN:** 5.(g)(1)—pass; 5.(g)(2)—pass.

5.(h) Agricultural Crown Lands Branch: (1) Salaries - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I want to say I'm pleased that the Minister and the government have carried out the policy of selling Crown land that was implemented by the former administration, that they're continuing on with that and that the farmers of Manitoba, who have traditionally been leasing land, have the option of ownership. I note, by the report, and I think it speaks very well for that policy that was implemented that we in fact see, I believe, it was some 1,710 applications to purchase farmland under the policy of purchase under our Crown Lands Program.

I guess that number - and I ask the Minister - is that the total number that have requested to buy land since

the introduction of the sale of Crown land policy and, as well, I will ask the Minister that, under this, has there been any changes as far as the policy is concerned? What is the policy; do they do an evaluation of it and then each department either say that they can use it or they can let it go? I think that's what the policy was and then allow the property to go to the people who have been leasing it. Is that how it is? Or maybe I would just ask him to state what the current policy is, dealing with Crown lands and the sale of it.

**HON. B. URUSKI:** Mr. Chairman, perhaps I could give the honourable member a bit of an update on the activities on the Crown Lands Branch and that may prompt him to raise a number of questions before I deal with the specific information on Crown lands.

Mr. Chairman, the provincial farmers of Manitoba utilized approximately two million acres of provincial Crown land in 1984, 1.5 million acres being utilized and held as long-term forage leases by 2,650 farmers and ranchers. This land provides pasture and hay for approximately 163,000 head of cattle or 18 percent of Manitoba beef herd; 238 farmers cash rent Crown land for crop production; and 1,900 hay and grazing permits are issued annually.

During the year, rental structure was reviewed and a new formula implemented January 1, 1985. Rental rates are now based only on the land productivity and at a level sufficient to recover 75 percent of the cost of administering forage lease activities. This was, and is, in 1985, will be \$1.29 per animal unit month this year for 1985.

In 1979, Local Government District Lands, the LGD Task Force was established to negotiate with each LGD council, relative to return an exchange sale of Local Government District lands.

Where the LGD prefers to see the land administered by Manitoba Agriculture, they are included in a working agreement with the department and managed as agricultural Crown lands.

To December 31, 1984, 95,200 acres have been returned to LGDs; 24,480 acres sold to lessees, that's LGD lands; and 227,000 acres under agreement to Manitoba Agriculture.

The sale of Crown lands: Mr. Chairman, the conditions of sale are that the purchases, first of all, must qualify under The Crown Lands Act and The Agricultural Land Protection Act to lease Crown lands. The applicant must have held land under long-term lease for at least two years prior to the date of transfer - that's the same basis as it was before. Land must be usable for agriculture and generally be Class 5 or better.

The Land Use Committee is the final authority for the Agricultural Crown Land Sales Program. This is to protect the public interest in cases of appeals, and there have been appeals against decisions made by staff to turn down the sales. Those appeals come to the Provincial Land Use Committee and are dealt with.

Mr. Chairman, there are limitations on the amount sold to an applicant. The home quarter is sold with no restrictions as to size of land holdings. Beyond that, the sale is limited to 960 acres or six parcels, whichever is lesser. This limit also applies to family units, partnerships or farm corporations. The sale price

includes amount of capital the province may have invested in improvements. If lands are resold within three years of purchase, any increase in value is shared with the province on a sliding scale.

Mr. Chairman, the value of land is derived through appraisal through the appraisal process. Presently, lands are being appraised at or sold at between \$45 and \$100 per acre.

Mr. Chairman, 105 parcels were sold in 1984.

**MR. J. DOWNEY:** Mr. Chairman, I should have at the outset said that we want to congratulate the new director of Crown lands who has been, I think, brought in since the last time we sat in Estimates. I, from previous experience in the southwest region, have certainly no difficulty with the appointment by the Minister.

However, maybe there is some explanation though needed by the Minister as to what prompted the move, what some of the history of what has happened in Crown lands to let us know a little bit of history as to the last year or year-and-a-half's activities. Has there been any major changes or shifting of personnel within the department?

As well, I guess, Mr. Chairman, and maybe this was the case last year, but I'll ask the Minister the question and it seems to me we were into this kind of a debate, but what is the reason for limiting the purchase of Crown land to 968 acres? I am not clear as to what prompted this figure. How does the Minister determine that a farmer should only own 960 acres? Is this government policy straight through that whether it's sale of Crown land or whether it's other farmland in Manitoba? Is there any particular reason? What substantiates the maximization of this 960 acres?

Basically two questions - the one dealing with the departmental changes or activities within the department and the size of land - but I'd be interested to know on activities within the department for any particular reasons for changes and that type of thing.

**HON. B. URUSKI:** Mr. Chairman, the former director is in charge of land use planning with the department. It was a lateral move into the department dealing with land and water utilization and projects.

Our new director, as the member points out, was the former director of the Southwest Region. He competed for the position and was selected as the best candidate. Certainly, I was remiss in not introducing members and I am sure most members know John Neabel who has been with the department for many years. We certainly welcome him into the area of Crown lands.

It's certainly an area that is always difficult to administer when you have more applicants than Crown land available and that's the major portion of the reason that government made its decision on limiting the amount of Crown land being purchased by one individual, Mr. Chairman, to 960 acres.

There always has been a limitation on the number of acres leased by an individual in terms of the number of animal units any farm unit can hold, and the potential that the farm can hold, we have carried on with that limitation and brought it down to an acreage level of 960 acres.

**MR. D. BLAKE:** I just wanted to ask the Minister what provisions, or what arrangements are made for checks

- I don't want to use the word "policing" of the farmland leasing arrangement - but what checks are made during the season to ensure that the land is being properly used or being utilized at all?

**HON. B. URUSKI:** Mr. Chairman, there are some inspections made by the land reps, but we try to also react to concerns and complaints that people share with us. The land reps do attempt to inspect but knowing that there is, as I said, 2,650 lessees in the system and 11 land reps, it is highly impossible to sort of do a check of every unit. That's really not the intent. The intent of the land reps is to work with individuals to optimize the use and to deal with situations where use is not being made.

We are very cautious, and the branch is very cautious in the area of use. There has to be sustained non-use for a number of years because of the concern that the lease should not be cancelled prematurely, that the holding of land by an individual, whether it be by lease or by ownership, that the maximum leeway be given to the lessee in terms of the holding of that land before any final decision is made on use and that's the difficulty of the cancellation on that. That is always a sensitive area and it's also a very emotional area where in the local district people say, hey, this individual for this year hasn't used it; we think that he hasn't used it properly, or he has bought hay somewhere else and hasn't cut his land, those kinds of accusations abound in many areas.

But the staff use a fairly methodical way of analyzing those complaints and attempting to make rational decisions and, of course, those decisions can be appealed to the Crown Lands Advisory Committee as to whether or not a cancellation should in fact be made final. So there is a check and balance in the system.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. D. BLAKE:** Mr. Chairman, does the Minister have many instances or many complaints coming to his attention with leased land that is leased for a hay crop only? Are there many instances where the crop is not taken?

**HON. B. URUSKI:** Mr. Chairman, I can't recall many. I do know of one particularly that happens to be in my area where there has been a dispute between three farmers for probably a decade. On the annual permit allocation, at least when the annual permits were issued, there was always a fight. I am sure that the former Minister was involved in it and there are not that many. I am giving the member my personal recollection. There are not many instances where that occurs, but there are some.

**MR. D. BLAKE:** I just wondered, Mr. Chairman, if the Minister was maybe considering a bridge in the area of the big marsh point area to allow the farmers easier access to their hay land there and enable them to get the equipment and the cattle back and forth in different seasons.

**HON. B. URUSKI:** Where is that one?

**MR. D. BLAKE:** Big marsh point, the Marshy Point area.

**HON. B. URUSKI:** Oh, Marshy Point in Swan River.

**MR. D. BLAKE:** No, no, it's up north of Oak Point there.

**HON. B. URUSKI:** Oh, Marshy Point, okay. I forgot about that one.

**MR. CHAIRMAN:** The Member for Portage la Prairie.

**MR. L. HYDE:** Thank you, Mr. Chairman, I want to inquire from the Minister, is he making any plans towards reviewing the practice of leasing out Crown lands in the Portage area?

**HON. B. URUSKI:** We do lease Crown land in the Portage area. Along the diversion, there is Crown land there. We do lease Crown land presently there. If the honourable member has a specific situation that he wishes to raise, let him do so. So if we can respond we will attempt to do so.

**MR. L. HYDE:** Yes, there has been a complaint brought to my attention on the Portage diversion there, there has been property rented or leased out and the hay has been cut. It's never cut till late in the fall and it's left there in the bales until the next spring and it was brought to my attention. They thought that possibly the farming practice of this individual is not the best and that an improvement could be made on that.

**HON. B. URUSKI:** Mr. Chairman, I am advised the staff have been made aware of the situation - I am assuming that we are talking about the same situation - and in fact have attempted to make sure that the hay is moved in the fall so that better use of the land is being made. That information has been brought to our attention. It's a matter of, I guess again, trying to deal with the individual, to use better farming practices in the use of the land.

**MR. L. HYDE:** Mr. Chairman, along those same lines there, it has also been brought to my attention that there are parcels of land on the Portage diversion there, that farmers have mentioned to me that the fees charged for that land could be increased. With the price of land that it is today, there are certain farmers in that area are ready to pay a greater fee. They figure the land is capable of better revenue to the government than what it is presently getting.

**HON. B. URUSKI:** Mr. Chairman, this is the first time I've had that suggestion made to me by an honourable member, and I thank him for the suggestion. I am sure that staff will be reviewing the cash rental system because most of those lands are on cash rental.

Clearly, the new policy that we have instituted on grazing leases is to separate the municipal taxes from the lease rate because there were many situations around the province, in fact, where the municipal tax rate was at a fairly high rate which totally eliminated the lease rate. So, in fact, there were no leases being paid, only to taxes.

The new system that is in place really recognizes municipal taxation as a separate entity from leases.

The new lease formula is in place, and I am pleased to say that it's started off its first year relatively well, and I want to put on the record the workings of the committee because there was a large committee of representatives of farmers, members of the Crown Lands Advisory Committee, citizen members of the Grassland associations, and they formed the basis of a committee. There was, I think, a 14- or 15-person committee who held meetings with producers, held meetings with staff throughout the year.

I want to acknowledge their fine work over the last fall and winter in this whole area to make the revisions in the Crown lands policy and produce which we believe will be the basis, at least for the immediate future, of a fairly sound policy in cash rental and long-term grazing leases.

But, certainly, the branch is reviewing the cash leases this year and there will be changes made, or recommendations made, and how the changes will come out has yet to be determined.

**MR. L. HYDE:** Mr. Chairman, the parcel that I am referring to, it's been brought to my attention that it is not hay land, it is more the arable land that is suitable for cultivation. I know that there are farmers in that particular area that would like very much to grab on to more land and this has been brought to my attention.

**HON. B. URUSKI:** Yes, Mr. Chairman, as I indicated, cash rentals, which is on arable land, is the basis of the review that I spoke about.

**MR. D. BLAKE:** I wonder if the Minister might bring the committee up-to-date on the situation with the land of the Selkirk Mental Hospital grounds. Are they continuing leases, or have those leases been renewed? The Selkirk Mental Hospital grounds for grazing, hayland there; are there any new leases there or are those continuing leases that have been going on and being renewed from year to year?

**HON. B. URUSKI:** Yes, Mr. Chairman, I understand in Selkirk there are cash rental leases on annual leases with five-year renewals.

**MR. J. DOWNEY:** Mr. Chairman, just back to the departmental activities and the changes that were implemented on rentals and that type of thing, the Minister assures that there aren't any anomalies or anything taking place within the department that has caused any changes and that type of thing; could he give us that assurance?

**HON. B. URUSKI:** Mr. Chairman, I will try and answer the question this way. I didn't have the names of the members of the committee, and I would like to put it on the record, Mr. Chairman, and deal with the question of anomalies in the rentals formula that we have attempted to set up. I should have given the names, I have paid tribute to them.

I want to mention that the Rental Review Committee was made up of Mr. Clarence Baker, who is the chair of the Crown Lands Advisory Committee. He chaired the Review Committee that was established in August of '83. Colin Mailman from Ste. Rose was a

representative of the Westlake Grasslands Society; A.T. Lagimodiere was the representative of The Pas-Pasquia Grasslands Society; Joseph Bobinski from Winnipegosis was representative of Duck Mountain Grasslands Society; Russell Novalkowski from Olha was the Marco Grasslands Society representative; Peter Leochko from Meleb was the Eastern Interlake Grasslands Society representative; Larry Pascal from Dauphin was the Manitoba Indian Agriculture Program representative; Marcel Cabernel from Bruxelles - St. Alphonse-Bruxelles Pasture and Forage Improvement Association; Erv Bachman from Whitemouth was the Eastern Grasslands Society representative; Otto Jundt from Camper was the Interlake Grasslands Society representative; Joe Van de Poelle from Ste. Rose was the Union of Manitoba Municipalities representative; Gordon Hall from Amaranth was the Alonsa Pasture and Forage Improvement Association representative; Gilbert Phillippe, St. Claude, the St. Claude Grasslands Society; and Terry Eyolfson from Steep Rock was the representative of the Manitoba Cattle Producers' Association.

Those members made up the Review Committee and made the recommendations on the lease changes. It was a very diverse group of producers from all around the province that worked on this and deliberated, at length, in terms of finally coming up with their recommendations.

**A MEMBER:** How come there were no women on it?

**HON. B. URUSKI:** That's a good question. We asked the associations to send in names of members. The associations chose the members and we accepted the choices that they gave us.

Mr. Chairman, the basis of the new Crown land formula is to acknowledge that productivity is the basis for the rental charges, and that costs of administering forage leases, we have attempted to bear 25 percent of the cost as a public service charge for the public good. The public will bear 25 percent of the administrative costs and the lessees will cover 75 percent of the costs of the administration in terms of the leases. That's basically the basis of the new policy.

**MR. J. DOWNEY:** Well, Mr. Chairman, there wasn't any shortfall of funds in any way dealing with leases or anything like that that was part of the review or anything in that regard?

**HON. B. URUSKI:** Mr. Chairman, the honourable member says there was no shortfalls. Mr. Chairman, the basis of the review was equity in terms of how one lessee was treated versus another. In areas, the same parcel of land, the same productivity of the land, rated productivity, one parcel of land could have had no lease rate, no rental rate, and another parcel of land could have had, in fact, a major increase of land. It was all dependent on the amount of municipal taxes that were paid.

Where municipalities had a fairly high rate, what would be considered a high rate of municipal taxation, there was no lease paid by the lessee. In areas like Northern Affairs, where the municipal rate and the services are not there, the lease rate per animal unit was way up

in an inverse - I don't know if that's the right word - proportion to the amount of taxes. Wherever the taxes were lower, the lease rates were way up. So there was no equity in terms of how producers were being treated in terms of the rental rate based on the productivity of the land, and that's the new basis of the rental formula; it is equity as between producers.

**MR. J. DOWNEY:** Mr. Chairman, I am not sure. I am trying to get at anything in particular, just for the purposes of public accounts and the accounting of what goes on in the Crown lands, does the Provincial Auditor do a specific audit of the Crown lands section and report on it with the whole activity?

**HON. B. URUSKI:** Yes, Mr. Chairman, the entire department and all its branches are audited by the Provincial Auditor.

**MR. J. DOWNEY:** Well, I was just wondering about the sale of the Crown lands and that type of thing. Do we get the opportunity to see, in a listed way, other than through Orders-in-Council, what properties are sold and as to who bought them? Is that the only place that that would show up?

**HON. B. URUSKI:** Mr. Chairman, in terms of the sales of Crown land, that audit, in terms of the money and the like would be in the audit of Natural Resources. Department of Agriculture does not recoup any of the funds from the sale. We do have the statistics, but the actual sales are handled by the Department of Natural Resources.

**MR. J. DOWNEY:** Mr. Chairman, I just want to make one further comment in regard to Crown lands, and that's again the policy of this government and this administration by having to have a direct cap on or control of what's taking place, and that's the policy of the 960 acres.

The Minister hasn't in any way, shape or form justified why there is a cap of 960 acres on a person who wants to buy a ranch in this province. He has not given us a justifiable reason as to why.

Again, we have seen restrictions placed on our egg producers in the province; we see restrictions placed on our dairy producers; we see our broiler killing facilities restricted to X-number of birds; hatching eggs now being restricted. We are seeing the policy of this administration carried out in the Crown land sales to a maximum of 960 acres.

And all we can say is it's this government's philosophical approach to the farm community. They have to have some form of hands-on control and not allow the freedom to take place that has been traditional.

I just want that to be clearly stated on the record that it's this government's policy not to allow a maximization of people's ambitions. If it's to own a 1,500 acre ranch that he buys from the Crown, why in fact would he not say so, that it's really his policy and he doesn't have a justifiable reason to put a limit of 960 acres on individuals.

**HON. B. URUSKI:** Mr. Chairman, just so that the honourable member - he may not agree with the

rationale on the basis of the 960 acre limit. The Crown Lands Branch has always had a limit on the number of animal units per unit of lease. There is a maximum on the amount of land that any individual can lease. The sale of Crown land has followed generally the same pattern where we felt, in terms of Class 5 or better land, that a minimum unit, viable unit, would be in the neighbourhood of 960 acres, give or take. That does not prevent any individual from still continuing to lease land as a supplement to his ownership base.

But, in terms of trying to deal with a scarce resource of land that the province has, we felt that the limitation was certainly not in conflict and, in fact, in parallel with the restrictions that we have always had, even while he was Minister, on the number of animal units that an individual was able to lease from the government, the carrying capacity of land with those animal units.

So, Mr. Chairman, there is no conflict or any change. It's really a matter of trying to complement one policy with the other, not preventing anyone from expanding their operation by lease if there is Crown land available, but recognizing the scarcity of the resource.

The honourable member knows that in many instances, when Crown land is put for lease, you have one or two parcels of land and you have five or six applicants. There is much more demand than there is land available, Mr. Chairman.

**MR. J. DOWNEY:** Well, one would not accept that if they looked at the falling land values in Manitoba. It's just been recently reported that we have seen a reduction in land values in the province under his administration and so it doesn't back up his argument very well.

There are a couple of other areas. One is there were some questions asked the other day by myself and my colleague from Turtle Mountain as to MACC land sales and lease properties and the tendering of. I am hopeful that the Minister can provide that information so we still have the opportunity to debate it in the near future. Well, maybe he could indicate when it will be provided.

As well, I ask the Minister, dealing with Crown lands, is there any change in policy as far as the provision of funds for the development of Crown land, and is the policy the same as far as clearing and that type of allocation of money. Have there been any changes and, if so, what are they?

**HON. B. URUSKI:** Mr. Chairman, there is no change in the policy in the Crown land improvement program. There is a review being conducted now by the department, but whether there will be any changes made to the present system has yet to be determined.

There was an increase several years ago in the amount of cost allowed for claiming under the program. It was increased, I believe, from \$75 an acre to \$117; that change was made several years ago. But, in terms of the administration of the policy, there has been no change in that area.

**MR. J. DOWNEY:** Well, Mr. Chairman, I didn't hear whether or not we were going to get the information that we asked.

**HON. B. URUSKI:** Mr. Chairman, the information from MACC is being prepared. If we have it within the next

day or so, the members will be provided. We will endeavour to have that information to them as soon as we can. That undertaking was given here; I hope that they will have it before the end of the Estimates. In the event that they don't, they will still have that information as soon as MACC has all that information prepared.

**MR. J. DOWNEY:** Well, Mr. Chairman, we may have the information, but when will we get the opportunity to question the Minister on it? That's the reason for getting the information so that we can ask him. I would seriously ask him if he couldn't speed it up. I am not saying when the Estimate process may finish, but we would appreciate it. We thought we were going to even get it that night until the closure motion was passed, Mr. Chairman, and we would like a little more co-operation from the Minister because there are a lot of people who are interested in what the policies are and what, in fact, is taking place.

So I would urge the Minister to get on with the living up to his commitment and giving us the information.

**HON. B. URUSKI:** Mr. Chairman, I am not the one that's preparing the information. I have to rely on the advice of the staff and the general manager, who is here. They do have to go through all the entire file system in order to categorize the information and present it in the form that was requested because it is fairly detailed information. We have asked them to get it done as soon as they can, notwithstanding, Mr. Chairman, the criticisms that we have received on the basis that we are not handling and moving loan applications fast enough.

You know, we are in a kind of a damned if you do and a damned if you don't situation. We have loan applications that the member has criticized us for that we are not moving fast enough and, on the other hand, he is saying, look, you better hurry up and give us that information. We will do the best we can, Mr. Chairman, and provide the information for him.

**MR. J. DOWNEY:** Mr. Chairman, I want to ask a couple of questions dealing with the community pasture project in the province and the amount of livestock that are going into the community pastures from Manitoba.

What percentage, roughly, now are Manitoba cattle and what percentage are Saskatchewan cattle? Are there any plans to expand the community pasture project in Manitoba and, if so, what stage are they at, or does there appear to be sufficient capacity at this particular time?

**HON. B. URUSKI:** Mr. Chairman, I am given to understand that two out of the 24 community pastures in the province do have some surplus space left in them. There is no great demand in terms of additional pasture space at the present time and so the community pastures encompass just under 440,000 acres of land, of 24 community pastures in the province. In '84, just under, 37,988 cattle were pastured in '84, a slight increase of about 12 head over '83, so virtually the same amount of cattle in '83 and '84 were pastured in community pastures; approximately 1,120 patrons utilized the pastures in '84. The charges, of course, are

23 cents per head per day for grazing, \$8 per season for calves; with breeding services at \$27 a head; and of course any other services, vaccines, etc., are charged at cost.

**MR. J. DOWNEY:** Mr. Chairman, I wasn't just sure of the numbers; it's 23 cents . . .

**HON. B. URUSKI:** That was the 1984 rates.

**MR. J. DOWNEY:** And what is the rate this year? Mr. Chairman, as well I'd like to know the two pastures that have space available and, if I got the rate for last year, it was \$27 breeding fee, and 23 cents per head per day, and 8 cents for calves; is that what it was?

**HON. B. URUSKI:** Mr. Chairman, the two pastures that I refer to are Gardenton and Lakeview in the Westlake area.

**MR. J. DOWNEY:** Mr. Chairman, is there any planned increase for the pasture rates for this coming year? What is the rate for this year for the use of community pasture?

**HON. B. URUSKI:** Mr. Chairman, we have no jurisdiction in the setting of rates, as the member knows they are administered by the Federal Government. At this point in time, we are not aware of any rate change as yet. They usually change annually, but I'm not sure as to what time in the fall.

Mr. Chairman, the rate was set last fall, so the rate that I've quoted for the honourable member is for 1985.

**MR. J. DOWNEY:** Mr. Chairman, there has been a fairly major increase in the PMU business in Manitoba, and the production of product for the plant in Brandon. I know, particularly in the southwest corner, there has been some shortage of pasture, because of drought and other adverse conditions.

Is there any particular pasture that is earmarked for use by brood mares? I'm familiar with one individual who has either made application or who has been able to get community pasture. Would the rates be the same, or is there any plan to accommodate these kinds of producers who are unable to find pasture for their brood mares?

**HON. B. URUSKI:** Mr. Chairman, we don't know of any specific pasture that is being identified, but I'm advised that the rates for horses are higher than the cattle rate.

**MR. J. DOWNEY:** Well, the question really is, I'm familiar with one person who has taken horses to a community pasture and I would like a little bit more idea as to the - if the Minister would accept it - policy toward it. I'd like to know - he doesn't have to provide it tonight - what the rate would be for the use by horse producers. Possibly that is information that he could provide now or whenever he gets it available.

**HON. B. URUSKI:** Mr. Chairman, I'm advised that PFRA do take horses. I'm not sure as to the priority, I believe that they do give the priority to cattle, but they

accommodate horses. We will try and get the rates, we don't have them here; we'll attempt to get them and I'll provide them to the honourable member.

**MR. CHAIRMAN:** 5.(h)(1)—pass; 5.(h)(2)—pass.

Resolution 10: Resolved that there be granted to Her Majesty a sum not exceeding \$11,981,700 for Agriculture, Farm and Rural Development Division, for the fiscal year ending the 31st day of March, 1986—pass.

The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Committee rise.

**MR. CHAIRMAN:** Committee rise.

### IN SESSION

The Committee of Supply has adopted a certain Resolution, directs me to report the same and asks leave to sit again.

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Member for Inkster.

**MR. D. SCOTT:** Mr. Speaker, I move, seconded by the Member for Concordia, that the Report of the Committee be received.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Speaker, I move, seconded by the Honourable Member for Arthur, that this House do now adjourn, with the understanding that it is 10 o'clock, and the other committee will continue as they see fit in terms of their proceedings.

**MR. DEPUTY SPEAKER:** Is that agreed? (Agreed) Agreed and so ordered.

This House is accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow (Wednesday).

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