

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 5 June, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker. I have a brief statement for the House.

As members opposite may know, the Honourable Minister of Health and I will be appearing before the Commons Committee in Ottawa on Monday morning to present Manitoba's position regarding Bill C-96.

Bill C-96, which proposes reductions of federal transfer payments to the provinces in the areas of health and post-secondary education, is of vital concern to all Manitobans.

I believe it is essential for members of the House to be well-informed about this important matter, which is of concern to all Manitobans.

As was indicated a few days ago in this House, it is our intention to provide all members with an overview of this issue and its implications for health care and higher education.

In that regard, I would like to invite the members opposite to attend a special briefing session conducted by officials of the Department of Finance, tomorrow at 9:00 a.m., in Room 254 of the Legislature.

I am confident that the information to be presented tomorrow morning will lead to a fuller understanding of this complicated issue.

Madam Speaker, I am sure that members of this House will want to take advantage of this opportunity so that together we can address this vital issue and press the Federal Government to restore 50-50 funding for health and post-secondary education.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I thank the Minister for the statement. I regret that there was no consultation with respect to this meeting and briefing session, because we could have told the Minister that our caucus meets at 9 o'clock tomorrow morning for a meeting in preparation for the session.

I would ask, therefore, that the Minister either consult later and try and find a mutually acceptable time or, alternatively, simply provide the briefing notes and materials that he has available on the subject to members of caucus and we will avail ourselves of them.

HON. J. STORIE: Madam Speaker, on a point of order, the Minister of Finance indicated some time ago that

this briefing session would be occurring. I addressed that fact yesterday and indicated . . .

MADAM SPEAKER: Order please, order please. Order please.

The Honourable Minister does not have a point of order.

Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we proceed to Oral Questions, may I direct the attention of honourable members to the gallery where we have 52 students from Grade 5 from the Southwood School. These students are under the direction of Mr. Henry Dueck, and the school is located in the constituency of the Honourable Member for LaVerendrye.

We have 48 students from Grade 3 from the Princess Margaret School. These students are under the direction of Mrs. Lorie Bergen. The school is located in the constituency of the Honourable Minister of Industry, Trade and Technology.

We have 25 students from Grade 5 from the Elmdale School. The students are under the direction of Mrs. Baker, and this school is also located in the constituency of the Honourable Member for LaVerendrye.

We have 12 students from Grade 8 from the Ross L. Gray School, and these students are under the direction of Mrs. S. Norman. The school is located in the constituency of Emerson.

I would also like to draw the attention of honourable members to the Speaker's Gallery, where we have with us this afternoon, Mrs. Alexa McDonough, Leader of the New Democratic Party in Nova Scotia, and member for Halifax-Chebuco.

On behalf of all the members, I would like to welcome you all to the Legislature this afternoon.

MRS. S. CARSTAIRS: Madam Speaker, before you begin Oral Questions, could I ask an information question?

MADAM SPEAKER: Is the member requesting leave?

MRS. S. CARSTAIRS: Yes, Madam Speaker.

MADAM SPEAKER: Is it the will of the House to grant the honourable member leave to ask an information question? (Agreed)

The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Madam Speaker, it is a peculiar situation I find myself in. When a Minister, and particularly the First Minister, makes a statement, we have a reply from this side of the House which does not always reflect my views.

For example, I would very much like to attend the meeting tomorrow at 9 o'clock in order to be given information.

How do I make that — obviously I have made it aware today — but how do I do it on a normal basis?

MADAM SPEAKER: I think in this particular instance, the honourable member has made her point. Ordinarily, independent members do not have an opportunity to reply to Ministerial Statements, although I'm sure once any honourable member receives information contained in a Ministerial Statement, that Minister or the First Minister would be quite available outside the House for the member to convey any messages they might have.

ORAL QUESTIONS

WMC Research Associates contract

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the First Minister.

I believe yesterday, at the Commission of Inquiry into the affairs of the Member for Transcona, the contract that was entered into between the Government of Manitoba and WMC Research Associates was tabled at that inquiry. I wonder if the Premier could table that contract in the House.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, that can be arranged.

MR. G. FILMON: Madam Speaker, I wonder if the Premier could indicate how quickly we can expect to have that tabled.

HON. H. PAWLEY: Soon, Madam Speaker.

MR. G. FILMON: Madam Speaker, my question is for the Minister of Energy and Mines. On Monday he agreed to table the report that was prepared as a result of that contract between WMC Associates and the government; I wonder if he's in a position now to table that report.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

MADAM SPEAKER: And Energy and Mines.

HON. V. SCHROEDER: I am pleased to table that report. I should say to the Leader of the Opposition, however, that I have not had an opportunity to go through it. I just received it a few moments ago. There are three volumes: an Interim Report dealing with the overview of resource development projects and Native employment; a dramatic overview of northern concerns, northern and sub-regional labour force characteristics; and interim observations and conclusions.

There's another report, the Limestone Generating Station and the employment of northern Manitobans,

which is the concept plan submitted by WMC Research Associates; and finally, the Limestone Generating Station Economic and Business Opportunities, building northern Native capacity and that's a development policy submitted to the Manitoba Energy Authority by WMC Research Associates Limited.

MR. G. FILMON: Madam Speaker, my question is for the Minister of Finance. We are currently considering at committee the report of the Auditor and the financial statements for the year 1984-85. In those financial statements, there is an amount of \$124,356 paid that fiscal year to WMC Associates. I wonder if the Minister — because we will be at least a year away from the consideration of the 1985-86 financial statement — could tell us whether or not WMC Associates were given consulting contracts in the fiscal year 1985-86, and to what amount, and by which departments.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I'll take that question as notice.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. My question is for the First Minister and stems from his reply to questions yesterday that he had seen the contract with WMC Associates and I quote the Premier, "It has been signed by the Chairman of Hydro, Eliesen."

In view of the fact that Mr. Eliesen was not Chairman of Hydro when he signed that contract, could the First Minister care to share with the House which hat Mr. Eliesen was wearing when he signed that contract with WMC Associates, whether it was as Deputy Minister of Energy and Mines, as Chairman of the Manitoba Energy Authority, or whether it was as Executive Director of the Manitoba Energy Authority?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, as I committed myself to do just a few moments ago, we'll table that contract. It's signed by Mr. Eliesen in his role as Chairman of the Manitoba Energy Authority.

Signing authority - senior civil servants

MR. D. ORCHARD: Madam Speaker, I don't know whether to direct this question to the First Minister or to the Minister of Finance, so I'll leave those two honourable gentlemen to decide which can more appropriately answer it. Could either of those Ministers indicate what the signing authority of Mr. Eliesen was on July 20, 1984, when he signed that contract with WMC Associates?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: That question was taken as notice yesterday. The signing authority for the Crown

corporation in question, the Manitoba Energy Authority, was the Executive Director — \$500,000; the secretary-treasurer — \$50,000.00. Other Crown corporations such as the Manitoba Public Insurance Corporation have no set limit. Others, like the Manitoba Hydro have, in terms of the CEO, \$1.2 million and vice-presidents of the corporation — \$500,000.00.

MR. D. ORCHARD: Madam Speaker, I take from the Minister of Finance's answer that as of July 20 the signing authority was the \$500,000.00. Is the Minister indicating that that signing authority was granted prior to the August 3, 1984, board meeting of the Manitoba Energy Authority which granted that same authority?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. I'll take that question as notice.

WMC Research Associates contract

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, I direct a question to the Minister of Energy and Mines. I wonder if the Minister would undertake to check the records of his department to determine whether or not the original proposal by WMC and Associates for a consulting contract was sent to and received by the Department of Energy and Mines and not the Manitoba Energy Authority.

HON. V. SCHROEDER: Madam Speaker, I would expect that will be dealt with by the Commission, but certainly I'll take that question as notice and add it on to the list.

MR. H. ENNS: Madam Speaker, I would ask a further question to the same Minister. I wonder if the Minister would also undertake to determine whether a Mr. Gordon MacLean of the Department of Energy and Mines was present and participated in the negotiations leading up to the awarding of the consulting contract to a former business partner of the then Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, the temerity of the members, I think it's incredible. But I should say, it's just another indication of the lack of facts. But it doesn't matter to them whether they have facts or not, they just try to paint people . . .

Gordon MacLean — and this almost feels like the 1950's in the McCarthy Period — is not an employee of the Department of Energy and Mines and has never been an employee of the Department of Energy and Mines.

MR. H. ENNS: Madam Speaker, the purpose of asking questions is to get information. I thank the Honourable Minister for that information. Would the Minister provide me with some further information. Can the Minister also determine whether or not a Miss Patty Park, then

assistant to the former Minister of Energy and Mines, was present at any of these meetings during which the contract in question was being discussed?

HON. V. SCHROEDER: Madam Speaker, the member seems to think that it's an appropriate use of his time to be going over precisely the ground that is being gone over by the commission right now. He constantly has the wrong facts, which he presents to the Legislature, pretends that Gordon MacLean, as an example, is or has ever been an employee of Energy and Mines, should have checked his facts as is, I understand it, the rule on that sort of thing.

He has implied that Mr. Davison is or was a partner of the Member for Transcona. That is an allegation that is apparently before the commission. I don't believe that there is any accuracy in that statement either . . .

MR. H. ENNS: On a point of order, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Lakeside, on a point of order.

MR. H. ENNS: I'm trying my best to follow your suggestions, Madam Speaker, by asking straightforward, precise questions. I asked whether a Miss Patty Park, then a special assistant or an assistant to the office of the then Minister of Energy and Mines, was present at a particular meeting. Surely, the Minister can conform to that kind of questioning.

MADAM SPEAKER: On the point of order, as the member well knows, he cannot dictate the kind of answer. On the other hand, I would advise all Ministers that answers to questions should be as brief as possible, should deal with the matter raised and should not provoke debate.

Inquiry - former Minister Wilson Parasiuk

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. My question is to the First Minister, Madam Speaker.

Could he indicate whether the terms of reference for former Mr. Justice Freedman for the inquiry include an inquiry or investigation into the role of the Winnipeg Free Press in this matter?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I think that is a matter that Chief Justice Freedman, in his wisdom, will make his own determination on in respect to his final report arising from the matters that are before him.

MR. G. MERCIER: Madam Speaker, without in any way, shape or form commenting on the integrity of former Mr. Justice Freedman or Mr. Flett, who is counsel to the commission, or the firm of Aikins, Macaulay for whom they are employed. In view of the fact, because they have the highest respect of members of the House

and of the citizens of this province but, in view of the fact, that they act for the Winnipeg Free Press — the firm of Aikins MacAulay acts for the Winnipeg Free Press — may I suggest to the First Minister that he consider revising the terms of reference so that the role of the Winnipeg Free Press is excluded because they obviously — (Interjection) — no, there is an apparent conflict of interest and that they are employed by a firm which acts as counsel for the Winnipeg Free Press.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Methinks that in some respect the Member for Kildonan knew whereof he spoke, but I won't comment any further than on the apparent symbiotic relationship between the Opposition and the Free Press.

Madam Speaker, the mandate of the Chief Justice is very clear in terms of the facts that he has defined. This is a very experienced jurist, one of the most experienced in the common-law world and, undoubtedly, in coming to his conclusion, he will write reasons for judgment. I am not about to, nor should anyone attempt to tell him what he would say in coming to his conclusions. He may or he may not comment on the role of the press; that is entirely up to him.

MR. G. MERCIER: My question then to the Attorney-General, Madam Speaker, and again, because it deserves repeating, I have greatest respect for the integrity of Mr. Justice Freedman, Mr. Flett and that firm, but does the Attorney-General consider it appropriate that these people who are employed by a firm, who act for the Winnipeg Free Press, should comment on the role of the Winnipeg Free Press in this matter?

MADAM SPEAKER: Order please. The honourable member should not ask for an opinion. Would you like to rephrase your question?

Brandon General Hospital expansion

MADAM SPEAKER: The Honourable Member for Brandon West.

MR. J. McCRAE: Madam Speaker, my question is directed to the Minister of Health.

During the election campaign the government promised the people of Westman that Brandon General Hospital would be expanded under a newly re-elected NDP Government. In view of the fact that this upgrading is now in the planning stages, what is the Minister's response to the announcement this week by the Executive Director of the Brandon General Hospital that if the Manitoba Health Services Commission does not come through with more operating funds for this year the hospital will have to cut back on staff and services on August 1? How can an expanded facility operate with reduced funding, services and staff?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, as far as the expansion is concerned, there is ongoing discussion

between the Commission and the Brandon Hospital, as well as other hospitals, and I would like to inform the member, who is at his first Session, that usually during the Estimates I announce the five-year capital program, and that announcement will be made at that time.

Now, as far as funds for this year, there is an appeal to the Commission from the hospital and, on the deficit, that will be looked at. Of course, we're trying our best to follow your suggestion to watch the deficit very closely, so the situation — (Interjection) — I know, except for that area, but we make no exception. It is normal, it is the procedure, that when that is done, when there is an appeal, that the hospital will be taken off. The global budget will be line by line, and that will be done with the hospitals.

MR. J. McCRAE: Will the Minister instruct the Manitoba Health Services Commission to look realistically at funding for Brandon General Hospital so that seriously ill people in Westman don't have to be concerned and so they can be assured proper care when they need it?

HON. L. DESJARDINS: I certainly will not instruct the Commission to treat any part of this province any differently than they do the others. I might say to my honourable friend that I would not want to insult them by asking them to be realistic. I think they are. They have good experience in that and they are doing a very good job.

Sewer systems, East St. Paul and Tache Municipalities

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker. My question is to the Honourable Minister of Municipal Affairs.

Given the fact that this government had promised the Rural Municipality of East St. Paul funding in the form of grants so that they could proceed with the installation of their sewer system, and given the fact that those same assurances had also been made to the Rural Municipality of Tache so that the village of Landmark could complete its sewer system, both of whom expected these assurances to be confirmed by your department in 1986, as promised during the election, can the Minister assure this House as well as both the Municipalities of East St. Paul and Tache that they will get the grant that will allow them to proceed with their capital projects that not only are they entitled to but that was promised to them?

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker. I'll take that question as notice.

MR. G. ROCH: Could you also take as notice whether they'll be able to proceed in 1986 or 1987?

HON. J. BUCKLASCHUK: Yes, I'll take that as notice as well.

MR. G. ROCH: Once you finally come back with the answers, if you ever do, will you confirm it in writing to the municipalities involved?

MADAM SPEAKER: Order please. Could the honourable member please address his questions through the Chair.

MR. G. ROCH: Through the Chair then.

Livestock Auction Market Association

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker. My question is to the Minister of Agriculture.

At a recent annual meeting of the Manitoba Livestock Auction Market Association, considerable discussion took place regarding the risks facing auction mart operators because of default of payments by livestock dealers.

Is the Minister willing to consider for their protection and, of course, for the protection of livestock producers as well, licensing and bonding regulations such as those other provinces have in place?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Madam Speaker. I thank the Honourable Member for Lac du Bonnet for the question.

We have been concerned for quite some time about the situation of licensing and bonding for auction marts. In fact, Madam Speaker, we held discussions with the industry as far back as two years ago, and made certain proposals to them for licensing and bonding, provisions that we thought they could meet. They, at that time, rejected those proposals.

In fact, I've had a number of meetings since that time trying to encourage producer organizations and the industry to look at those proposals that were given to them two years ago and, if there are some modifications that they feel they could not live with before, we would be prepared to reconsider those and see where we go from there. But we're certainly concerned about the matter and would like to deal with it.

MR. C. BAKER: A supplementary question, Madam Speaker. Has the Auction Mart Association made any overtures to the government at this present time?

HON. B. URUSKI: Madam Speaker, there have been discussions on an informal basis with several groups. I will take as notice, specifically, whether in fact there has been some precise discussions with our staff and the Auction Mart Association — I know that other agricultural groups have raised this matter with us — and I will report back to the House.

Reassessment on municipalities

MADAM SPEAKER: The Honourable Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Madam Speaker. My question is to the Honourable Minister of Municipal Affairs.

I understand there are municipalities that are scheduled to be reassessed in 1986. I also understand that most school divisions are comprised of a number of municipalities.

Could the Minister of Municipal Affairs assure this House that no new assessment figures will be used to calculate the school tax in the subsequent years unless all municipalities in the division have been reassessed?

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Thank you, Madam Speaker. I'll have to review that question. I am not aware there is any thought of any different procedure being undertaken with respect to assessment and school taxation in the future, as has been done in the past, but I'll review that.

White Spur Drain

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, I took as notice a question raised by the Member for Arthur. I would like to provide that information.

The concern raised was whether the interests of the Province of Manitoba were represented at a meeting concerning a proposed diversion, the White Spur Drain, which would result in water flowing into the Souris River. In checking with the departmental staff, I am pleased to inform the House that Manitoba first raised concerns in 1983 in letters from the director of the Water Resources Branch to the state engineer in North Dakota.

More recently, at a May 21 meeting, where public briefs were being received on this matter, we had representation by staff at that meeting to state the concerns of the province and, subsequent to that meeting, the director of the Water Resources Branch has written to the state engineer, expressing Manitoba's objection to the projects as currently envisaged, and requesting that the state engineer not grant the necessary permit which would authorize construction of the project.

Swan River Friendship and Manitoba Lotteries Commission Contract

MADAM SPEAKER: The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker. My question is for the Acting Minister responsible for the Manitoba Lotteries Foundation.

Could the Acting Minister inform the House if the Manitoba Lotteries Foundation is entering into a contract with the Swan River Friendship Centre to operate a commercial bingo hall in that community?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker. I'll take that question as notice, though I am not aware of any moves by the Manitoba Lotteries Foundation to enter into any arrangements with respect to commercial bingo operations anywhere in the province.

MR. J. ERNST: Madam Speaker, I appreciate the Minister's response that he isn't going to know that information, and I would appreciate getting it back, but perhaps I may not have phrased it directly.

The intent, Madam Speaker, was that the Friendship Centre would operate it with government employees in a government building or government-sponsored building for the Minister's information. So I may ask a supplementary question which he may also provide the information at a later time.

The effect on the Swan River Curling Club, the Swan River Elks Club, the Swan River Legion and the Swan River School Band of any proposed other bingo operation in that community. Those four organizations presently are operating a weekly bingo.

HON. E. KOSTYRA: I'll take that further question as notice.

Grasshopper infestation

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question to the Minister of Agriculture.

Recent hot weather and a dry spell in the southwest area of the province has brought about a massive outbreak of grasshoppers which have devastated some of the crops. Does the Minister of Agriculture have a plan or a project which he would be able to implement to support the farm community in control of the massive outbreak of grasshoppers?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, this question was raised a week ago by the Honourable Member for Lac du Bonnet, asking myself as to what plans the government had in place. I had indicated to him at that time that discussions had been held with municipalities as they were last year with some, I believe, almost 50 municipalities who had grasshopper infestations in 1985. That work was undertaken. Our staff were in the field two weeks ago.

As well, I can report to the House, Madam Speaker, that we've also confirmed that in terms of the availability of chemicals for the spray of grasshoppers that all chemical companies have adequate stocks resembling or nearly the same amount as they had used last year. The program that we have in place, Madam Speaker, will be the same as it has been in the past, that the province will reimburse municipalities for the spraying of public lands and for the cost of the chemical and the use of the equipment and the spraying and the labour there will be borne by the municipalities. That will be the standard program that will be in place. Last year between five and \$600,000 was reimbursed to the municipalities.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I have a question to the Minister of Municipal Affairs. Will the Minister of Municipal Affairs speak out on behalf of the municipalities which he is supposed to represent and request that his colleagues do not transfer the responsibilities of the province on to those municipalities when it comes to the spraying of the provincial highways and road allowances? Will he represent his constituents in the municipalities and speak up on their behalf so that the cost is not transferred to them?

Bill C-96

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Madam Speaker, I have a question for the Minister of Education.

Early this afternoon in his Ministerial Statement, he notified members of the House that he'll be putting on an important briefing tomorrow morning in regard to Bill C-96 which will reduce significantly the federal contribution to ongoing post-secondary education and health programs. Will the Minister consider the Leader of the Opposition's request to reschedule the meeting so that they do not have to change their caucus meetings — we have had to — for tomorrow morning at 9 o'clock?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

In response to that question, yes, Madam Speaker, I would certainly be willing to provide information available at that meeting to members opposite, but I would also want to point out that I did, in fact, notify the Opposition of the meeting, the time, and the place of the meeting. I informed the House yesterday that would be occurring. I subsequently called the Deputy Critic of Education, the Member for Morris, and informed him of the meeting. Perhaps, Madam Speaker, the Leader of the Opposition would want to come loaded with a full deck.

Government vehicles - personal mileage

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

My question is to the Minister of Finance. Could the Minister of Finance state what the Cabinet policy is regarding the claiming of personal mileage on government vehicles for senior executives?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Sorry, I didn't hear the full question.

MR. A. DRIEDGER: . . . Minister state what the Cabinet policy is regarding the claiming of personal mileage on government vehicles for senior executives?

HON. E. KOSTYRA: I'll have to take that question as notice and provide the information as it is in the general manual of administration. I don't have that document or that information before me at the present time.

MR. A. DRIEDGER: Is the Minister saying that the policy is the same as that provided in the Civil Service guidelines or is there a change from that?

HON. E. KOSTYRA: I said that I would take the specific question as notice and provide the information as it appears in the general manual of administration dealing with mileage claims.

Companies, numbered and holding - disclosure

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the Minister of Consumer and Corporate Affairs. Regarding one of the problems determining liability and responsibility in corporate ventures, is the Minister's department considering looking at numbered companies and holding companies to provide for greater disclosure in ownership and responsibility of these companies?

MADAM SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Madam Speaker, the short answer is that there hasn't been any consideration to date, but I think that is a very valuable suggestion and perhaps one that we would want to look at.

Companies, numbered and holding - registration forms

MR. M. DOLIN: A supplementary, Madam Speaker. Could the Minister also, in looking at that, review the practices of retroactive amendment to registration forms while he's looking at them?

HON. A. MACKLING: The short answer again, Madam Speaker, would be yes, but I would be surprised if that kind of practice is allowed by our branch. If it is, it would be a matter of very serious concern to me and I certainly would look into it.

Grain, movement of

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Madam Speaker. My question is to the Minister of Agriculture and to the Premier. In view of the fact that grain movement at the Lakehead is beginning, in view of the fact that

it is imperative that the 1985 crop be moved as soon as possible and not exceed past the August 1 deadline, and it appears that a work stoppage may be on the horizon at the Lakehead, will the government be making presentations to the unions and to the companies involved on behalf of the farmers of this province?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, the honourable member knows that the matter of grain handlers and the ports rests with his colleagues in Ottawa. If he would like and, in fact, we have raised this matter before with federal officials that conciliation services be provided so that free collective bargaining can proceed as should be the case. Quite frankly, Madam Speaker, and I'm sure the honourable member, like most farmers would be concerned, and their wages have been cut. The rates as imposed by the handling companies at the ports have increased marginally over the last number of years. This year they've been frozen. What I have read in the newspapers, Madam Speaker — I'm sure the honourable member would have difficulty in accepting that a major cut in wages to the employees would be one that should be dealt with by conciliation and collective bargaining.

MR. G. CUMMINGS: Of course, we will be making our own presentations to Ottawa. I asked the Minister in charge of Agriculture if he would be also prepared to make a presentation.

HON. B. URUSKI: I appreciate the honourable member's suggestion. We'll take that under advisement.

Airlines - overbooking

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. A question for the Minister of Consumer Affairs with whom I've discussed this matter previously. My question involves situations where airlines overbook leaving numerous passengers without the opportunity to take a flight. My question to the Minister is: would he inquire into this matter and perhaps consult with federal authorities? In view of the fact that I, for one, and I'm sure many members of the House have had constituents who have bought an airplane ticket — this is not with CP Air or Air Canada but other airlines — gone to the airport and, in one instance, my constituent, along with 15 other persons were unable to get a seat on the airplane which just virtually destroyed their holiday plans. I wonder if you would make those inquiries and determine whether or not anything could be done to assist consumers and air passengers caught in this predicament.

MADAM SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Yes, I will, Madam Speaker.

Kids and Trees Program

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, I took as notice a question from the Member for Morris related to the Kids and Trees Program. The member pointed out some concern about a site near St. Adolphe where a number of students from, I believe, the Gretna School had planted trees. Inquiring with the staff of the department, they did indicate that there was some considerable difficulty in that site last year due to the elements of weather. Subsequent to the planting of the trees, they tried to move in some equipment to work but the terrain was very wet. They were not able to tend it. They then had plans in place to use a herbicide to control the weeds but being that they were all broad leaf species, which is not the case at every planting, they were not able to apply a herbicide. I take the word from the Member for Morris that there was a high mortality rate at that particular site, but it was not due to the lack of effort on the part of the students.

I want to indicate to members opposite that we should not, in looking at this one site, cast the efforts of our students in a poor manner, because I can point to a particular site one and a half miles west of Douglas, along the Trans-Canada Highway, where 70 students planted over 4,000 trees and the success rate was very good.

As with tree planting generally, in some cases, there will be some problems and there will be losses of trees, but other cases have been very successful, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I hope the Minister is not necessarily casting aspersions on the ability of the students to plant trees. I think that onus should have been on the department.

MADAM SPEAKER: Question.

MR. A. DRIEDGER: Could the Minister indicate how many sites there have been of this nature and what the success rate was, because he's indicated one case where it was good? I can indicate a number of others where it has not worked that well.

Can the Minister indicate how many cases where this has taken place, where this planting took place, and what the costs were, related to that?

HON. L. HARAPIAK: Madam Speaker, I cast aspersions at no one.

I want to indicate that the budget for the program on Kids and Trees was \$65,000.00. This program was an extension of a very extensive and successful program from the department, involving the efforts of Cubs and Scouts; and I can indicate that some 700 Scouts planted 8,000 seedlings in the Agassiz Provincial Forest. In the western region, some 800 scouts planted 40,000 seedlings; in the southern areas, 800 scouts planted 18,000 seedlings, and in the Steinbach area, some 20,000 handicapped people were involved in the planting of 20,000 trees.

I will provide to the member opposite more specific information regarding the Kids and Trees Program. The response from the schools, we must admit, was limited, but we have had very considerable success in the planting program involving the Cubs and Scouts, but I will provide the member opposite with more specific information on the success rate relative to the school effort, but there will be a range of success, as I said earlier.

I take the word of the Member for Morris that at this particular site that there was a high mortality rate, but I am advised that in other cases every tree survived.

MADAM SPEAKER: Does the Honourable Member for Emerson have a supplementary?

MR. A. DRIEDGER: Thank you, Madam Speaker.

I have a supplementary. Could the Minister, when he's checking this out, would he check out the corner of Highway 59 and 52 and see whether there is one tree living out of the 20,000 that were planted?

HON. L. HARAPIAK: I would seek clarification, Madam Speaker. I think it is the intent of the Member for Emerson to have me check that personally. When time permits, I would be delighted to do so.

Telephone exchanges - Springfield constituency

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, a few days ago the Honourable Leader of the Opposition asked questions in respect to a telephone service, and the Member for Elmwood had asked me earlier about the provision of that service through the telephone system.

As honourable members may have noted, the telephone system board did make a decision on that matter with which I agreed, and the service, as far as I understand, is terminated.

MADAM SPEAKER: The time for Oral Questions has expired.

SPEAKER'S STATEMENT

MADAM SPEAKER: Before we move to Orders of the Day, I have a statement I would like to present to the House.

As a consequence of the Supreme Court of Canada decision on June 13, 1985, respecting Section 23 of The Manitoba Act, an interim statement was made to the House by the then Speaker on June 24, 1985, concerning measures being introduced by which the Legislative Assembly would comply on an interim basis with the requirements of the act and of the judgment of the Supreme Court.

The House was informed by that statement that research was then under way to assess further recommended procedural changes and was advised that any such further changes would be announced in due course.

It is my purpose in making this statement today to inform the House of the results of the research undertaken and of the further changes in practice found necessary.

The matter of compliance with Section 23 raised numerous administrative questions as well as questions concerning financial and human resources, all matters within the responsibility of the Legislative Assembly Management Commission, in addition to certain consequential procedural ones. The Commission directed the Clerk of the Legislative Assembly to obtain detailed legal advice regarding compliance with the law by the Assembly and to present that advice, together with administrative recommendations designed to implement it, to the Commission for its consideration.

The Commission, on December 19, 1985 after consideration of the advice and recommendations placed before it approved the implementation of the following measures, to be effective at the opening of this session. Members have probably already taken note of some of them.

The following House publications and documents will be produced on a daily basis in English and French:

Votes and Proceedings;
Order Paper and Notices;
Notices of motion and motions relating to Bills;
Notices of motion and motions not relating to Bills;
Orders and Resolutions of the House;
Orders for Return;
Addresses for Papers;
Responses to Addresses for Papers and Orders for Return;
Written Questions;
Answers to Written Questions;
Lieutenant-Governor's Messages;
Estimates, Resolutions and Estimates Books;
Notices of sittings of Standing and Special Committees to consider Bills;
Reports of Standing and Special Committees;
Reports of Committees of the Whole;
Material re Private Acts, including Clerk's Notices;
Reports by the Law Officer; Notices of Sittings of Committees, etc., and Private Bills themselves;
Written Speaker's Rulings or Statements;
Royal Assent documents; and
such other documents as may from time to time be printed in their entirety in the Votes and Proceedings.

With reference to Addresses for Papers and Orders for Return it should be noted that only the text which is to appear in the Votes and Proceedings will be produced in English and French.

In addition, the Speech from the Throne, the Members' Roll, the Journals of the House for 1985-86 and for all subsequent years or sessions will also be produced in English and French.

The Rules, Orders and Forms of Proceeding of the Legislative Assembly of Manitoba will be re-enacted in English and French not later than the 1st Session, 1988. By not later than December 31, 1986 all Rules made by the Legislative Assembly Management Commission and any Rules still in effect which were made by the former Board of Internal Economy, will also be re-enacted in English and French.

Henceforth, all amendments to the Rules, Orders and Forms of Proceeding of the Legislative Assembly will be enacted in English and French.

The immediate introduction of the following changes in House practices on an interim basis is essential. These provisional matters will be referred at the earliest opportunity to the Standing Committee on the Rules of the House for approval:

notices of motion filed with the Clerk's Office not later than 5:30 p.m. will appear in the Notice Paper on the 2nd day following filing; and reports on Standing and Special Committees will be presented to the Legislative Assembly on the day following the day of the last sitting on which it is proposed to report, except that in the case of Thursday sittings, reports will be presented on the following Monday. These measures are essential to provide adequate time for French translation.

The Rules Committee will be called upon in the near future to consider and make recommendations upon the two above-mentioned items and upon any other matters arising from compliance with Section 23, which should be reflected in the Rules, Orders and Forms of Proceedings of the Legislative Assembly of Manitoba.

All Legislative Assembly publications and documents being produced in English and French will be produced in a tumble or back-to-back format, insofar as this is applicable. In adopting these measures, some unexpected difficulties may be encountered in the initial stages. I would therefore appreciate the indulgence of members in overlooking any minor delays which may arise while any bugs are being worked out.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, first on a matter of House Business, it's my understanding that the Opposition would agree to the continuation of Public Accounts Committee hearings on Thursday, following next Tuesday's hearings if required; and I would like to so indicate.

Secondly, I'd like to now, Madam Speaker, move that Madam Speaker do now leave the — (Interjection) — Chair . . .

MADAM SPEAKER: Question?

MR. G. MERCIER: Madam Speaker, I wonder if the Government House Leader would advise his fellow members of Cabinet, when they wish to schedule meetings, that they perhaps do so through him or through the Government Whip or through their caucus chairman to our respective House Leader, Government Whip or caucus chairman?

HON. J. COWAN: Yes, I'll certainly take that suggestion under advisement and would discuss it perhaps at a later time with the Opposition House Leader and other members who might be interested in the matter.

Previous to that though, I would like to move, Madam Speaker, that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

The Department of Agriculture will be meeting in the Chambers here, and the Department of Highways and Transportation will be considered in the Committee Room.

MADAM SPEAKER: Does the Honourable Minister have a seconder for his motion?

HON. J. COWAN: I would . . . (inaudible) . . . Minister without Portfolio, the Minister for Native Affairs.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Agriculture, and the Honourable Member for Kildonan in the Chair for the Department of Highways and Transportation.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, M. Dolin: This section of the Committee of Supply will be dealing with the Estimates of the Department of Highways and Transportation and we will begin with a statement of the Minister of Highways and Transportation.

HON. J. PLOHMAN: Thank you, Mr. Chairman.

I want first of all to express my appreciation to the staff of the Department of Highways and Transportation for their dedicated work and support over the past year. It has been a difficult year in many respects, as it always is when we are dealing with scarce resources, and I do appreciate the kind of support and understanding that the departmental staff have given me and the government over the past year and, of course, years before that.

I believe this is my third opportunity to be involved with the Highways Estimates, if not fourth, and each year, of course, it seems that the decisions are more difficult.

I think the Estimates this year have been prepared with the recognition of the government objectives and economic realities that we face. We have been faced with the task of prioritization of our expenditures, both government-wide and also within the department.

We have directed our efforts towards maintenance of our existing infrastructure by placing our emphasis on roadway rehabilitation, while at the same time decelerating the new roadway development projects that, of course, take a great deal of money from the construction budget.

In many instances, we have aligned funding of existing programs in order to enable us to attain a modest expansion in services in some areas.

I believe that generally the permanent staff decreases have been limited to attrition. The majority of staff decreases are related to seasonal employment and

where permanent positions are involved, it is generally the case that vacant positions are eliminated as opposed to individuals.

This year our total budget has been decreased by \$3,494,300, and this represents a 1.7 percentage reduction from last year. In making this reduction, we have taken into account the responsibility that we are charged with for prudent management of the expenditures that we have under our jurisdiction.

In terms of capital construction expenditures, Mr. Chairman, given the objective of decreasing the deficit and considering overall government priorities, we have directed our construction dollars to place emphasis on project work for Manitoba's existing highways and roads throughout the province. As a result, the \$83 million construction program in 1986-87 places its major emphasis on resurfacing and rehabilitation of existing surface highways, as I said earlier, and less emphasis on new construction.

The 1986-87 highway construction program will provide 169 new highway construction projects. This program was handed out to the members opposite and all MLA's earlier. This program includes pre-advertising a number of projects that were pre-advertised last fall. Members are aware of the advantages of the pre-advertising and we have continued that practice.

A distribution of construction expenditures throughout the province has been emphasized and I want to bring that to the members' attention. I think that we have a better distribution of the \$83 million of expenditures in the construction program throughout the province, much to the chagrin, I think, of my colleague from The Pas.

The \$83 million construction budget is a 3.5 percent decrease from last year's actual construction program, even though print-over-print it is down some \$12 million from the printed budget last year.

As I outlined in my Budget Speech in the House earlier, it is clear the dollars were not flowed last year to the extent that they were budgeted, primarily because of the difficult weather conditions last year. So the department was unable to flow the full \$95 million, and, of course, that is not something that we were shooting for to come under the budget, that we were hoping that all of those dollars would flow for construction purposes.

I agree with those who have said the province requires additional dollars for roadway rehabilitation and upgrading and meeting the needs of the citizens of the Province of Manitoba generally. So I certainly don't feel pleased that there has been a decrease in the construction budget, but it's one of the things that I have to recognize — and I think all of us do as members of government — that we have greater responsibilities than just in one narrow area. It is, I think unfortunate. However, I want to put it in context that the \$83 million this year is, as I said earlier, only a 3.5 percent decrease from the actual dollars flowed last year, which was about \$86.2 million. Considering the fact that there have been reductions in fuel price of 15 to 20 percent, and 15 to 20 percent reductions in asphalt prices, and considering the fact that we've put more of the dollars in the budget towards construction activities as opposed to acquisition activities, where the dollars previously were budgeted for the full acquisition project even though it could not be flowed in a particular year; that has changed now to more realistic levels that reflect the

actual work that will take place in acquisition. Since that has freed up some dollars, I think that we will come very close to having the same kind of construction activity.

Now I don't relate that to an optimum though. I don't believe that \$86 million last year was as high an expenditure on the roads as many would have liked. It has been higher in previous years; that's true, but in reflecting year over year the facts are as I have stated them.

We have done some calculations, Mr. Chairman, on the employment impact this might have. There have been some who have said that there would be 300 or 400 jobs lost. The facts are, as we see them, the projection is at about 31.8 or 32 person years are created for every million dollars of construction activity. Based on that, and the dollars flowed in each of the last three years, there was about 2,107 jobs created in the construction industry through Highway expenditures, construction expenditures in 1984-85; 2,062 in 1985-86, and this year it will be 2,008, so a decrease of about 54 according to these projections.

I should also point out to members opposite that the province receives the lowest revenue per motor vehicle of any province in the country, from registration fees generating revenue. That means that we have one of the lowest registration fees across-the-board in the province, and it would seem to me that it would leave some room in the future that we do look at the people who are benefiting from the highway system, using the highway system, having to pay more to maintain a good highway system.

The facts are that we currently generate about \$168,925 from road-related taxes and fees. We spend in the neighbourhood of — well, the budget is 197,000, but we take out the water bombers and the air-radio services and so on, and we'd be down to about 187 million. If we were to take out, in addition to that, driver and vehicle licensing, and a number of others that may be marginal in terms of their relationship to the fees that are collected, the lowest estimate that I could give would be 172 million that is actually spent on road-related activity.

So we are still spending more on road-related activity by a minimum of 4 million and probably more accurately about a minimum of 25 million or 30 million than we are collecting. So that it does indicate that there is other revenue coming in and subsidizing the highway system. I think that could be reversed in the future, and that we should look at major expansions of expenditures where needed in the highway system, and having that tied to additional revenues in that area. Whereas, in the past, no one could argue that people were overpaying for the highway system through fees, registration fees and gasoline taxes. It is now becoming something that is passé and that the revenues are coming close, but they certainly are not matching the expenditures.

I want to cover a few major points for the members opposite. Four-lane construction just briefly to mention: an effort to improve safety for the travelling public and our capacity to handle traffic, we will be continuing our program of four-lane construction on a somewhat reduced scale. Improvements will be carried out on PTH No. 75; and near Ste. Agathe paving there; PTH 44 from Highway 59 East; and on the Trans-Canada

Highway from Brandon West near Oak Lake and on the Brandon by-pass near Kemnay. Also there are some projects on Highway No. 1 East, repaving and the Perimeter Highway, which is part of the improvements of the four-lane sections.

Insofar as winter road construction, the Winter Road Construction Program will again be carried out with a vision to assist the special needs of northern and remote communities. Construction of these roads enables the transportation of goods at a reduced cost for remote communities, resulting in a positive spinoff effect on shippers, carriers and receivers.

We are also encouraging the construction of a winter road between Gods Lake Narrows and Gods River for the first time this year. These communities have requested construction of this road to allow transportation of materials and food, to also provide access for local residents. We have taken action on this request, and have approached the Federal Government to participate on a cost-sharing basis, 50-50, as they do with most of the other winter roads. We would propose that this would also be subject to the 50-50 cost-sharing arrangement, and we have included the money in the budget this year. That has not been finalized yet.

In terms of dust treatment, in a move to improve our maintenance standards on main market roads and LGD's, we have implemented a new \$175,000 Dust Treatment Program, in addition to our existing 2.3 million Dust Control Program on provincial roads. Approximately 660 home sites adjacent to main market roads will receive the dust treatment application, and this program will provide obviously a safety function as well, in the LGDs. I felt that it was important that LGD's have access to the same Dust Treatment Program as the PRs do throughout the province.

I want to mention the compulsory Commercial Vehicle Inspection Program. In order to ensure safe vehicle operation, our Vehicle Inspection Program will be realigned to include tractor and semi-trailer units. This program follows the Memorandum of Understanding that was signed by the provincial Ministers responsible for Transportation a number of years ago and it is another move to ensure safety for motorists travelling on our highways. Inspection is now concentrated on cars and light trucks at the present time, while commercial vehicles have a greater potential for serious injury. They travel on the highway more frequently for longer distances and should, therefore, also be subject to inspection.

Upon implementation of the Commercial Vehicle Inspection Program, vehicles will be inspected regularly at private shops which have been government certified in accordance with government safety standards and we hope that this program will be fully operational by next year, thereby significantly contributing to safer vehicle operation on our highways.

We have taken some initiatives in the area of handicapped parking in keeping with the Memorandum of Understanding that was signed with other provinces. Parking decals for physically disabled drivers will soon be available from the Department of Highways and Transportation. This will ensure that those individuals with special needs are able to take advantage of parking privileges offered by merchants and the public sector as well. The program is part of our continued

commitment to improve services for the mobility disadvantaged.

These decals will be issued to eligible persons who own and operate a vehicle. It will be attached to licence plates or placards that are now issued through agencies for the physically disadvantaged. The decals will help to improve identification of vehicles utilizing special parking facilities throughout the province and the country. They will be recognized throughout the country.

I should mention as well that we are putting in place a new Impaired Drivers Program in an effort to combat the problem of impaired driving. This program will be implemented following amendments to The Highway Traffic Act in this Session. Drivers convicted for the first time of an alcohol or a drug-related offence under the Criminal Code of Canada will be required to complete an Impaired Drivers Program prior to reinstatement of driving privileges. This will serve as an educational tool, and it is in keeping with our objective to reduce impaired driving in the province. The Impaired Drivers Program will be provided by the Division of Driver and Vehicle Licensing with the assistance of the Alcohol Foundation of Manitoba.

The transportation and mobility disadvantaged has been a major area of activity this past year and continues to be expanded this coming year. We have, I think, taken a leadership role in the transportation of the mobility disadvantaged in rural areas. Funding for the mobility disadvantaged program will continue to enrich the lives of Manitobans through the provision of services such as handi-vans. This program was begun in late 1981 when the Member for Pembina was still the Minister. This program was aimed at responding to the demands of rural communities. I'm sure the Member for Pembina would like to make a statement on this program.

It enables communities to gauge their own needs and to act on those needs. Communities are encouraged to become directly involved in the initiation of transportation services for the mobility disadvantaged. When this program was first provided to communities in 1981-82, a total of four communities received funding. Currently, 27 communities receive grants under the program for the transportation of the mobility disadvantaged and serve about 35 percent of rural population.

In the area of signage, we'll be moving into the second phase of our Community Service Sign Program, a program aimed at improving the identification of traveller services in Manitoba communities. This phase provides \$50,000 from our Budget this year on a cost-sharing basis with communities for highway signs which inform tourists of gas, food and lodging. In this way, we hope to encourage tourists to take advantage of our services and to boost the tourism industry in the province.

We'll be increasing usage of a newly designed road sign to caution motorists to stop for school buses when signals are flashing. Members may be aware that we have received representation from a number of different areas throughout the province to improve the awareness of motorists to the requirements of the law to stop when a school bus is stopped, that they cannot pass. People are concerned that there are more violations of this. We want to alert people as part of an educational program to ensure that signs are placed more frequently throughout the province.

In the past, we have placed this sign only at locations where there was a high incidence of the passing of stopped buses. The program will be expanded so that new signs will be placed at all major entry points to the province and on highways leading from large population centres.

We have changed the design to become more visible, as well, from the white legend on black, to blue background. I think the members opposite should be very pleased with that. We hope to have these signs installed for the beginning of the new school year.

I want to mention the acquisition of the water bomber. We have purchased an additional CL215 water bomber. The acquisition of this fourth bomber is in accordance with the Federal-Provincial Cooperative Supply Agreement that was signed a number of years ago, and it will serve to enhance emergency services provided by the department. A fifth one will be coming next year. This was the deal where the province paid for one and got one for a dollar, the second one for \$1, but we have to pay in advance so there is a major provision for a purchase this year. It is going to be arriving shortly and I haven't seen the new colours on it yet. I think it is going to be red, though.

In terms of the Department of Driver and Vehicle Licensing and the Manitoba Public Insurance Corporation cost-sharing agreement, in an effort to improve our service to the public and provide savings to taxpayers in the department, we have revised an administrative cost-sharing agreement between the Division of Driver and Vehicle Licensing, and the Manitoba Public Insurance Corporation. This will result in an \$850,000 saving, or a \$850,000 reduction in cost to the department under the agreement.

Briefly, in regard to some of the activities under the Transportation Division, we have been responding to the whole area of deregulation of transportation and the freedom to move proposals by the Federal Government.

Given Manitoba's unique position in the transportation industry, we intend to maintain our leadership role in the area of transportation policy. I should mention, by way of example of the importance to Manitoba of, for example, one mode — the trucking industry — 9 of 15 of Canada's largest trucking firms are headquartered in Winnipeg.

This transportation sector is labour-intensive and further emphasizes the need to proceed with extreme caution when approaching the federal proposals on regulatory reform. The proposals specified in Freedom to Move will soon be introduced in the House of Commons in Ottawa and we will continue to make representation, as we have over the past year, to the Federal Minister both before and after they have been tabled in the House.

We want to ensure that the legislation makes provision for the protection of jobs, and also ensures safe working conditions, through such measures as hours of work legislation.

We will maintain our emphasis on moderation in the area of regulatory reform, both for intra-provincial trucking and extra-provincial trucking, and we will ensure that our voice is heard with regard to moderation in the changes that are being put forward in air regulatory change and in the area of rail. We want to support the need to provide protection for captive shippers in communities.

The Throne Speech indicated that our government intends to build on the economic strength of transportation, particularly as it relates to Churchill. This is a source of strength in our province, and enhanced development and recognition of the port will certainly serve to further strengthen our province.

A series of studies that have been undertaken, under the subagreement between the Governments of Manitoba and Canada, support the efforts that we've been making in regard to the expansion of the use of the Port of Churchill, and provide a clear indication of the port's potential, both as a grain port and a re-supply centre.

In the area of marine insurance, Manitoba has led an initiative to secure a reduction in additional premiums on marine haul insurance for vessels travelling into Churchill. I've indicated in the past that the average was approximately \$100,000 additional premium for ships travelling to Churchill, for each trip into Churchill. That is a significant deterrent, and that was charged even during the time of the year when there was absolutely no ice around.

We anticipate that the initiatives we have taken will lead to positive developments for marine insurance in the very near future, and we'll be making announcements on that situation at the appropriate time. We hope this will encourage shippers and ship owners to maximize the potential of the port. It is especially beneficial, I think, to grain producers, in view of the current situation with regard to marketing grain, particularly with the situation facing Manitoba and Canadian producers, vis-a-vis the American support for their grain producers. Any economics that can be found in the system certainly should be pursued.

A season extension, as well, at the port will encourage further use. By extending the shipping season, we'll enable producers to export grain from the current crop year, rather than having to have it stored over from the previous year. We believe this will provide a longer employment period for seasonal workers at the port and represent increased economic activity for Churchill.

The prototype grain car is a very important project under the subagreement, as well. It has been tested over the last year, features a low centre of gravity and a suspension system adequate for the unique track dynamics expected on the Churchill line. It was built at the Transcona shops and we're hopeful that the Federal Government will respond very soon to our efforts to have this prototype followed with a manufacturing run at the Transcona shops.

The hydro line from Gillam to Churchill is currently being put in place. Towers are now going up at this stage and it will be completed by next spring. This will provide greater savings and economic stimulation at the port.

In terms of the transportation sub-agreement, which was another major sub-agreement signed with the Federal Government in 1984, and which recognizes the importance of transportation to Manitoba's economy, we have committed continued funding under this program on a cost-sharing basis with the Federal Government toward the construction of the Transportation Institute located at the University of Manitoba. Manitoba is funding, as well, program development.

The Rail Bus Program is continuing as well. This, we believe, will provide an improvement of the quality of

life for northern Manitobans. We have participated, as a province, in the development of the rail bus; and in the very near future, if there aren't any further postponements by the Federal Government on this — there's been a number of dates set up, but each time it's been moved back a week or so — passengers will be carried on the rail bus during a demonstration project.

It was at the suggestion of Manitoba that this project arose initially. A demonstration service will be provided to passengers travelling on the C.N. line between Thompson, Pikwitonei and Thicket Portage. Two different rail bus designs will be used for the test service. One is the WCSS rail bus which was manufactured in Winnipeg by Winnipeg Coach Sales and Service, and another is the Brel bus from England.

I think I will close with that members. I'm sure that you have some comments to make as well. I think we've tried to put together an overall budget that recognizes the economic realities that face the government at the present time, keeping in mind, Mr. Chairman, that I don't feel comfortable that there are sufficient expenditures in the area of road construction, rehabilitation and maintenance. We'll never have enough dollars in that area, as many other provinces face the same kind of problems that we face here, but at the same time, until such time as we have some recognition of this problem at the federal level — certainly there should be some contributions, there are none in the western provinces — until such time as we have dealt with the issues of tax reform; until such time as we have dealt with the issues of reductions in other important areas, such as health and post-secondary education, by the Federal Government, we are going to continue to be squeezed in this area. That is regrettable, but we have to continue to do our best and, over a period of years, I'm sure that we can see growth in this very important service area for Manitobans.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman. I assume the Minister has copies of his opening statement to distribute to members of the committee.

HON. J. PLOHMAN: I don't have any copies with me at the present time, but I could get a copy for the member.

MR. D. BLAKE: The Minister has made a valiant attempt, I think, to defend the complete gutting of his department by other members of the Cabinet, and there's little for us to say on it. — (Interjection) — That entered my mind, that there's so little in this year's Highways Program, that we might as well pass them without any debate whatsoever because there's so little in there.

Mr. Chairman, the Minister has stood by and allowed the department to be completely decimated. Millions and millions of dollars have been frittered away out of his department into God knows how many other airy-fairy expenditures of this government, when we've got a situation in our roads and our infrastructure in this province that is deplorable. It's reaching the stage where

it's in desperate straits, not only from a safe artery to transport our goods, but from a safety point of view of vehicles accidents.

Our vehicular traffic has increased so tremendously in the last few years that it's inconceivable that this government that prides itself in so many things would allow such a reduction in a vitally important department such as our Highways and Transportation. It's this network throughout out province that is so vital in serving all of the people of Manitoba. The Minister has announced a great number of programs, such as, signage and testing rail buses and all of these things are very commendable, the handicapped transportation, these are all very commendable, but the main thrust has got to be in our road system.

In this year's statement of revenue, we're taking in \$115 million in gas tax — we're down \$400,000 — but the motive fuel tax is up. The Minister's operating costs are up; his Capital expenditure is down about \$7.5 million. We have some other estimates here with road-user tax and fees that we'll get into a little bit later, Mr. Chairman, but the department is getting to the point where it's a revenue-bearing department.

If there is not a substantial amount of dollars put back into our road system, not only is our road system going to deteriorate to the point where we'll probably never get it back in shape, but there are going to be hundreds of small contractors going down the tubes. The Minister has met with them, and I don't want to bore him with the brief that he's already had from the industry. But going back on some of the figures in Highways, in 1978, there was about 10.4 percent of the total Highway's budget went to contractors. That has gone down to 5 percent, and it'll probably be less this year. Those people out there who are creating hundreds and hundreds of jobs aren't going to survive.

There is literally no asphalt work being done. There used to be eight plants in the province, there are now four. There is not enough work, I don't think, this year to keep maybe one of them going. What's going to happen? They're all going to leave, and then when you want to do some work and have to bring in some outside contractors, you're going to pay through the nose. That's going to happen with the smaller road contractors that have done such a good job in Manitoba over the years. You're looking at \$400,000 for a D8. How is a businessman going to go out and expend that kind of money to buy some equipment when there are virtually no jobs? There is contractor after contractor who has no work.

I don't want to get into my particular area until we get into the other estimates, but there are about 4 miles of paving in the Alexander, on 250, that I understand is not being proceeded with this year when the batch plant is going to be right in the area doing that section around Oak Lake. That's the time to do the work when the equipment is in the area.

So, Mr. Chairman, this department has taken such a shellacking in the budget-paring process that I feel sorry for the Minister. He's made a valued attempt to try and defend what he's got to work with, but I think he's got to stand up to his colleagues in Cabinet and say, "whoa, we need another 100 million or 150 million," and you're not going to get that much, but he might get 50 million to start off with, instead of losing 20 million from their department.

They must have done a wonderful job of sweet-talking him out of \$20 million this year. They've got a pile of money in the Jobs Fund, let's take some of that and put it into Highways. Nothing creates more jobs than highway construction.

So, Mr. Chairman, there is really not much point in belabouring this for 10 or 15 minutes because the Minister is well aware that he has been had in the particular area of his department. There is no doubt that we're going to see more accidents this summer. There are road contracts that people have been expecting for a number of years that have been cancelled or are not going to be proceeded with, there's going to be that disappointment to face; there are going to be patch jobs and repair work that is going to upset our tourist traffic; there is a section on 16 which was one of our main trucking and tourist arteries that's not going to be proceeded with this year.

Mr. Chairman, the Minister mentioned four-laning. We're going to be doing something on 75 and something by Oak Lake. Well, that Oak Lake section has been done, it's just a finishing job. He didn't mention how many miles was going to be done on 75, on the twinning. But there are other roads proceeding in other areas and it's just amazing to us, on this side of the House, Mr. Chairman, how he was able to find what started out to be a \$10 million bridge at Selkirk is now over 16, probably going to be 20 before it's finished. That money was able to be found out of the budget. If you could get some of the senior staff to really give you their opinion on it, that bridge really could have been delayed for a few more years. Now we understand they are going to four-lane No. 44 from Lockport to Beausejour which has created a great deal of consternation with the people in the area with their expropriation proceedings, and that holds true in the Selkirk area for the bridge and the approaches to the bridge.

The Minister is well aware of what's been caused out there in the way of dislocation and family upsets from people who have been asked to leave their homes that they have been in for many, many years. They were told they would be given ample opportunity to find other locations and be given adequate compensation which hasn't been the case. There'll be a great number of them I'm afraid going to court on it.

The water bomber, of course, which has nothing to do with road construction or anything takes a fair chunk out of the Capital budget and that has to be taken into consideration.

I will sympathize with the Minister in one point where he mentions, at the end of his remarks, which always seems the case with this government, they lean on the Federal Government for more money. But in the areas where the rail lines were abandoned, there was, I think, some indication from the Federal Government that funds would be provided to help strengthen the roads and bridges. There has been none forthcoming to my knowledge on that unless there has been some under some municipal program. So I can sympathize with him on that particular aspect, but you can't blame it on the Federal Government what this government has done in the last few years to our Highway's program. At least there was an attempt made under the previous Conservative Administration to try and increase the Highway's budget and increase the repair and strengthening of our road structures and our bridges.

So, with that, Mr. Chairman, I don't know what more I can say other than that we're just shocked and amazed at the way the Minister has allowed these funds to be grabbed out of his department by other sections of the government. It's just unbelievable that this government, that professes to care for people and small business, how do they really think small business and small farmers operate in the rural areas? That road structure is very very important to them, to move their goods to product and to travel from community to community, and the road network in our province is going to hell in a hand basket, to put it bluntly. There are paved roads that are deteriorating to the points where the trucks won't drive on them, the fellows hauling grain won't drive on them. They move over and drive on municipal roads. They're knocking the municipal roads to nothing. The municipalities don't have elbow room to repair those roads. The situation is becoming intolerable and, as I mentioned earlier, the heavy equipment industry is in a distress situation.

I'm sure they have impressed that on the Minister. He has met with them, I think, a couple of weeks ago. There is going to be small contractor after small contractor just going to have to fold up. There is just no work. The ones who do have work have got a mile here or a mile there, that really doesn't help them at all, and they employ a lot of people. They're trying to maintain their staff to keep their experienced people and they just can't do it. They are just going to have to lay them off in the season when they should be at peak performance.

Now, God knows, I don't want to see anyone laid off either but, when there is no work to be done in the Highways Department, I don't know what the Minister is going to have all his Highway crews doing. That's starting to become a conversation piece in the rural areas. There is no question about that, because they're just not going to have enough work to do. They have surveyed all the roads in my area about five times. I think they did them in imperial. Now, they're doing them in metric, just to make sure they got it right. That's pretty small consolation to the people who are waiting for their road to be fixed or their road to be rebuilt.

So, Mr. Chairman, when we get into the item by item, I know many of my colleagues have got parochial problems. They're going to want to discuss them, but there is going to be very, very little that the Minister will be able to tell them, I'm sure, that he'll be able to give them to take home to their constituents in the way of positive information.

There is another item that I want to bring up to the Minister in connection with a development off Plessis Road that he's good and familiar with. We'll do that when we get under the proper section of his Estimates.

So with that, Mr. Chairman, I think we can move on to the Estimates, and get going line by line or section by section because, as I say, we're absolutely shocked that this department has been treated the way it has been treated by this government that professes to be a caring and a fair government that wants to share and have everybody develop together. They've taken an area that is so important to our province and devastated it.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Thank you. I appreciate that we'll be going on to a line-by-line consideration of the Estimates, but this item currently before us does give those members an opportunity to make some more general remarks . . .

MR. CHAIRMAN: I understand that's not within the rules. You will have, on the line-by-line, the opportunity to do that. Will the staff members be kind enough to come forward?

MR. A. DRIEDGER: On a point of order, Mr. Chairman.

MR. CHAIRMAN: On a point of order.

MR. A. DRIEDGER: Mr. Chairman, it was always the understanding that a certain amount of latitude — like the Minister made a statement; the chief critic replied in a statement, and then we go past the Minister's Salary to Executive Support, which basically pretty well covered everything, because these other people that are making the decisions — we're allowed to have a more general debate past the Minister's Salary.

MR. CHAIRMAN: On the point of order?

HON. J. COWAN: Yes. I think you're absolutely correct in your indication that it is not normal practice for us, by the rules, to have this sort of free-ranging debate on this particular item. However, I understand that the Minister is not adverse to it and, if committee members are not adverse to it, we certainly would be prepared to see it continue for a bit of time until members have had an opportunity to make a general statement, notwithstanding the fact that, according to the rules, it is . . .

MR. CHAIRMAN: Is it the will of the committee?

MR. D. BLAKE: On that point of order.

MR. D. BLAKE: I was just going to mention, and I'm sorry I didn't do it before I closed my remarks, that normally we move the Minister's Salary down to the last and then, when we get under Administration, that's fairly wide-ranging. But the fact that Agriculture is sitting simultaneously with this committee, it's a little difficult for our rural members who are so interested in both of them that they can't really plan what time we're going to get to a section that they're interested in. So previously, the Minister has allowed us that range that we can cover some of the items if . . .

MR. CHAIRMAN: Okay, understanding that it is not normal practice to allow this free-ranging discussion, if it is the will of the committee, the Chair is agreeable. Is it the will of the committee? (Agreed)

The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, if we're in an agreeable mood, I wonder if, through you, the committee would consider suspending our rule about no smoking for the duration of this committee.

MR. CHAIRMAN: Is it the will of the committee? Unfortunately, that requires unanimous consent,

although you do have the sincere and deep sympathy of the Chair. We do not have unanimous consent.

MR. H. ENNS: Mr. Chairman, I find it just extremely sad that we would have a Minister of Highways to do several things before this committee and not do the thing that he ought to be doing, namely, talk with some visionary future about progress in the department, about expanding the important infrastructure of provincial trunk highways, bridges, provincial road systems throughout the Province of Manitoba and, in fact, doing the incredible thing about suggesting that the cuts are really not going to be as bad as they seem, because last year he wasn't able to spend all the money the Legislature allocated him.

When I was a Minister, that would call for supreme hell-giving to the department for not getting the promised road construction under way. There were times when weather and other reasons, strikes, might have delayed best-laid plans of the department to build the necessary roads that were called for. After all, Mr. Chairman, these are commitments, promises made to various communities, various people, various towns, cities throughout the Province of Manitoba that have, through the course of a year, met with Highways officials, met with MLA's, met with departmental officials.

Departmental officials have moved up through their system the priority of road construction and road maintenance, and then an agreed-to budget is finally arrived at for road construction for the coming year. It would be my hope that this Highways Minister would review what he just put before this committee and not consider it some form of achievement if the department fails to live up to those objectives, fails to live up to the commitments to so many people in the Province of Manitoba who are anxiously waiting for some improvement in their particular area on the various roads that affect them.

I find that just an incredible position for a Minister of Highways in the Province of Manitoba to put forward, to try to somehow soften the \$12 million reduction in Highways budget by saying, well it's not really \$12 million because, last year, we didn't manage to spend all of it, so the hurt is not going to be as severe.

Mr. Chairman, my colleague, the critic for Transportation Department, has said more or less all that needs to be said in his opening formal statement. I would like to make one other specific point, because I recognize that Highway Departments, not just with this government but in all jurisdictions of this country, are finding it increasingly difficult to maintain their fair share of the budget. It's possibly because highways are, in my judgment, one of the easier departments to pillage and plunder when funds are required by the departments that have perhaps a higher profile in terms of social services. But the truth of the matter is that since the late Sixties when Highways spending commanded some 16, 17 percent of the total provincial Budget, down to the Seventies when that reduced to 8 and 9 percent, there was a brief attempt to make some comeback in '77-78 — the Minister of the Day will remain nameless — when Highways spending reached back into the double digit figures to a little over 10 percent. But nonetheless, we are now down to 5 percent.

Mr. Chairman, while I want to make it clear for the record that I speak as a Member for Lakeside, I am not putting forward a party position, but I do share the concern that was expressed — I know to you Mr. Minister, and certainly to our caucus by representatives of the heavy construction industry — that it is perhaps time for us to consider dedicated funds for Highways construction.

Over the years it has not been our practice in this jurisdiction. We have generally worked on the principle that the department, like any other department, assuming that it has strong ministerial representation around the Cabinet table, will be able to get its fair share of the provincial pie. But I'm willing to concede that the Minister of Highways — this Minister of Highways, indeed any Minister of Highways, whether it's representative of this government or of any other government in the country or of any other government that may succeed in this province — will find it increasingly difficult in years to get their fair share of dollars because the building of highways, the mixing of concrete, the laying down of asphalt, doesn't have the same profile, the same political sex appeal, that some of the other programs that governments now are involved in delivering, and as a result it would seem to me that Highways will always come out on the short end of the stick.

While I have not been a proponent for dedicated funding in the past, I do now ask the Minister — and have asked my own caucus to consider the concept of dedicated funding for Highways — as a means of ensuring that this tremendously important department receive its fair share of funding, and that it not be subject to the pressures that can prey so readily on this department's funds. The easiest place to lop off \$10 million or \$12 million is off a Highways programs. After all, it's just a promise when the funds are being asked for; whereas compared to a service — a social service perhaps — it means the withdrawal of social services now in place or the laying off of people on staff. When faced with that kind of a decision, governments, legislators of any political stripe, find it easier to say, well, while it was a good idea to pave or build that \$10 million road, we'll put it off for two years and we can use those monies in other areas of government services.

It seems to me, Mr. Chairman, that to preclude that from happening and to restore some integrity to the Highways funding, the government should seriously consider some form of dedicated funding for the department. I would want to indicate to the Minister that it would be my intention to support any such move and I would encourage, to the best of my ability, my caucus to do likewise. Thank you, Mr. Minister.

MR. CHAIRMAN: The Member for Pembina.

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

Mr. Chairman, this Minister has got himself a massive problem that he's shouldering on behalf of the New Democratic Government. They have, now in five successive Highways budgets, not met the needs of, I think it's some 12,000 miles of Provincial Trunk Highways and PRs and bridges in the Province of Manitoba.

As with any asset, but probably more importantly with the asset that we have of Highways, that asset has a finite life; and with the lack of spending on reconstruction and new construction in the last five years and the unequal sharing of that construction, areas of Manitoba particularly south of No. 1 Highway, are seeing their roads deteriorate at an alarming rate. It's like that ad that you see on television from time to time, about the fellow who's being encouraged to change the oil in his car. You can pay me now or you can pay me later.

What this Minister of Highways, who's been in that position now I think for three of those five budgets; and three of those five budgets in which this department was cut the worst in terms of its spending and was under his tutorship, he's facing a major problem. It's a problem that is shared by the economy of Manitoba because Highways — I agree that they're not as politically appealing as hospital beds and personal care home beds and new day care spaces and expanded facilities at a university or new classrooms in schools, they are taken for granted and they're too easy to let Treasury Board and Cabinets cut the budget.

But I simply warn you — and the Minister knows this and if he doesn't know it he's not listening to his staff — because his staff is telling him that the continued reduction of spending on reconstruction can't go on, because you're going to run into that brick wall; where instead of spending several thousands per mile to improve a road, you're going to have to do a major reconstruction job that gets you into the \$10,000, \$20,000, \$30,000 per mile and that time is approaching very quickly.

I mentioned just briefly, earlier, we're not talking about roads that are used for frivolous purposes. We're talking about roads that are the major infrastructure of our provincial economy.

The Minister made mention in his fodbashing that Winnipeg and Manitoba are proud to be the headquarters of a number of major trucking firms. I asked the Minister how long is he going to keep those trucking firms headquartered in Manitoba, beating their units into the ground on his poor roads? And he shakes his head, which is the whole problem. This Minister doesn't understand his department. He never has and he hasn't been able to put his message out to his Cabinet colleagues.

The trucking industry has grown because this country has developed — or attempted to develop in all provinces — a reasonable road system in which trucking can be a very competitive form of transportation, to supply consumer goods, to supply industrial goods, to allow our manufacturers to enter the U.S. market and to get their products to tidewater and this Minister has not allowed the Department of Highways to keep up with their mandate in making sure our road system is in good shape.

So we're talking about an economic problem in this province. If you start taking away from the economic infrastructure of the road system, upon which businesses of all size, from large, to medium, to small, depend on, to a very large degree in this province because the railroad serve primarily the agricultural industry and the transport of grain, if you allow the road system to deteriorate, you're going to see declining investment in this province at all levels of the business

community. When you have that happen, it doesn't take too much wisdom — when you're sitting around a Cabinet table — to realize that without economic growth and strong economic growth in the province, you don't have the revenues for your new day care spaces, your hospital beds, your personal care home beds, your welfare program, your social services to people; and the road system is what built this province and this country and this Minister is letting it decline.

Mr. Chairman, the Minister made a further comment in his opening remarks and I am going to read it from Hansard and probably deal with it later on. He made what would appear to be a statement to the effect that the Highways Department wasn't a revenue department for government.

I just want to share with you, Mr. Chairman, some numbers that are pulled out of this year's revenue estimates. First of all, this government expects to collect \$115 million in gasoline tax. This government expects to collect \$60,600,000 in motive fuel tax. This government expects to collect this year, from increased auto licensing and fees, \$30,320,600; through increased drivers' licence fees, \$5,804,400; they've budgeted a \$1,251,000 contribution from the Federal Government for the construction of winter roads, for a total revenue, unless I have made a mistake in my addition, of \$212,976,000.00.

Mr. Chairman, as has been mentioned by a number of other people, the entire Highways Department budget is \$197,560,900.00. Already, given the revenues that this government is going to glean from the driving public, the Highways Department is a net revenue producer for the other departments of government of well over \$15 million.

If you want to take a look at where this Department of Highways budget is being spent, you can immediately take away several areas which are not highways related, where these revenues come from.

For instance, you can take away the budget of the Air Division, which is \$1,143,300 net, after recovery from user departments. You can take away the Marine Services, which ferries up north, \$820,000; you can take away the Northern Airports Program, \$3,635,400.00. If my calculation is right, and the Minister will correct me if I am wrong, there appears to be a \$4,958,500 additional payment in Capital for a new water bomber.

That's a total of \$10,557,200 of non-highways related spending. So you deduct that from the total department spending and you've got yourself a department that is spending on maintenance, construction and the support staffing in the Highways Department of some \$187 million, while that same department is taking revenues of \$212,976,000 in. The Department of Highways is a \$25 million net revenue obtainer for the Province of Manitoba.

That's why my colleague, the Member for Lakeside, has made the point, as has been made by the construction industry — and I have to admit, I considered it in 1981 when I was the Minister of Highways — of dedicated taxation on motive fuels; dedicated so that when it's collected by the motoring public, they know it's going to go back into the highways system that they're using and they're paying to use.

That may be something this government might want to consider; it may be something they don't want to

consider, but you cannot use the argument that you don't have the money to keep the road system in good shape. If you even spent the dollars that you are gleaming from the driving public — and the Minister is going to come back with the argument that in motive fuels, a portion of the \$60,600,000 is taxation on fuels used by the railroads. That's fine; I'll accept that as another revenue. But what would be more logical than that revenue derived from a transportation mode in Manitoba be ploughed back into the transportation system? It is the exact argument that I have been making for the last five minutes.

So the Minister, even if he attempts to justify his very weak position by using that argument, is still wrong, because he has the money. The only thing is, he hasn't the ability to convince his Cabinet colleagues to spend it where it is deserved to be spent.

You can talk about, as my colleagues already have, as the Minister has heard from the Heavy Construction Association, that dollars spent in highway construction create jobs in Manitoba.

The Minister, if he is not aware, should be aware that layoffs are going to start the middle of this month in the heavy construction industry because of lack of work. This government has been telling us that they want to create jobs for Manitobans. As a matter of fact, I think over the last two general debates we have had, we have had a number of the members opposite using statistics with glowing pride and puffed-up chests, that they have created a number of jobs.

Here you've got a department which provides a needed service, that can create an awful lot of jobs in the Province of Manitoba, and you are totally neglecting it. You are cutting \$12 million from the highway construction budget.

To have the Minister stand up and attempt to justify this, as he did in his Budget Debate, was the height of ludicrousness. He indicated that there really wasn't a cutback because last year's budget wasn't spent. I mean, that is so silly. If they saved, if they didn't spend the money last year, my colleague, the Member for Emerson makes the valid point that they could have put it into this year's budget and done some good with it. But, no, they don't because, as my colleagues have pointed out, it is very easy when you are sitting around the Cabinet table to hack and slash away at the Capital budget of the Department of Highways.

You affect rural Manitoba, where you don't have political representation to any great degree. With the limited budget you do have, you can make sure it goes into the Dauphins, the Interlakes, the Lac du Bonnets, and the northern ridings, which you have done over the last four years. You have made damned awful sure that your ridings have a lot of projects.

The Minister can maybe correct me if I'm wrong. I think some 17 projects were undertaken in his constituency last year, including paving the road past his bloody cottage, while people in my constituency and the rest of southern Manitoba drive in potholes and haul grain and take their families to school over deteriorating roads, while this Minister drives to his cottage on a nice new paved road.

The people of Manitoba — the Minister laughs. He thinks that that is a proper way that a Minister should spend the money.

You know, the people of Manitoba don't necessarily consider a paved road to his cottage to be a priority

in the Province of Manitoba. Quite frankly, I don't either. Quite frankly, I don't think the Member for Kildonan would think it is much of a priority, and other members opposite, but this Minister has made sure that a sizeable portion of the Highways budget went into his constituency. He needed the help, obviously, to get re-elected, and it worked; he's back.

Now that he's back, he should at least attempt to convince his Cabinet colleagues that the Department of Highways is an important department to the Province of Manitoba from a social as well as an economic standpoint, and should put a little more effort into making his views known around the Cabinet table, around the Treasury Board, so that he doesn't become the victim and appear to be the weakest Minister in this government by having his budget continually slashed, while the Finance Minister continually gleams more money from the driving public.

He is a two-time loser in this effort. His budget is cut and the people who use the roads are paying more money. I mean, this Minister under ordinary circumstances wouldn't be fitting of the title Minister of Highways and Transportation, because he has failed the department and the users of that department throughout Manitoba.

My advice to him would be to attempt in the next year to get his act together and give his department something to do, and get his Capital budget for road construction up to where it should be, using the funds that this government has already taken from the driving public, and make sure that the Cabinet understands the priorities and necessity of a good road program for the Province of Manitoba.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

I certainly would be remiss if I did not make a few comments at this time as well. A lot has already been said by my colleagues prior to this. I just want to indicate that during the Throne Speech Debate I already alluded to the fact that I anticipated cutbacks in Highways and in Natural Resources. I really shouldn't be surprised that it really happened when the Budget came down because it's right there and it seemed that this is the area where probably the cutting would take place.

I find it most interesting when our critic, the Member for Minnedosa, made reference to the fact that because of the kind of reductions that have taken place in the capital expenditures within this department, what is the Minister going to be doing with all his staff?

I noticed with keen interest that under the first portion, Administration and Finance, obviously, and we'll be raising that as we get into line-by-line, there must be six or seven additional staff in that area and the programs are being cut. I'd like to find out what the rationale is of the Minister in this kind of an approach. Are those the kind of people that he's hiring just to cover himself politically? Because that is the only area where basically I can see where there are major increases in staff, and we'll get into that a little while later.

I'm just wondering if at the executive level and at the planning level whether consideration of long-range planning is in the making in terms of bridge

replacements throughout the provinces because I want to indicate to the Minister that in my constituency, the Emerson constituency, where we have rivers like the Roseau River, we have major problems with bridges. In fact, on Highway 59 — I don't want to get into too many specifics, just as an example, Mr. Chairman — but we have a highway that is weighted for a certain weight of vehicle traffic on there, and then we have a bridge that is restricted and, as a result, you're virtually just handicapping the truckers that are trying to get down there.

Further to that, I wonder if there is any planning in this Minister's department regarding working out some kind of arrangement together with municipalities for bridge replacement because at the present time there are major problems developing where bridge after bridge is gradually being closed because of safety reasons, and understandably so, I can't argue that, but the replacement aspect of it, if you want to place that total burden on the municipalities, it just won't happen. I'm wondering if there is any planning that is taking place, maybe even in conjunction with the Federal Government, as a thought, you know, maybe a three-tier type of financing that took place to do these kind of things.

The other thing that I found most interesting when reading some of the reports here, especially with the heavy construction industry, is where they have made application to the Minister, as we all know, and we have as over the years, ever since the Jobs Fund got established, money has been channelled off to various departments and into a Jobs Fund which turns out to be a political machine which then allocates the funds to whichever project Cabinet then decides that it should go, which is sort of a neat ploy.

But, under the circumstances, with this Minister having his department sort of having the dickens knocked out of it, especially in Cabinet construction, why could not some of this money out of the Jobs Fund be directed for its project of this nature? Obviously, they should qualify all aspects of the criteria that is required. It is long, meaningful, lasting jobs; plus the capital construction that takes place makes it a worthwhile, long-term project.

Certainly, with the heat, and with the problems when we talk of the Jobs Fund, the kind of problems that are developing there, certainly some of that money should be channelled back into the Highways Department. Leave it under the Jobs Fund, but allow some of these projects to go ahead on that because there's a lot of jobs at stake and this will come down to haunt the Minister if there is not going to be some activity taking place in that direction.

It is my understanding both the Minister of Highways and the Minister of Finance have met with the people from the heavy construction industry and have indicated they'll be reviewing it. I don't know whether they're giving them false hope to any degree or whether they're sincere in trying to channel some additional funds into there.

These are some of the things; you know, we could on. I think every one of our members, especially the rural members, can continue for a long time to express their concerns, I don't know how, other than repeating and repeating to this Minister and to this House here the necessity of an expanded road program, a

maintenance program for the rural areas. How else can we bring this matter to the attention that it requires? Obviously, in Cabinet it's not getting that attention.

So, Mr. Chairman, it is, I would believe, the intention of my colleagues in the south to continue harping on the fact that this department has been cut back, unjustifiably so, and it affects the rural members most. We want to just keep on pushing at that. I hope there are some favourable comments coming forward from the Minister that maybe additional funds will be put into this department somewhere along the line even if it has to be taken from the Jobs Fund and comes out of people like the Member for Flin Flon's area and some of his pet projects out there that qualify under the Jobs Fund, and maybe some of the Highway's projects should change in all aspects of the province.

With that, Mr. Chairman, I think there are maybe other that want to have a shot at it. Thank you.

MR. CHAIRMAN: Seeing no further hands up, I would suggest to call it now 4:30 p.m., and to interrupt the proceedings for Private Members' Hour, to return at 8 when we deal with the detailed Estimates line by line, beginning at 1(b), if that's the will of the Committee? Agreed?

Does the Minister wish to reply? He could have some time then.

HON. J. PLOHMAN: Well, Mr. Chairman, I think that we're doing this in a very unusual fashion. I hope that we will get to the line-by-line at 8 o'clock this evening and then we will get into the specific questions such as raised by the Member for Emerson, which he raised. There's going to be specific ones, and the new members know that there will be an opportunity to deal with those when we get to that point in the Budget.

Just briefly, on some of the statements made, I expect that the members opposite will be raising concerns, as they have done. That's legitimate; I am not going to attempt to counteract every single statement that was made.

But I will say that I did not refer to the fact that the Budget was underspent last year as some sort of achievement or the fact that there was a reduction of 12 million as some sort of achievement either. The fact is that that is what happened because of weather conditions last year.

I wanted to point out the fact that the difference between the amount actually spent last year and the amount that is budgeted this year is much less than the 12 million that was referred to on print-over-print Estimates. I think that's a fact and I stated it for that purpose.

I just want to mention, as well, that the Member for Pembina distorted, as he usually does, the figures with regard to revenues and expenditures. I have taken the time to ask staff to review with Finance the figures for revenue and expenditures. The fact is that road-related revenues comes out to what I said at the beginning. Of course, the Member for Pembina wasn't here, and it may not have influenced what he would say in any event, but I mentioned there clearly that the total revenues generated from the highway system is \$168,925,000.00.

That comes from gasoline tax of \$106 million, not 115 million because there's a lot of off-road use of

gasoline tax that accrues to the province, it has nothing to do with roads; motive fuel tax of \$26 million; automobile and motor carrier licence fees of \$30,320,600; drivers' licences — \$5,804,400; and fees from the Licence Suspension Appeal Board of \$200,000 adds up to \$168,925,000.00.

We expend, after taking out the air radio services operating and the northern airports operating and capital, \$185.847 million.

So I was saying at the beginning that there still is a substantial additional expenditure related to Highways than there is revenue generated. That is the fact. These figures are taken from the detailed expenditure estimates. You cannot go right down those lines. The Member for Emerson is pointing to the revenues figures, statements that he has. You cannot just go down those lines and add them all up. Yes, they come to \$220 million, if you add up all of the taxes, but they are not all related to roads.

That is the point I'm making here today, that the \$115 million for gasoline tax, only \$106,000 is generated from taxation of fuels used on roads and highways across this province. In a similar way, motive fuel tax, instead of \$60.6 million which is the total revenue, it should be \$26 million that is generated from road use.

So those are the differences in the figures. It's easy to throw them all together and make it look like there is greater revenue being generated, but it's not a fact. The Member for Pembina should look more closely at those figures, get his figures accurate before he puts them on the record.

MR. CHAIRMAN: The hour being 4:30, I am interrupting the proceedings for Private Members' Hour, the committee to return at 8:00 p.m.

On behalf of the committee also, I would like to apologize to staff, and request that they come forward at 8:00 pm.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, C. Santos: This section of the Committee of Supply will be dealing with the Estimates of the Department of Agriculture.

We shall begin with a statement from the Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Chairman. I'm pleased to introduce the 1986-87 Estimates for the Department of Agriculture.

Mr. Chairman, I'll have a copy of the remarks sent up for my colleagues in the House. — (Interjection) — Mr. Chairman, I can assure you that we will get into the Estimates a lot sooner than that.

It gives me great pleasure to be able to tell you, Sir, that our Estimates represent an increase of 21 percent over last year. This additional agricultural funding clearly demonstrates my government's strong commitment to Manitoba's farm community.

With limited government financial resources, we have attempted to provide much needed financial and technical support to farm families. This has been increasingly difficult because of the Federal Government's obvious attempt to withdraw from its financial responsibilities to Canadian farmers.

Unlike the Federal Government, we recognize that we are at a critical point in our country's agricultural development. We know that our young farmers represent the future of agriculture in Canada. In the area of financial assistance, our focus will continue to be on the younger and beginning farmer, and those who are expanding during the period of high interest rates.

MACC is the central element in our thrust to maintain viable family farms in Manitoba as the basic social and economic cornerstones of rural Manitoba and our agricultural sector.

In recent years our government has introduced the Interest Rate Relief Program, the Guaranteed Operating Loans Program, the Interest Rate Buy-down Program, among others. We have made available more money for agriculture than any other government in Manitoba's history.

This year we will continue to build on the strong base we have established and, once again, we will surpass all previous agricultural funding levels.

A new program under MACC this year is the Farm Start Program. Under this program MACC will allocate \$5 million to guarantee privately financed mortgages to facilitate the inter-generational transfer of farms. The program will provide another source of mortgage credit to beginning farmers at lower than market rates. It will also allow retiring farmers to retain an investment in agriculture, with a secure income from their investment.

In addition, we will have the Special Farm Assistance Program, with which MACC will use additional funds to help reduce the economic burden of the current farm financial situation.

Loans for part-time farmers — it's a new program actually started in 1985-86 — which will provide loan assistance to part-time farmers who intend to become principally occupied in farming.

Due to increased demand for the Loan Guarantee Program, we will be providing another .5 million. This program guarantees new lines of operating credit to farmers by participating lending institutions. Budget dollars provide for situations where default occurs. Nine and three-quarter percent comprehensive refinancing program is an ongoing program which provides refinancing for farmers, including younger producers and those in financial distress.

In addition to our substantial efforts in the area of farm financing, we will also continue our commitment to stabilize incomes of Manitoba livestock producers. Commencing July 1, the province and hog producers along with the Federal Government will enter into the National Tripartite Stabilization Plan. This will replace the current Provincial Producer Program.

I think it's important to note, Mr. Chairman, that since the Manitoba plan was initiated, the net benefits after deduction of producer premiums, was \$12.850 million. As members are aware, the deficit in the fund will be forgiven, as we move from the provincial plan to the federal plan.

Members should also be aware that Manitoba hog producers have increased production levels, while producers in other provinces or in the United States, have either reduced production or just maintained it.

For beef producers, our Provincial Beef Plan will continue to provide substantial assistance to those who choose to enroll. There are 4,900 active contracts,

involving 6,250 beef producers. During 1985 the Commission marketed more than 80,000 slaughter steers and heifers. Of those, 92.5 percent graded A. The number of slaughter animals has increased by close to 30 percent per year since the plan was introduced.

The Beef Commission, through MACC, arranges for onfarm financing and finishing cash advances of \$300 to \$400 per head, depending on the initial weight. With regard to assistance for sugar beet producers, the department will make a payment of \$812,000 regarding the 1985 crop this fiscal year. This will be our third and final payment.

About 450 producers will receive \$10 per standard tonne toward the harvested crop. Approximately \$2.1 million was paid during the 1985-86 year, for a total program assistance of almost \$2.9 million.

In the area of technology transfer, Sir, the department will continue to provide agricultural technology transfer through its front line regional staff who are, of course, supported by our entire department. Several programs will continue to receive stepped-up emphasis in the coming year. We continue to see upgrading producers, financial management skills as a top departmental priority.

The farm business group concept has proved to be highly successful. In Year One 21 groups, or 314 people participated. The figures for Year Two are 34 groups and 371 people.

Our staff have provided approximately 1,000 in-depth consultations during the past year for farmers who want to accurately assess their financial situations. To date, approximately 3,500 have benefited from this survey.

During this year all of our local offices will have computer hardware. Emphasis will be placed on increasing computer software, which will increase the department's capacity to provide quality service to our farm clients.

Soil conservation continues to be a departmental priority. We are in the first phase of implementing a long-term strategy to address problems such as soil erosion, inadequate land drainage, inefficient use of soil moisture, soil solidity and loss of organic matters.

Our action plan includes development of new conservation districts, in addition to the five now operating. There will be a tri-government participation in program coordination and we also expect to see significant demonstration activity resulting from 20 agro food projects which deal with soil conservation.

As well, the department will continue its work in the areas of crops, livestock and rural development. Manitoba Agriculture continues to support research efforts in a variety of areas. Our annual grant to the University of Manitoba funds research in farm management, livestock, crops and other topics.

The Agri-Food Program is an invaluable research vehicle, and will provide data on a large number of departmental program areas. Members should be aware that funding for the Agri-Food Program is more than double that made available under the previous Agro-Man Agreement.

In addition, there is related activity carried on within the department. This includes lab tests, demonstrations and semen sales and veterinary medicine sales, lab tests for soil tests, and a whole host of measures that I'm sure the members are aware.

Mr. Chairman, I am pleased at this time to report funding increases in the drug and semen programs.

Increases of 210,000 and 98,000, respectively, have been allocated to the drug and semen programs. The increases reflect growth in these programs. I am also pleased to report that there is also revenue associated with these items so that the increases are virtually self-sustained.

In conclusion, I have provided members with a brief overview of our programs and objectives. I look now forward to a detailed and constructive discussion with members of the committee.

MR. CHAIRMAN: Thank you, Mr. Minister. We shall now hear from the leading Opposition Critic on Agriculture.

MR. G. FINDLAY: Thank you, Mr. Chairman. It gives me a great deal of pleasure to be able to speak to the Estimates here today, my first opportunity in such capacity, and to address some comments relative to the Department of Agriculture and the Minister.

There is no question that there are certainly very difficult problems and concerns in the farm community, and not only the farmers themselves but the businessmen in our small towns and all our rural communities are seriously wondering where the future of agriculture is going.

As I look back at some comments made in the past, I would like to read from the Minister of Agriculture's comments a year ago when he said in his opening statement: "We realize that if this sector is lost, Manitoba loses its most important source of value-added production and job creation in the province."

Further to that, and I agree with his statement, but further to that, they made some comments in the Budget that I would also agree with on Agriculture. "Many thousands of Manitobans in the vast majority of our communities, both rural and urban, depend directly or indirectly upon the security and stability of the family farm in our province." Certainly one cannot disagree with that. As I address my comments here today, I want to point out some areas that have been done in other provinces and comment on what has been done in this province.

As we look back over 1985, the general farm community, as information came to me, would indicate that they feel they were in a break-even position, and they were getting around \$4 for a bushel of wheat. Those farmers who were in a break-even position then were really getting no significant return on their investment, and the value of their assets, their land and equipment, undoubtedly has declined, and that's been well-documented.

As we move into 1986, because of conditions on the world market of grain, there is a 20 percent to 30 percent drop in the gross income that farmers are going to receive. It's not something that's controllable within this country, it's a world situation, but yet, if we are going to survive as a province and as farmers in this province, there must be responses to that.

Agriculture's main problem over the years in my mind has been that we have not been able to get sufficient return from the marketplace. Overproduction of whatever has caused significant problems with the ability of the farmer to get fair return from the marketplace. As we look at what is going on in the

world right now between the European community and the U.S.A., there is a significant trade war.

Mr. Charles Mayer, the Minister of the Wheat Board, on June 2 in Whistler, B.C., held a very significant meeting of all the five exporting nations. At this meeting they discussed world trade, and I would like to read comments in the press, quotes from the European economic community member as to what he sees as the future. "Ministers from the European economic community and the United States said they will continue to use massive subsidies to fight for grain markets. That leaves farmers in Canada, Argentina and Australia caught in the crossfire with little room to run for cover. B.C. Agricultural Commissioner, Frans Andriessen, said the community is willing to meet American dollar subsidies, dollar for dollar. The grain trade war between the two farm giants has pushed world wheat prices to the lowest level in seven years." That's a fact, and I'm sure the Minister is well aware of that.

Now the next question is: what are the subsidy levels in the different parts of the world? Again, as I quote from that press article, and I'm sure the information was tabled at that meeting, that the subsidy levels for farmers in Europe and the United States is about \$3 where we get about \$1 of subsidy. So they're \$2 ahead of us, three to one ahead of us. It puts us in a severe disadvantaged position in terms of being able to operate our farms at a profit and export grain into their world market.

What's happening in this country? The Canadian Government has made some significant moves in the past few weeks and few months to help the farm incomes in Western Canada. Some amendments to the Western Grain Stabilization have led to payouts in the spring and in the fall the last two years. As I calculate back, the payouts that will come in 1986, and probably or undoubtedly will come in 1987, will represent an income to the person enrolled in the plan — and that's about 78 percent of the producers in Western Canada and probably around that in Manitoba — it will represent an increased income of about \$10 an acre to them.

The Federal Government has just completed a Wheat Price Inquiry Commission that went across the country. They stopped here in Winnipeg. We made representation to them, requested \$11 a bushel, and the Minister was there and he requested \$10 a bushel. I see in today's paper that the Commission is going to recommend \$10 a bushel. That's really a request that the consumer of Canada support the grain farmer of Canada. If we calculate what that \$10 a bushel for domestic wheat means — and that's on 10 percent of the wheat produced in Canada — it will represent \$9 to \$10 an acre of additional income for the farmer of Western Canada for all his wheat.

The Federal Government has also removed the federal sales tax from farm fuels, and it could represent a savings in operation of \$1 to \$2 an acre in this coming crop year and the next one.

Certainly, the comments have been made in the last little while about the need for a deficiency payment from the Federal Government in addition to what they've already done. I would like to tell the Minister that back on April 9, our leader, on recommendation from our party, made representation to the Federal Government, and I'll tell you what we asked for. We asked for an

increase in the domestic wheat price to \$10 a bushel. We have it, or almost, or it's going to be recommended. We asked for immediate payout from the Western Grain Stabilization. It came. We asked for removal of federal sales tax off farm fuels. It's happened. We also asked that other measures be addressed to address the current pressures on the farm community such as deficiency payments. As you saw from the Swan River meeting, that's certainly something that's under discussion and only time will tell as to what degree the deficiency payment will come in the fall. The farmers of Manitoba are very fortunate to have that sort of help from the Federal Government.

The Provinces of Saskatchewan and Alberta have also responded to the dire-strait situation at the farm level. The Province of Saskatchewan, a \$1.2 billion financial assistance program putting out operating funds to the total amount of \$25 an acre at 6 percent, a very significant program for the average farmer — it will represent a saving in cost of about \$1.50 an acre. All Saskatchewan farmers will be eligible for a 21 cent a gallon saving on farm fuels, again a saving in cost of about \$1 an acre.

The Government of Alberta — wouldn't I love to live there? — their programs are fairly expensive, but still it's the competition. They have a Feed Grain Marketing Adjustment Program — \$61 million; Farm Fertilizer Price Adjustment Program — \$24 million; Farm Fuel Distribution Allowance — \$70 million; and that represents a rebate of 63.6 cents a gallon. They have the Alberta Farm Credit Stability Program — \$2 billion worth of credit available with fixed rate mortgages for 20 years of 9 percent and 6 percent for the younger farmer.

The Alberta Government has really recognized the agricultural situation problem and not only put money to address the issue, but I notice in the Don Getty, the Premier has recently announced, not only that they will have a Minister of Agriculture, but an Associate Minister of Agriculture.

Now, I would like to comment very briefly on what the Manitoba Government has announced in the recent Budget, and what I'm going to say is by no means intended to belittle the fact that money is being presented for the farm community.

MACC money in terms of non-budget Capital Authority of \$7.5 million; Farm Start \$5 million; Farm Aid \$6.5 million. For those with excessive debt problems, as the Minister identified in his opening address, that the questions remain, is it enough money? What are the details of how this money will be made available to the farm community? What are the criteria to be used in terms of determining the eligibility? Who makes the decisions on who's eligible and what percent of farmers will really be helped with this sort of money? Is the money real capital or is the money just an interest rate relief? I'm sure that all farmers in Manitoba would like to have money available at lower interest rates and for fixed interest rate terms.

The Manitoba Government's approach to the farm fuel tax credit, we certainly agree that the purple fuel rebate system must be removed and that the credit go directly to the farmer, but we will wait for further details on that and to see whether the tax returns can be amended by the end of June to see if that system will be workable. If it's not workable by that process,

hopefully there is another process prepared to go into place.

The Family Farm Protection Act — some details of that are now available. We haven't had time to study it fully. But in just a very brief analysis, my first reaction is, it's a very comprehensive bill. There are a lot of sections to it, and we will need a lot of time to study it and determine what the response will be from the farm community before we make any great degree of comment on it. I don't see anywhere in Estimates where there is money made available for the administration under this Act, and we will ask the Minister during Estimates to determine how that will be funded.

I know the Minister prepared a White Paper not too many months ago, and he had a series of meetings in rural Manitoba where a questionnaire was distributed. The results of that questionnaire I'm sure he has available, and I would ask that at some point he make the results of that questionnaire available to us.

The Manitoba Budget claims a 21 percent increase in agricultural budget funding — \$12 million. If we look at that \$12 million and the total agricultural budget of \$70 million in perspective of the total budget for the Province of Manitoba for the coming fiscal year, it works out that Agriculture gets only 1.76 percent of the total budget and the increase of \$12 million is only 0.3 percent of the budget. When you look at the fact that the Manitoba farmer makes up about 3 percent of the population and that agriculture creates 20-25 percent of the jobs, I ask, is that a sufficient share of the provincial budget?

If we look back, contrary to what the Minister said in his opening comments, if we look back at the agricultural budget of 1981, you will see that it was \$75.6 million. It represented an increase over 1980 of 162 percent, and \$41 million was allocated to Emergency Agricultural Drought Relief. There was a serious problem at that time and it was addressed by a significant amount of money. We need more money in our budget this year to address an equally serious agricultural problem.

Now in terms of identifying the crisis, I'm sure the Minister has had lots of input of the fact that there is a crisis out there. If I look at the press clipping that came from Swan River where a member of their delegation, a member of the Manitoba Department of Agriculture is quoted as saying, that 1,300 farmers face serious financial difficulties in the province and the crisis will worsen by fall. That's a very significant statement and I'm sure he agrees with it.

The real doomsday is — this is for the farmers now — the real doomsday is in their long-term debts coming due this fall. The officials said, an analysis of farmers with which the department regularly deals, and he mentioned dealing with these farmers in his opening statement, with which the department regularly deals shows an increase this year of 110 percent in counselling for farmers in financial distress. He said there has been 162 percent increase in farm liquidations, a 100 percent increase in farms facing imminent liquidation, and a 97 percent increase in farms requiring major debt restructuring to remain solvent. Those are very significant statements and I doubt that \$12 million will solve all those problems.

When we look at bankruptcy figures or statistics like what I just gave you, those who seek financial help or

those who go the final mile to be forced off their farms, I have talked to a number of people and I'm told that for every one who goes that final mile, who becomes a statistic, who hits the front page, there are five more who voluntarily leave the system. They just give up. They sell their assets out while there is still something left or they start to sell down their farm. They get rid of some livestock, some equipment or some land in order to try and remain as farmers, and that has been going on — I see it around me in my local community — it's been going on for two or three years.

As the system gets worse, or the farm crisis gets worse, and this year and 1987 and '88, I wonder how many more are going to be forced to just leave the system. Every once in a while you see a headline on a paper about farm crisis, the stress on the family farm, the stress on the wife, the stress on the farmer. When you look at the urban community and see them prospering and enjoying a high standard of living and then rolling along almost without any notice of us out there on the farm, I wonder where the fairness in the whole system is.

In discussions that I recently had with a chartered accountancy firm who processed something in excess of 1,400 farmers' books just recently, their prediction was that 50 to 70 percent of those farmers will be in a position of serious cash-flow problems somewhere in late '86 and certainly those cash-flow problems will continue on into '87 and '88 with the fact that we are facing the facts of low export prices and probably going to have difficulty selling the grain that we produce at any price.

If we look at the comments I have just given on Saskatchewan and Alberta where 100 percent of the farmers are getting help, and in Manitoba, I wonder what percent of farmers are getting help, we need a broader degree of support.

Now, in my opening comments I made mention of the fact that in the Budget there were comments made that the Provincial Government wanted to communicate with the Federal Government, but more often than not they were standing up feebashing — and we just heard some more of it in the opening comments here — they seem to be communicative in one sense but in the other sense you can't knock somebody down and expect him to be friends with you a few minutes later.

When we look back at what has happened in the last year, the Minister of Agriculture or his representatives were not present at two meetings called for the sugar industry, one in Toronto in July of 1985 and one in Winnipeg in April of 1986, I believe it was.

The Manitoba Sugar Beet Growers were there, representing the province I guess, because nobody from the Minister's office was present, and certainly the sugar industry is an industry that needs a lot of consultation for the future.

to the farmers, but support to the industry in terms of processing and the jobs it creates here in Winnipeg.

Another comment I would like to make at this time is that I felt it was quite appalling last summer, when drought assistance was available to those farmers in the southwest corner of Manitoba, federal money available as drought assistance, the Province of Manitoba didn't take advantage of it.

The Manitoba farm industry depends very heavily on exporting grain and livestock and I'm very pleased to

see the Provincial Government, as witnessed in the communications that came out of Swan River, is again in favour of agreements with the U.S. to carry on export trade with them. That is our major trading partner and we must always be in a position to sit down at the negotiation table and discuss trading agreements. If we ever get into further countervailing situations like we did last summer on hogs — a lot of the segments of our agricultural industry will be in trouble here in Manitoba.

Now some specific comments on the Estimates. I notice there's an \$89,000 cut in funds allocated for the Marketing Branch. Diversification into new crops, for which there is a market somewhere in the world and developing these markets and strategies to get the products to the market are certainly one way of overcoming the economic crisis we face. Certainly there's no clear indication that we will always be able to export wheat and barley forever and a day, because many countries around the world are becoming more and more self-sufficient. We must have more research, more market development in products that we can grow in this province and export to some part of the world that can pay for them.

The Home Economics directorate, as we've seen in the last few weeks, is under study at this point in time, as opposed to being closed down. It was in the Department of Agriculture in 1984 and then moved to Health, and I would ask the Minister if this is not the time to put it back into Agriculture — (Interjection) — Did it not say that? Oops, sorry. I've got '74 written down here. I would ask the Minister, is this is not the time to bring them back into the Department of Agriculture, so that they can be of service to the home economists across the province?

In the area of beef stabilization plan and the hog income stabilization plan, when both were set up, producers of the province thought that they were going to be "actuarially sound." Those words were used quite often and people decided to enter or not to enter, based on what they felt their financial situation was then and what the situation might look down the road. Those in the hog plan turned out to have gotten a gift because the deficit has been forgiven as you move into the tripartite plan on the 1st of July. It's a significant change in policy, but for those who were in the plan, it was a tremendous benefit now to move into the tripartite plan without a deficit.

The question now is, for those in the beef plan, what can they expect, because there's certainly tripartite discussions got to be going on for the future. A question was raised to me, well should I jump in now because it's going to be forgiven for me? It's like a die has been cast, so I would think maybe the Minister should, before long, be starting to make some clear indication to the beef industry as to what the intentions are for it down the road in terms of the tripartite plan.

The questionnaire that was filled out at meetings that the Beef Commission held around the province last spring clearly indicated that a feedlot program was needed under the plan, if the provincial plan was to stay in place, because one-third of our calves leave the province every fall for finishing and our feedlot operators are having severe difficulty in competing in the marketplace because subsidy money from outside the province is buying our calves and moving them

out. I'm asking the Minister if the results of that questionnaire — which had indicated a strong majority in favour of that — if now it's not time to start thinking of introducing a feedlot program for the Province of Manitoba? We will discuss that further when we get into that area.

There are some serious concerns about productivity in certain areas in farmland, in certain areas of the province, and you mention "self-conservation" in your opening comments. I sent you a letter a few weeks ago, about concerns in the oil patch area of Manitoba, about what studies might have been done or need to be done in that area to determine how the oil industry is adversely — or potentially adversely — affecting agricultural lands, and I think that's an area that needs to be addressed.

There are also some serious concerns in MACC about the number of people getting loans and the basis on which they have been turned down this spring. I asked a question in the House a few weeks ago about what price of wheat was being used in budgets and we would like some comments and some response from the Minister in that area.

With that, I conclude my comments and we look forward to discussions which will ensue over the next few days. Thank you very much.

MR. CHAIRMAN: Before we proceed any further, I think it's the point in time that we can invite the staff members of the department.

We shall be deferring consideration of Item 1.(a) relating to the Minister's Salary as the last item for the consideration of this department.

We shall begin with Item No. 1.(b)(1) Executive Support, Salaries; 1.(b)(2) Other Expenditures; 1.(b)(3) Policy Studies.

Could leave of the House be granted that the Minister responsible speak from a place which is not his seat in the House? (Agreed)

Would the Member for Virden want to move with leave of the House, to the front benches? — (Interjection) — No, okay.

The Honourable Minister.

HON. B. URUSKI: Mr. Chairman, I've made opening comments. We can get into questions dealing with 1.(b). The general discussion of the Minister's Salary remains until the end of the Estimates, as customary, so we can proceed with discussion on Executive Support and Salaries there.

Just for the members' information, there are seven staff person years in the executive management; they make up the Deputy Minister and Administrative Secretaries, Executive Assistant, and Special Assistant, and the Administrative Assistants to the Deputy. There are seven positions.

The Executive Assistant, Special Assistant, the Secretaries in the office, the Deputy Minister and his staff, make up the Executive Support.

MR. G. FINDLAY: Are all the members of the Executive Support located in Winnipeg?

HON. B. URUSKI: With the exception of my Executive Assistant, who is working out of Arbog.

MR. G. MERCIER: Doing what?

HON. B. URUSKI: Doing constituency work and dealing with matters that — (Interjection) — Yes, an Executive Assistant does constituency work.

MR. CHAIRMAN: Item 1.(b)(1) — the Honourable Member for Portage.

MR. E. CONNERY: The numbers that are there now, how do they compare to the numbers four years ago?

MR. CHAIRMAN: The Member for River Heights. Has the question been answered?

A MEMBER: No.

MR. CHAIRMAN: Sorry.

HON. B. URUSKI: Mr. Chairman, the question from the Member for Portage as to how it related four years ago, I can tell him the only figures I have in front of me would be last year's.

Last year the Executive Support budget was \$538,900, as he sees it in the Estimates. We would have to get him that information, if he would like that, but it will take some days down the road.

We could make a note of it and we'll try to provide him with that information.

MR. E. CONNERY: Thank you.

MR. CHAIRMAN: The leading critic from Virden.

MR. G. FINDLAY: Then, in light of the fact that more information may be coming back on other questions, as time goes on, there may be questions back a few lines from where we are at any point. Can we move around, back and forth in questions at subsequent times, or what happens in that respect?

HON. B. URUSKI: Mr. Chairman, I have been, I should tell the honourable members, fairly flexible in this whole area of moving back and forth in the division, and there may be a time when the member, because of the newness of the members — I think we will attempt, Mr. Chairman, if we can, to be as flexible as we can in this whole area. We will attempt to provide as much information as we can for the honourable members, even if something comes up later that we have already passed, if there is information members want, we will endeavour to get it for them.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

First of all, can you tell me the salary of the Executive Assistant?

HON. B. URUSKI: We have budgeted \$34,000, maybe somewhat less. The exact figure, I don't have, but our budget shows \$34,000 for the Executive Assistant.

MRS. S. CARSTAIRS: Can you also tell me, of those seven staff people, how many would be classified as secretarial staff?

HON. B. URUSKI: Three.

MR. G. FINDLAY: That section, then, Policy Studies, would entail what?

HON. B. URUSKI: Mr. Chairman, the whole area of policy studies would be . . . I will try to give the member some examples of last year's policy studies that were undertaken by the department, some areas where expenditures resulted from this area.

For example, the Peer Voluntary Financial Review, the farmer panels that we have had set up, their per diems and their expenses we paid from this area.

We did an in-depth study on Forage Lease Rentals, Crown land rentals. We had a farmer representative committee of farmers right across the entire province. They did the entire review of Crown land rentals.

We did extensive work in terms of the issue of milk fat studying and the butterfat issue. The work we did with family farms; the Crisis Paper and issues dealing with the family farm area. We did work on milk; prior to the gentleman becoming chairperson of the Milk Review Commission, he did a study for us on milk pricing and the whole milk industry. That was Dr. Paul Phillips, who did some work for us in that whole area.

We spent, in 1984-85, \$73,700.00. That is what the entire group of studies that I just gave to the honourable member — we had budgeted \$175,000; we used \$73,700 of that.

Last year, the Farm Debt Review Panels came out of that budget. There was extensive work done with the Manitoba Broiler Hatching Egg Commission and the work on their plan. There was work done on the whole question of The Family Farm Protection Act, the legal work and the background work to do that was taken out of there. As well, more work on the whole milk lab and the operations of that equipment.

We did intensive studies on the level of subsidies that Canadian grain farmers received from the public, as compared to their counterparts in Europe and in the U.S. We funded that out of this whole area.

There was a Canola Crushers Study, work with the canola industry.

Those are some of the examples that we have given. The total expenditure in the last year was just about \$103,000.00.

MR. G. FINDLAY: What is the probability of getting copies of those studies, or seeing the results of them? Presumably papers were presented.

HON. B. URUSKI: Mr. Chairman, some of those, like the review panels, there would be no studies; there would be an expenditure made. But some of the work, like the Broiler Hatching Egg, the agricultural products work in Eastern Europe, and those kinds of things, yes, we should be able to provide that information for the honourable member.

Whatever we have got that has been released, if it is not an internal document, we will provide it to the honourable member.

MR. G. FINDLAY: I would appreciate those copies because in my opening remarks, I commented on wanting information in some areas. You have addressed

three or four of them here and we would appreciate all reports that are available to us.

HON. B. URUSKI: Mr. Chairman, as I indicated, those documents which can readily be made public, they will. Some of them deal with legal questions and the like, which we will not; and some are very internal to the department because they may have been specific; but whenever we go through the studies we have done we will give the honourable member all the copies that we can provide, bearing those caveats that I have put on.

MRS. S. CARSTAIRS: Mr. Chairman, in 1981-82, \$107,000 was spent on policy studies; in 1985, \$73,000 — I think the Minister said \$103,000 last year, approximately. You budgeted for 175 last year, but only spent 103, and so you've now decreased your budget by 48.4 percent. Is this a concentrated decision to spend less money in research and policy work?

HON. B. URUSKI: Mr. Chairman, this isn't the only area that we do policy studies from. Let the member not combine research with Policy Studies.

The whole area of research is in another part of the budget and there are two areas where the whole question of — I believe what the member is talking about — research in what I would assume — and I'm making an assumption; she may correct me if I'm wrong — in basic research, basic agricultural research. This area would not be involved in that kind of work.

We looked at, over a number of years, what kind of Policy Studies we would be undertaking and we felt that we could do as much in-house work, through our Policy and Economics Branch, so we've deliberately cut back in this whole area of outside work and the like that we would get other people to assist us. So this isn't the only area where we do Policy Studies.

MRS. S. CARSTAIRS: I am aware of that, but I am concerned about what I see as a trend, through policy studies and research, but my question . . . I'd like to go back to No. 2 if I could.

In Other Expenditures, you indicate that seven staff, of which three are secretaries, so presumably they don't have very many Other Expenditures, which means that you're spending \$29,000 for the other four, on Other Expenditures. Could you detail what those Other Expenditures are? \$116,000.00.

HON. B. URUSKI: Mr. Chairman, the Salaries, if the member notes, the salary question covers all the staff, the \$252,000 covers all the staff.

MRS. S. CARSTAIRS: I'm talking about the \$116,000, the Other Expenditures.

HON. B. URUSKI: The Other Expenditures basically deal with office supplies and the like. Those are the travel expenditures, etc. That's what Other Expenditures would be, in terms of running the two offices, the Deputy Minister's Office and the Minister's Office — telephones, stationery, postage, those kinds of expenditures.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: I'd like to ask the Minister, under Other Expenditures, did I understand him correctly when

he said there would be no Salaries in there? That being the case, could he give us a rough estimate of the percentage of that used for travel?

HON. B. URUSKI: Mr. Chairman, we'll have to get that information for the honourable member as to what percentage would be used. It would of course vary from year to year, in terms of the meetings that either my deputy or myself would attend and other staff would attend; but in terms of the two of us, it would vary from year to year.

MR. CHAIRMAN: The Member for La Verendrye.

MR. H. PANKRATZ: Would we be able to get a copy of those itemized expenditures?

HON. B. URUSKI: Mr. Chairman, there is an Order for Return dealing with travel expenditures that one of your members already has put forward. I'm sure the honourable member would not want to duplicate that kind of request because that work will be undertaken and provided. There's been a request made; but if the honourable member would like to know where I have been, we will try and get that information for the honourable member.

I can tell him I've been to Ottawa, Edmonton — depending what year, where.

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

I'm calling Item No. 1.(c)(1) Communications Branch: Salaries — the Member for Virden.

MR. G. FINDLAY: How many people would be involved as communicators, under the Salaries here?

HON. B. URUSKI: Thirteen SY's in the Communications Branch. There are 2 in Branch Administration; 9.2 in Communications area and 2 in publications. That's the total staff complement in the Communications Branch.

MR. G. FINDLAY: What nature of publications come out of there? What is their major work? What do they do, I guess, is what I'm asking?

HON. B. URUSKI: The publications? Mr. Chairman, there are some 200 print publications per year handled by this branch, including new, revised and reprinted items from one-sheet fact sheets to 100-page booklets. The contents originates from throughout the department. They do basically the editing, writing and rewriting of the technical information that's provided by the branch. The Weed Guide, the Weed Control, those kinds of booklets would be handled through this branch of our department.

Mr. Chairman, just to give the honourable member some further information, this branch turns out just under 500,000 copies of the publications distributed in the last year, of all those that we have.

MR. G. FINDLAY: Are there communications and other similar materials coming out of other departments within Estimates here? Do all publications come out under this sector here?

HON. B. URUSKI: Our entire work, in terms of design work, printing, publications in our department, come out of here. The money that is spent for publications — you have, for example, the multi-media home study courses come out of here, film library, videotape productions. Those are the kinds of things that are produced by the branch.

You have new service fact sheets that the branch provides on behalf of staff. They give them the information and they do them. The Country Comment, Consumer Update, special radio programming; this year, of course, the Animal Health '86 Home Study Course — all those kinds of publications and technical work are produced by this branch.

MR. G. FINDLAY: How many publications from there are mailed to all farmers?

HON. B. URUSKI: Most of the publications are available through the ag rep offices. I don't believe that we have, for example, a mass mailing where publications are mailed to every producer. Those would be available through our regional and through our district agricultural representative offices, those kinds of forms. But I don't believe that we have mailed any one publication to every farmer in Manitoba.

MR. G. FINDLAY: There is received by every farmer, crop reports weekly. Does that come out of this department?

HON. B. URUSKI: That would be printed, but not every farmer receives that. There would be a kind of a longstanding list of people who had enquired and that mailing list just keeps building and those would be sent out weekly. MLA's would be automatically put on the list of that Weekly Crop Report. That would be a normal practice that the branch would undertake, but that doesn't go to all the farmers.

MR. G. FINDLAY: How many farmers would it go to? Any idea what the list is — 1,000; 10,000?

HON. B. URUSKI: Mr. Chairman, we'll have to get that information. I don't know.

MR. G. FINDLAY: The reason I asked the question is because I receive a copy of that and I really question the validity or value of the information that's in it because it's already a few days old. I think back to, I guess it's three or four years ago, there used to be a market newsletter came out and I thought it was very informative and it was terminated . . .

HON. B. URUSKI: But it was after the fact.

MR. G. FINDLAY: Pardon me?

HON. B. URUSKI: It also was after the fact.

MR. G. FINDLAY: Yes, but it was a method of a farmer keeping up to date with what the value of grains were and what not. I would think if I was substituting one for the other, I would be putting out the market newsletter instead of the crop report. That's my feeling.

HON. B. URUSKI: Mr. Chairman, I believe the honourable member makes a valid suggestion in terms of work in the Communications Branch that our lists of people who receive these publications and the way the other areas which they could receive the same information as they could have received the market reports, we'll have to review that list and see how we handle that. I think the suggestion the member makes is valid.

MR. G. FINDLAY: As a final comment I would just add, that I thought just before the letter was terminated, the value of the information was getting better and better and it was very precise and there was a lot on there. It covered Manitoba, Canadian and U.S. information and I thought it was very valuable and I would highly recommend that its reinstatement be considered and something else be cut out.

HON. B. URUSKI: Mr. Chairman, I recall this matter being raised at that time and that's about two years ago or so, I did I believe on radio state that I would be prepared to review our publication of that document if there was enough support brought to me — people wrote to me and said that they wanted that service — I would be prepared to review that. Even, in fact, one or two of the callers that I had on that very subject said that they'd be prepared to pay for that service, some amount of money. Mr. Chairman, I'd like to advise the honourable member I'm not sure that I received more than two letters on that very matter.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

I'm wondering about that Fact Sheet package that comes, at least I assume it goes to all the MLA's, how widely is it distributed? For instance, is it distributed to all local newspapers and the weekly newspapers in the province, and what is the cost of producing and distributing it?

HON. B. URUSKI: Mr. Chairman, are you referring to the Fact Sheet that comes out where there's usually about four or five?

MRS. C. OLESON: Yes, a package that comes out to the members.

HON. B. URUSKI: About once a week or once every two weeks, three or four items. I don't know what the cost is of producing it. I'm sure it is sent to the weekly papers, to rural papers and they, of course, select out whatever items they wish to publish as information in rural papers. We will try and get that information broken down for you if we can because generally the whole publications area — I should tell the honourable member that in the publications area we budget approximately \$180,000 of our total budget for the whole area of publications.

MRS. S. CARSTAIRS: Yes, Mr. Chairman, could we have a detailed breakdown of Other Expenditures, \$315,000? Do we know what it's for?

MR. CHAIRMAN: I haven't called the next item yet. I just called 1.(c)(1) so we can focus every discussion on the item.

Are we ready to pass 1.(c)(1)? The Member for Portage.

MR. E. CONNERY: Yes, and it goes as we're talking 1.(1) but it would apply to (2) also, so if I could ask both questions at the same time. Is that like . . .

MR. CHAIRMAN: I haven't called it because we want to focus discussion.

MR. E. CONNERY: Okay, so I'll ask the question again later.

I'd like to have a breakdown. We know that the government has used a lot of public money in the promotion of themselves gearing towards the election, and if we look back we'll see what expended on Communications back in 1981 — it was only \$317,000 — and the Communications budget has significantly increased over the years.

What I would like is a breakdown of who worked and where the monies went in the various areas so we can determine whether the work went into publications for the farmers or if it went into preparing radio ads for just general promotion of the government?

HON. B. URUSKI: Mr. Chairman, I want to tell my honourable friend that the number of staff in this branch has over the years been reduced fairly significantly in terms of what was there in the past. The amount of money, in terms of general money, that are used for communications are related directly to our department in terms of advertising, surveys and those kinds of things that we do in terms of whether it's marketing, whether it's publications, that whole area that the branch is involved in comes out of this area.

We have, in fact, and I believe about four or five of the staff initially around 1982 were, in fact, transferred to the — I would call kind of the Queen's Printer the central administration role or the positions and some of the staff — so that the branch is I would say somewhat leaner today than it was — (Interjection) — Yes, primarily technician staff in terms of camera technicians and those. We no longer have those kinds of staff in our department.

MR. E. CONNERY: If there is, in fact, a reduced number of staff, then the salaries paid to each member of the staff must be significantly higher.

HON. B. URUSKI: Mr. Chairman, there's no doubt that over a five-year period in terms of the dollars per staff would have increased fairly substantially. There would have been, as well, upgrading of staff as they gain experience into higher classifications — that's part of the process — so there would be a fairly substantial increase in that whole area. — (Interjection) — Yes, the staff dollars would be reflected with the MGEA settlements of the past and they would be reflected in the Estimates here.

MRS. S. CARSTAIRS: I'm having some difficulty with that, Mr. Chairman, because the actual expenditure, if by March 31, 1985 was \$283,553 and we've budgeted this year for \$430,300 which is a 34 percent increase, and you say we've had a decrease in staff?

HON. B. URUSKI: Mr. Chairman, last year we budgeted \$436,600 for salaries and this year we have reduced it slightly by \$6,300 less.

MRS. S. CARSTAIRS: Mr. Chairman, Page 11, the Annual Report of the Department of Agriculture, actual spent March 31, 1985, \$283,553.00. — (Interjection)—

HON. B. URUSKI: Mr. Chairman, the honourable member, I see what she's working from. If there are vacancies, if there are staff turnovers, if someone leaves and you rehire, you may rehire either at a lower position or a higher position; the figures will not match. I want to make sure that I don't mislead anyone at all in the House, because what is shown in the Estimates is an estimate in terms of what we've budgeted and may, as the Honourable Member for Virden indicated in his remarks, in 1981 the Conservative Government budgeted \$17 million. They budgeted something like \$14 million for drought. They expended \$16 million.

So the Budget was here, but what actually was spent was a completely different story and what I have been saying for four years is the actual expenditures made to farmers increase substantially. Never in the history of this province has there been more money put in in terms of actual expenditures.

But now getting to the specific that you raised, I can't match them up for you, I can tell you that.

MR. G. CUMMINGS: I'd like to ask the Minister, Mr. Chairman. He mentioned under (c)(1) where we are, that surveys were one of the Communications Branch's responsibilities. I'm wondering why that would be there rather than under Program Analysis, or were these a particular kind of survey that would lend itself to the running of the office more than the running of the department?

HON. B. URUSKI: Mr. Chairman, and I use that word and maybe I want to tell the honourable member — we were looking at strategies in terms of our marketing branch as to the change that we made by Manitoba. We did some surveys of population as to our marketing strategy, as to how we should better promote Manitoba products. We would have used some of the money out of this whole area to do those kinds of studies. That would be primarily a communications effort with another agency who would assist us in doing that. Those monies would have come out of this branch. That's the kind of thing I was referring to.

MR. G. CUMMINGS: I think I understand what you're saying. Are you saying that part of the salaries would have been responsible there or would some of that expenditure have shown up under (2) which we will deal with next?

HON. B. URUSKI: That is correct, under Other Expenditures. Those kinds of expenditures would have shown up under (2). The salaries would strictly be the salaries of branch personnel.

MR. CHAIRMAN: 1.(c)(1)—pass.
1.(c)(2) Communications Branch, Other Expenditures — the Member for River Heights.

MRS. S. CARSTAIRS: Mr. Chairman, could we have from the Minister a detailed list of what Other Expenditures are, in that it's over a quarter of a million dollars?

HON. B. URUSKI: Other Expenditures, Mr. Chairman, branch administration in terms of the office, supplies and the like, \$100,000.00. Mr. Chairman, we will have to get that information, because what I have in my notes is a combination of the various costs of publications, communications, branch administration, but in my column, we lump the Salaries and the Other Expenditures together. So we'll get the breakout for the honourable member and we'll provide it for her.

MR. E. CONNERY: Now that we're on (2), I'll repeat the same question as I did in (1). I'd like a breakdown of the expenditures — what to publications? What to newspaper, radio, etc.? And also, Mr. Chairman, will this information be relayed to the committee before it winds up, so whatever is there can be read into the record?

HON. B. URUSKI: Mr. Chairman, as soon as I am able to have the information from our staff, I will be reading it in the record the very next time I meet. Whatever information I get, I will be reading it into the record the very next time I meet, if I have it. As soon as we can get it, it will be here for the honourable members. I don't promise you that all the information will be here before the committee winds up, but certainly we will attempt to have whatever is readily available from our various branches, we'll have it to you as soon as we can.

MR. CHAIRMAN: 1.(c)(2) — the Member for Ste. Rose.

MR. G. CUMMINGS: Did I understand the Minister, Mr. Chairman, to say that he would provide some breakdown of other in all the areas? Because at a quick glance, there are several areas where Other Expenditures is equal to or close to being equal to the listed expenditures.

HON. B. URUSKI: Mr. Chairman, the question was raised by the Member for Fort Rouge . . .

MR. CHAIRMAN: River Heights.

HON. B. URUSKI: I'm sorry, River Heights and the Member for Portage la Prairie. We will break down the Other Expenditures in terms of what is office supplies, what is actual — as best as they have it in terms of their own breakdown in their branch — we'll bring it to you. If you want more information, if it isn't adequate and you want further clarification, we'll try and get it. I'll get you what we've got; let's put it that way — that's readily available.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass.
I'm calling 1.(d)(1) Financial and Administrative Services, Salaries — the Member for Virden.

MR. G. FINDLAY: Could I ask the Minister again in this category, since the figures are getting bigger: how

many are involved, where are they located, and what their basic responsibilities are?

HON. B. URUSKI: Mr. Chairman, there is no change in staff complement. Total staff complement is 23. There's a division in Administration — my Assistant Deputy Minister, Greg Lacomy, that's his branch. The accounting staff of 18; Financial Administration staff, 2; System and Internal Audit of 1; and the Assistant Deputy Minister and his secretarial support, for a total of 23. They would all be located here in Winnipeg.

MR. CHAIRMAN: 1.(d)(1)—pass.
1.(d)(2) Other Expenditures — the Member for Ste. Rose.

MR. G. FINDLAY: Thank you, Mr. Chairman.
Could I ask what is the procedure here? If we were asking for a further breakdown on these, are we going to be asked to pass them at this time?

HON. B. URUSKI: Mr. Chairman, we'll try and have the Other Expenditures breakdown in terms of what makes up the \$70,000 — I'm assuming that's what the member wants. We'll even try and have it by this evening for the honourable members in those categories. They're fairly detailed. There is a printout. I'll try and have it as soon as I can. If you want them in all the areas, we will endeavour to have everything and I'll read them into the record as soon as I get them.

MR. CHAIRMAN: With that agreement, are you ready to pass the item? 1.(d)(2)—pass.
1.(e)(1) Computer Services, Salaries — the Member for Virden.

MR. G. FINDLAY: In Computer Services, where are these services located? Ag rep offices or here or where?

HON. B. URUSKI: Mr. Chairman, this is our central administration. This would be our manager of Computer Services; he and his staff developed all the programming for all our ag rep offices and crop insurance, vet services lab. They would be located here in Winnipeg. There are six staff person years in this branch.

MR. G. FINDLAY: Would the computer services be totally separate from computer services to the government at large, or is it part of a larger department?

HON. B. URUSKI: Mr. Chairman, we would use the governmental equipment but, in terms of staff or developing of programming and needs of our own department, this is the branch that would provide our own needs of the various programs.

For example, we're working in Vet Services now to put our whole billing system and our whole inventory on computer. This branch would be the branch that would be working with the Vet Services to get that program written and put into place. We would still use governmental hardware, in terms of the main frame, as it's called, from government, but this staff would do the program developing and an evaluation of the program and all the testing and running it till it's running. This branch would provide, I guess, what is commonly known as the software.

MR. G. FINDLAY: Would there be a charge then that you would be paying for the use of the central government equipment?

HON. B. URUSKI: Mr. Chairman, absolutely. Wherever we would use the main A-frame, there would be a billing service that would be built into all the budgets, whichever branch of our department would call for computer services and the use of the main A-frame, that would be part of the Other Expenditures that we would have.

MR. G. FINDLAY: Would people in this department do work for other government departments?

HON. B. URUSKI: I didn't get that.

MR. CHAIRMAN: Honourable Minister, will the people in this department do work . . . ?

HON. B. URUSKI: I'm sorry, I didn't hear the honourable member's question.

MR. CHAIRMAN: The honourable member may repeat the question.

MR. G. FINDLAY: Would people in this department be doing work for other government departments or departments of other governments beyond Manitoba?

HON. B. URUSKI: Mr. Chairman, no, they would not. They would assist, for example, Crop Insurance in doing some of their computer work; MACC; the Beef Commission, all branches or agencies related to our own department. We would not be involved with any other department within government.

MR. G. FINDLAY: Would the charges then be charged to those other departments?

HON. B. URUSKI: Mr. Chairman, the services that this branch provides, in terms of the development of the programming, would not be charged to our other branches. The use of the actual A-frame, the hardware portion, would be a charge that we would pay for to Manitoba Data Services, in terms of the use of the hardware. But the development of the programming that they would do within our own department, that's an ongoing function of this branch, and we would not charge back to other branches.

MRS. S. CARSTAIRS: Mr. Chairman, the expenditure in Computer Services Estimates is up from one year to the next, to almost 21 percent. Now we're told that there is also additional computer services which are paid for Manitoba Data Services. Is there any figure that can be extrapolated which can show us just how many dollars are spent by Agriculture for computer services, all forms of computer services?

HON. B. URUSKI: Mr. Chairman, we would have to actually compile all the computer costs for the honourable member that we would be billed for. The honourable member should know that, in terms of the computer services that we provide, is the developmental

work for our own department and its agencies and branches, for no other department of government. This would be the in-house work. This cost would be the replacement of hiring consultants to do all the developmental work of software programming in the various areas.

MR. CHAIRMAN: Are we ready to pass 1.(e)(1)? 1.(e)(2)—pass; 1.(e)(2)—pass.

1.(f)(1) Personnel Services: Salaries — the Member for Virden.

MR. G. FINDLAY: What goes on in Personnel Services?

MR. CHAIRMAN: The Honourable Minister, the obvious question.

HON. B. URUSKI: Mr. Chairman, there are six staff person years in this branch, there is no change from last year. The branch handles all the staffing for the department and all the payroll work of the department. The branch does all the staffing, fills all the vacancies in the department; for example, last year, 1985-86, 54 positions were filled. It would have been bulletined, interviews, this branch would handle all of that.

This branch also does the training and development work for our department in terms of upgrading and staff development in all areas, management update, affirmative action plans. All the personnel work within our entire department is handled through this branch.

Personnel services is responsible for planning, development, implementation and administration of the personnel program for the department. Of course, elements of the program include recruitments and selection, wage and salary administration, staff training and development, employee relations, personnel records and payrolls.

MR. G. FINDLAY: What would be the total staff of the department then that they would be servicing, the total staff of the entire Department of Agriculture that they'd be servicing?

HON. B. URUSKI: 704.

MR. G. FINDLAY: Would it be possible to have a breakdown? How many are ag reps and how many are field consultants and all that? Is that available readily?

HON. B. URUSKI: I don't know whether it is available readily, but what I am doing, Mr. Chairman, for my honourable friends, as we're going through every portion of the Estimates, I am saying how many staff years there are in each line, so that you will have that record when we complete it as to where it is. I'm not sure I have a readily available printout but, as we go through every line in the budget, I will be giving the honourable member the staff years that are associated with that branch.

MRS. S. CARSTAIRS: Just quickly, what were the staff years in Personnel?

HON. B. URUSKI: Six.

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

Thursday, 5 June, 1986

1.(g)(1) Program Analysis: Salaries — the Member for Virden.

MR. G. FINDLAY: Staff component there, please?

HON. B. URUSKI: Four staff years in this branch, Mr. Chairman, that are associated with the program analysis staff. I think my honourable friend may know some of the staff there in the branch; for example, Ross Cameron, who has been with the department for many years, he's in Program and Evaluation; Greg Fearn and a secretary, Evelyn Clairmont and Al Pachorney, who handles the work on the federal-provincial relations and the Agri-Food Agreement. Those are specifically the four people who are in this branch.

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

There will be no resolution on this item until we finish with the Minister's Salary, which will be the last item before we complete the department.

Going now to Item No. 2, Manitoba Crop Insurance Corporation, Administration, Item No. 2.(a) — the Honourable Minister.

HON. B. URUSKI: Mr. Chairman, I know that Private Members' Hour will be here shortly. Possibly, I will have time to make a few comments and then we'll get into them at 8 o'clock tonight.

Mr. Chairman, I'd like to highlight for honourable members a few items on the Crop Insurance Program. A number of program changes were introduced for the 1985 crop year. The major change, of course, was to increase bushel coverage for most farmers in the range of 4 to 5 bushels per acre of wheat in 1985. In response to these changes, an additional 600 farmers were insured, and the insured acreage increased by 400,000, an increase of 7 percent.

The Livestock Feed Security Program has been expanded to cover all municipalities for 1986. Four thousand farmers are now insured and over 245,700 animals have their feed supplies insured. Just over 50 percent of Manitoba's beef herd is insured under the program. Alberta, I might say, is copying our program for 1986, and B.C. has had officials out to Manitoba to study our program.

Our Additional (Part II) Hail Program is proving to be very popular. Premium income increased by 30 percent in 1984 and a tremendous 76 percent increase in 1985. The rapid growth in this program has made it possible for the corporation to have more of its overhead costs paid for by the Hail Program without having to increase farmers' premiums. This is the reason the corporation is able to operate with a significantly expanded program and yet have a 1986-87 appropriation of just \$10,000 less than last year.

The corporation has been working hard to cut down on paperwork. This year a new application form reduced the number of documents from seven to just one in terms of an application for crop insurance. In 1983, it took 64 days to pay post-harvest claims; in 1984, this was reduced to 48 days. This was further reduced to 43 days in 1985. The corporation has plans in place for 1986 to eliminate the proof-of-loss form which is expected to further reduce the time needed to pay claims by 10 days.

The corporation has also been busy rewriting its computer programs and will have an on-line capability beginning January 1, 1987. In the fall of 1987, terminals will be installed in three agency offices on a trial basis and expanded to all agencies if it proves feasible.

The Crop Insurance Program continues to serve as a major means of support to Manitoba farmers. The changes that have been made, and continue to be made, ensure it serves the needs of our farmers.

Members should be aware that the Federal Government has indicated that it wants to alter the cost-sharing formula. One proposal was to have farmers pay an extra 10 percent of premium costs. A more recent proposal was to require each of the provinces and the Federal Government to pay 25 percent of the total premium and 50 percent of the administrative costs. This would have the effect of transferring approximately \$8 million of cost from the Federal Government to Manitoba. It amounts to a simple transfer of government debt from Ottawa to our province.

Mr. Chairman, we will be attempting, in terms of our entire program and our negotiations, to maintain the program as it is. We are, of course, negotiating and discussing the whole area of the Disaster Program. Those are ongoing discussions and we'll get into those discussions this evening.

Thank you.

MR. CHAIRMAN: The hour is now 4:30 p.m. I am interrupting the proceedings of this committee for the Private Members' Hour. The committee will return at 8:00 p.m. this evening.

IN SESSION

PRIVATE MEMBERS' HOUR

SECOND READING - PUBLIC BILLS BILL NO. 6 - THE FINANCIAL ADMINISTRATION ACT; LOI MODIFIANT LA LOI SUR L'ADMINISTRATION FINANCIÈRE

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER presented, by leave, Bill No. 6, An Act to amend The Financial Administration Act; Loi modifiant la Loi sur L'administration financière, for Second Reading.

MOTION presented.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

The principle, of course, of this bill in the main is that Quarterly Financial Reports should be produced and published within 60 days at the end of each quarter and estimate the deficit.

Madam Speaker, the Finance Minister, just the other day in a question I put to him on June 2, confirmed that the government will continue to print and publish

Quarterly Financial Reports for the balance of its term in office. The concern for this type of legislation of course arises due to the lateness of the issuance of the last Quarterly Financial Report which of course was the Third Quarterly Financial Report.

Madam Speaker, the government under Premier Lyon, at the latter end of 1977 and early in '78, instituted the publishing of Quarterly Financial Reports but did not pass any legislation with respect to them. It was left to the discretion of the government.

It is interesting, particularly with respect to issuance of the last report, the third Quarterly Financial Report, to note the dates on which such reports were published during the past eight years. It was published on February 9 in 1979; it was published on February 22 in 1980; it was published on February 22 in 1981; February 26 in 1982; February 25 in 1983; March 2 in 1984; March 22 in 1985, when the then Minister of Finance, I think, acknowledged that he was withholding the report to present to the House along with his Budget, which he presented on that day; and then this year, it was published on April 2, 1986. So it is clear, I submit, that from the dates this information was published in previous years, that this information was available, certainly by the end of February of 1986, because it was published in February for five years, from 1979 to 1983; then on March 2, 1984 and then withheld in '85 for the Budget and, we submit, withheld during 1986 because an election was in progress, because what did that report contain, Madam Speaker?

It contained information that the Budget deficit had increased by some \$57.9 million — \$58 million, to a total of \$554.1 million estimated deficit for the '85-86 year. There's no question, Madam Speaker, certainly in my mind and in the mind of members on this side of the House that that was not the type of information this government wanted to release during the course of that election because it would have indicated that spending was out of control. I also submit, Madam Speaker, that it would have been sufficient information to turn the whole election around and probably result in the defeat of the government. However, they withheld that information. We believe that is something that should not occur ever again in the future, no matter who is in government.

This principle of financial accountability to the people of Manitoba is extremely important and is the reason why we instituted such reports back in 1977. That is the very essence of the responsibility of a government to, on a regular basis, issue this type of information to the public, to allow the public to be informed of the state of financial affairs of the province and the management abilities of the government.

There have been reports, of course, and some members from time to time have made comment particularly with respect to a newspaper article that appeared, that no such deadline exists in any other province. Well, Madam Speaker, I do not believe that is sufficient reason not to pass this bill.

There is absolutely no question in my mind that this information can be made available and certainly if it is treated in any degree as a priority of the government, the information can be made available within 60 days of the end of each quarter. It is important that this type of information be made available and it is important that the release of such information not be abused as it was abused during this past financial quarter.

Therefore, Madam Speaker, this bill would legislate the present practice of issuance of Quarterly Financial Reports, but require them to be issued within 60 days at the end of each fiscal quarter.

That I think is a necessary requirement for government of any political stripe and certainly we could lead the nation, in terms of financial accountability to the taxpayers of our province and set an example for any other province who wishes to provide this same type of example.

It's interesting to note that although in the article the Deputy Finance Minister of New Brunswick thought a rigid deadline was restrictive, but said that this information in any event is usually published within two months of the end of each fiscal financial quarter.

So, Madam Speaker, if the information is available, as it obviously is, then what possible reason could any member of the Legislature want to use to avoid or to defeat this bill? The information will be available. It has been available in every other year. It can be treated in any way as any type of a priority. The government will be able to publish such information within 60 days. It is important information for the public to know. It's important information to people who deal with the province to know. It is important for the government to know themselves, to realize and recognize what type of management they are giving with respect to the financial affairs of the province.

Madam Speaker, I would submit that there is no demonstrated reason why this type of legislation should not be passed, other than if a member or a political party wants to maintain the discretion of releasing this information so that they can exercise that discretion at some time when it would be politically advantageous to them. I don't believe that can be demonstrated to the citizens of the Province of Manitoba as a sound reason for defeating this bill, Madam Speaker. The information is there. It is available, and it should be available to the people of Manitoba, and no political party at any time should have the discretion not to make it public to the people of Manitoba.

So I'm sure, Madam Speaker, that members opposite and members on this side of the House will recognize that passage of this type of legislation can allow Manitoba to lead the way in terms of financial accountability to its taxpayers in the future but, unlike what occurred with respect to the Third Quarterly Financial Report, when this important information was deliberately withheld from the public of Manitoba during an election campaign so that this government did not account to the people of Manitoba with respect to their management of the fiscal affairs of this province. That is reprehensible conduct, Madam Speaker, and that is the reason why this bill is here, so that it will never happen again.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, I move, seconded by the Honourable Minister responsible for Cooperative Development, that the debate be adjourned.

MOTION presented and carried.

**RES. NO. 2 — FEDERAL-PROVINCIAL
COST SHARING**

MADAM SPEAKER: Proposed resolutions, the Honourable Member for Kildonan.

MR. M. DOLIN: I move Resolution No. 2, seconded by the Honourable Member for Elmwood, which states

WHEREAS one-third of Manitoba's revenues come from cost-sharing and block transfer payments from the Federal Government; and

WHEREAS Federal transfers have declined; and

WHEREAS according to current projections Federal transfer payments will continue to decline; and

WHEREAS about half of all Manitoba's expenditures are in the fields of health and education, a continuing decline in the Federal Government's percentage of Manitoba's revenues will have the greatest impact on these areas and will require that the Province of Manitoba raise taxes and seek other sources of revenue in order to maintain or improve the quality of services in health and education.

THEREFORE BE IT RESOLVED that the requirements for adequate modern health and education services be mutually determined by the Provinces and the Federal Government; and

BE IT FURTHER RESOLVED that after such a determination, funding discussions, based on principles of fair sharing, should take place and a new funding formula should be established by the mutual agreement of the Provinces and the Federal Government; and

BE IT FURTHER RESOLVED that joint discussions and action by the Provinces and the Federal Government should be commenced forthwith to reform the tax system to provide adequate revenues to both orders of government to meet the needs of Canadians on a fair and equitable basis.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker.

I think particularly in light of the announcement and the notice we have on our desks today, this is a particularly timely resolution. There is a briefing tomorrow morning at 8:30 on Bill C-96, which provides the primary motivation behind the timing and the necessity and the urgency for this particular resolution.

In essence, Bill C-96 which is before Parliament now, essentially limits the rate of growth in Established Programs Financing Act, now called the Federal Post-Secondary Education and Health Contributions Act, to the rate of GNP minus 2 percent. What this means is that health and education requirements, which are now projected to grow at a rate of GNP plus 2 percent — my understanding is that this is an accepted figure by the Nielsen Task Force. The proposed bill would limit this to GNP minus 2 percent, which effectively limits the amount of funds available to 4 percent less than what is actually required.

Further, the federal cash has provided close to one-quarter of financing to date. However, that share would drop to 17 percent if Bill C-96 is passed. Of the 19

billion additional resources required for health and higher education by 1990 and 1991, only 1 billion will be provided by the federal Budget through cash payments.

I think the situation we are facing is one of not only extreme difficulty, but we have been accused from the other side of the House of feebashing. I think in a non-partisan situation, one would have to look at what happened in 1982 when the beginnings of this process took place under the previous Liberal Federal Government. What happened in 1982 was there were some changes in the formula at that time, which I will find more specifically here in a moment.

The Federal Government in 1982 cut what was known as Revenue Guaranteed Component of EPFA. In 1982, there was a point system exchanged for the 50-50 block funding. At that time, there were howls, particularly from the poorer provinces, Manitoba being one of them, the Maritime provinces being particularly affected by this change in cost-sharing.

To go back in a little history, what has happened from the end of World War II until 1970 is there had been a considerable growth in social and health and higher education spending. We were in a situation of developing what is now referred to as the welfare state. New programs such as Medicare came in, new programs in education, new programs in social expenditures came in.

At the end of the Seventies, this started to change due to funding restrictions. The provinces such as Manitoba, which has — and I agree with the Opposition in some cases. In spite of minor difficulties, I think the Opposition would have to agree that we probably have the best and most comprehensive health and social services of any province in this country. I am not suggesting that it could not be improved and that there are not flaws in the system. We are the only province that has a combination of services, particularly in the health care field, such as Medicare, Pharmacare, Home Care, Dentacare. There is no other province to my knowledge that has this plethora of services provided to its people. One of the reasons that we provide these services is because of the encouragement provided under the 50-50 cost-sharing formulas prior to 1982, which allowed provinces that had some respect for their citizenry and social justice and the rights of citizens to remain healthy and happy and have services provided to them in a democratic society. This province took a leadership role. What happened in 1982 is the beginnings of the restraint and concern about the federal share of allowing this and the Federal Government unwilling to put up the 50-50 share.

What happened is there were howls of outrage. I'd like to read a few of the howls of outrage. In May of 1981 when this change in the cost-sharing formula was proposed, I quote: "The western provinces are aware of the Federal Government's stated concerns about the size of its budgetary deficit." We are on record as sharing those concerns. "Clearly, action to reduce the federal deficit is essential, but such action should not simply involve a shift in tax burdens to provinces and municipalities. It is important to emphasize that the same taxpayers support all levels of government and federal efforts to offload obligations on to other levels will not reduce overall tax burdens."

This was said by the Minister of Finance of the Province of Manitoba, the Honourable Brian Ransom in May, 1981.

In 1982, when the debate was taking place in Parliament, it was stated by the Opposition of the Day that the cutbacks — and they were referring to them at that time as cutbacks — in the equalization payments and the changing of the formula from 50-50 sharing two tax points was quote: “Cutting spending,” “shifting the burden,” “predatory federalism.”

A MEMBER: Who said that?

MR. M. DOLIN: That was said in the House of Commons by one Michael Wilson on March 23, 1982.

MR. D. ORCHARD: There's a man.

MR. M. DOLIN: The Member for Pembina suggests there's a man. From that statement, I would suggest there's a chameleon, not a man.

MR. D. ORCHARD: Madam Speaker, on a point of order.

MADAM SPEAKER: The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: I believe the Member for Kildonan made a reference to some statement I made in the House which I didn't make.

A MEMBER: It wasn't you, Don, it was Riel.

MR. D. ORCHARD: If he would kindly withdraw that reference, I'd appreciate it.

MR. M. DOLIN: My apologies. I withdraw it. I understand it was the Member for Riel that made the statement.

A further quote. In 1983, after the fact, after the change in the formula which is now affecting us negatively and the proposed formula which will affect us more negatively by taking 4 percent from what the actual expenditures would be, which is what is being proposed by C-96, a further quote: “While Ottawa had launched Medicare on a 50-50 cost-sharing basis, the federal Liberals have dropped their percentage with the provinces left holding the bag. The Tory leader said he is prepared to pledge a Federal Government to ‘fair share of Medicare costs promising to restore cost-sharing to the original plan.’ A Conservative Government would restore the original 50-50 split in Medicare costs between the Federal and Provincial Governments if elected to office.”

I would suggest to you that if this were the case on this resolution, I would have to vote Conservative. I would have to support Mr. Mulroney which is why I am standing here in my place supporting the principles articulated by the Honourable Prime Minister of this country in 1983, which he and his chameleon colleagues have rejected. They have adopted the principles that the Liberals acted on in 1982 and they are now acting on them in 1986.

What bothers me more about this is that there are certain factors that are dealt with in a resolution which I think should be considered not only by honourable members here but by the public-at-large. It's the matter

of fairness and consultation. I have given you quotes from respected Tory financial critics at the time, some of whom hold different positions at this point in time.

The fact is one of the things, aside from the unfairness of the change in the cost-sharing formula of 1982 and the unfairness in 1986 which gives one a great sense of *deja vu* because we have been through this before, and the honourable members of the Opposition have been through this before when they were on this side of the Chamber and they didn't like it then and we don't like it now and I don't think they should like it now, is the fact of the lack of consultation. The Federal Government at this point in time in dealing with Bill C-96 had a request from the majority of the provinces, I understand, to hold cross-Canada hearings on Bill C-96. Certainly, the Minister of Finance in this province requested it; certainly other Ministers of Finance from governments of a non-NDP stripe requested that meeting. It was rejected.

What is happening now is — I think the quote was “predatory federalism” — is now once again in effect, that once again the Federal Government, unilaterally, will be telling the provinces that we are going to shaft you financially again; that we are somehow going to cover our deficit on your backs. I do believe that the Honourable Member for Sturgeon Creek made a very good point in his speech the other day. One of the things that he pointed out very clearly is that there is only one taxpayer, and shifting the burden from the Federal Government to the Provincial Government still comes out of that taxpayer's pocket. The fact is with the more limited resources that we have as a Provincial Government, we do not have the ability to tax as widely as the Federal Government does which can tax a population of some 26 million; we can tax a population of 1 million. What it means is once again the threat comes of a two-tier health care and higher education system, where you have the richer provinces which have the greater tax base and the greater ability to tax will have a superior system.

At the moment, we have a superior system because we in Manitoba during the last 15 or 20 years with both NDP and Conservative Governments in power had the will and the motivation and the desire to create a system of health and higher education second to none in this country. That system is now threatened. By whom? I think it is reasonably obvious it is threatened by those same people who felt threatened in 1982 when it was being done by the Liberals, but somehow no longer feel that it is unfair. Now that they are doing it, it is fair. I find the situation somewhat reprehensible on their part and the word “hypocrisy” gets thrown around a great deal here. I am hesitant to use it, but it does certainly come to mind at this point in time.

When it comes to fed bashing, I would like to point out there was a statement made by one Florence Kennedy who was a very well-known feminist and black activist in the United States. When they were talking about black action and black power and the people from the South in the United States, the white southerners, were saying, well, those black people are getting violent. They're bashing us. When they were having demonstrations and sit-ins — non-violent I might point out — her comment was and I think the comment is equally viable here: “When somebody is sitting on your back and they try and get up, you say, violence,

violence". When the feds are sitting on our back in this situation — they have done it before, we have seen what happened — when they are trying to do it again and we are trying to get up and members opposite say that's fed bashing; that's not fed bashing. That is doing our job as government, doing the job they were trying to do in 1981 when the same situation took place of protecting the interests of Manitobans making sure they have fair, decent, and accessible health and higher education care. I think I would certainly — if you go back into your history and the statements of your own former Minister of Finance, and your own former federal Finance critic, and the former Leader of the Federal Conservative Party, now the Prime Minister of this country — if you hear what was said then, I would certainly hope that you would consider, in good conscience, supporting this resolution.

Thank you very much.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Madam Speaker.

Madam Speaker, we have now just heard an example of why, at times, it is difficult for members to come together on a very important issue and lay before Ottawa, regardless of who the Federal Government may be at the time, a concerted resolution dealing with a very grave problem.

The other night, we had the Minister of Health appealing to members in this House, imploring them to come together, to set aside politics and deal with this very real, pressing issue. He was begging that politics be removed.

Madam Speaker, the speech that we have just heard from the Member for Kildonan has done nothing but incite those of us opposite, when it quotes back comments that were made years ago, when indeed it attempts to embarrass the whole political process. I find it totally, Madam Speaker, reprehensible.

Madam Speaker, the Member for Kildonan started his speech by indicating his understanding of the proposed new formula. He indicated that, by his analysis, 4 percent — these were his words — that 4 percent less would be given than is required.

Well, Madam Speaker, there is nothing further from the truth. I will quote, if I have time, I will quote from the speech on second reading given by Mr. Scott, who introduced the bill for second reading, who indicated that that level of support, instead of increasing it 7 percent a year, would over the next five years be increasing it 5 percent, whereas all other government spending coming forward in the Wilson Budget would increase at the rate of 3.2 percent.

The highest component, Madam Speaker, of the Federal Budget, some \$27 billion out of \$100 billion in total expenditure, to be directed toward established program funding, \$27 billion, 27 percent, and to increase at the rate projected of 5 percent yearly over the next five years.

Yet the member opposite starts off the debate on a most important subject by saying it is going to decrease 4 percent below the needs.

Well, Madam Speaker, there is another contradiction. At no time did any of the original funding, the original

formula put forward in 1977 by the Liberal Government, ever make a commitment to supplying all the funding necessary to support all the needs. That commitment was never made. So how can the member opposite indicate that the needs, as somehow measured by the NDP provincially, or federally, are going to be shortchanged by 4 percent.

There never was, as I indicated yesterday, an interim supply. There never was a 50-50 commitment to all health costs, or post-secondary education costs. There was block funding and there was a formula and it was based on, as the member indicates, the increase in gross national product, carved up by 26 million people across this land and directed on a per capita basis out to each and every province without reference to the so-called needs or what is required.

So let him start the debate in a proper fashion. There never was a commitment, 50-50, locked into that statute.

That's the problem today with the debate and the discussion and that's the problem the members opposite are going to have if they believe that they are going to try and force us to accept their numbers and their whole argument. I can tell the members opposite we want to be involved in this debate; it is critical to the importance of this province. — (Interjection) — Well, we've got the Member for Thompson saying which side. That's a brilliant comment on his behalf.

Has he read Bill C-96? Does he have an understanding of it? If he knows like the Member for Kildonan knows, he knows nothing. Let him keep his comments to himself.

Madam Speaker, for the members opposite to again start the debate in that fashion is unfair.

We have a disagreement in some areas. We have a disagreement as to how to tackle this whole tax point question. From what I can determine, the Provincial Government chooses not to ignore it, to not include it when they consider this total transfer.

If you read the resolution closely, this statement is made: "Whereas federal transfers have declined;" — that's not true. There is nothing further from the truth.

This year they are going to hit \$1.29 billion. Last year, they were \$1.23 billion, in total. Yet the member says they are going to decline. — (Interjection) — Well, he didn't say percentage. He said that they were going to decline. To me, that means absolute terms.

Now he talks about percentages. You know, Madam Speaker, nothing upset me more, when I was on the campaign trail and I debated the former Minister of Education and in front of a town hall meeting, I indicated that the growth, the increase, pardon me — the increased growth was going to be reduced. In other words, the rate of increase was going to drop. And she said, aha, there it is, cutbacks; they're coming.

Well, that's the same type of logic that the members opposite are bringing to this debate and it is the same type of logic, in their mind, that they brought forward on this discussion area for the last year-and-a-half.

Finally, for the first time, Madam Speaker, yesterday, I heard the Minister of Finance say a reduction in the rate of growth. Finally, when I heard that admission from him, we can begin to agree on something and begin to handle this very real problem. I hope all members opposite will begin to use that terminology and not say, "Whereas Federal transfers have declined;" — because that is not true.

The member goes on further to say, "Whereas according to current projections federal transfer payments will continue to decline;" — Madam Speaker, Mr. Scott said, in introducing Bill C-96 — or, pardon me, introducing second reading — said this, and I'll give them both sides of the argument, and I'm quoting: "By slowing the annual growth of these transfers by 2 percentage points, the deficit will be lower in 1990 and 1991 by \$2 billion. Second, it provides continued strong support for provincial health and post-secondary education programs. The average growth over the next five years is expected to be about 5 percent on the basis of current economic projections. In total, the Federal Government expects to provide over \$90 billion during this period, or about \$25 billion more than was provided over the last five years."

And to continue: "Cash transfers alone now amount to \$20 billion, or about 20 percent of the federal budgetary expenditure. There is also a further \$7 billion in revenue foregone by the Federal Government through the provision of tax transfer."

I'll digress for a second. What are these tax transfers? Well, the members opposite don't tell us that the federal contributions are both in the form of cash and tax transfers and that the total EPF tax transfer consisted of 13.5 personal and one corporate income tax points on the tax bill.

Yet the members opposite would tell us, no, that's something that should go into general revenue to be used by the wisdom of the government, in support of all areas of spending. It should not be earmarked specifically for post-secondary education and health purposes.

Well, Madam Speaker, unless we can agree on that very important point, we're going to have a hard time coming to some joint agreement as to a resolution or a course of action.

Now — and I will go back to what Mr. Scott said in introducing the bill and I quote, "There's a matter of basic arithmetic. The more the Federal Government has to pay spiralling service charges on a mounting national debt, the less it will have available to fund important programs like health and post-secondary education." And he would say, "I should emphasize, first of all, that the burden of federal deficit reduction is not being borne by transfers to the provinces," and again he reiterates the 5 percent increase over the next five years. Then he makes reference to the fact that the average spending by the Federal Government will increase at 3.2, but yet in this most important area, it will increase by 5.

Madam Speaker, the members opposite, from time-to-time, conveniently mix up the components of transfer payments. Yes, some of the quotes that the member made with respect to 1982 refer to one component of total transfers, and that was the equalization component; and yes, there has been a change, we're no longer on the ten-province average. That was changed unilaterally by the Federal Government who have now moved to a basic of 5 or 6, and the 95 percent limit I think has been removed also. We fought that battle. We joined with the NDP on that battle and we secured \$115 million over two-years-additional funding, but don't let the member, Madam Speaker, confuse components of the total transfer with EPF, and let not him say, because equalization is going down,

that all the transfers are going down. Because, as we've indicated, the EPF component in support of post-secondary education and health is going to increase \$200 million over the next five years — \$200 million, Madam Speaker.

So it's on that basis that I can tell you, I resent the selective wording of the News Service that came out on May 16th, from this government, that said, and I quote, "It is designed to cut federal support to provinces" — and he's talking about Bill C-96 — "It is designed to cut federal support to provinces for health and higher education by \$2 billion annually by '91. Manitoba's loss will be \$313 million by 1991." Of course, he doesn't say that's the accumulated loss that was not realized that was hoped for, that was expected. It doesn't say it. It takes it as a foregone loss, and yet, as my Leader said, there is no reason for it to be expected. The nation didn't produce the wealth. That's the reality of it. Members opposite and members on this side and all the people we represent did not produce the wealth. So, Madam Speaker, that's where we disagree.

Well, the member talked about western provinces and how they were doing. Why is it that only Manitoba is screaming so loudly? British Columbia, the federal belt-tightener, will hit B.C. the hardest of the four. Its increases are being trimmed by \$650 million; nevertheless, a tough-minded Premier Bennett supported the move at a First Ministers' Conference. Alberta will lose \$535 million; Saskatchewan 230; and Manitoba 238 million.

Well, Madam Speaker, what we have here is the member opposite — and I indicated this the other day — are seeing the equalization portion dropping. They're realizing and they're recognizing that Alberta has a large heritage fund and they want a part of it. I think they're using their whole argument to carve a chunk out of that. They're talking about piggybacking. I believe members opposite are piggybacking that argument on the whole EPF formula and change of it. It's so evident to me that I would hope the members opposite would see fit to recognize that members opposite understand the gravity of the situation, that we want to join in with the members; and I, at this time, would like to introduce an amendment, Madam Speaker, if I can. If I have leave, if I'm overtime, I'd like to introduce an amendment to . . .

MADAM SPEAKER: The honourable member's time has expired. Does he have leave to introduce his amendment?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. C. MANNESS: Will leave be given or not?

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please. What is the will of the House? Does the honourable member have leave? Is there any objections? I can't tell whether it's objections or support I'm getting. The honourable member has leave? (Agreed)

The Honourable Member for Morris.

MR. C. MANNESS: I thank the members opposite for granting of leave.

Madam Speaker, I move, seconded by the Member for Charleswood,

THAT all the words after the first "WHEREAS" paragraph be struck and the following be substituted:

WHEREAS total federal transfers to Manitoba, including tax point adjustments, have increased by about \$609 million over the past eight years; WHEREAS total transfers accruing to Manitoba are expected to total \$1.29 billion in 1986, \$60 million more than in 1985;

WHEREAS according to current projections the Established Programs Financing (EPF) component of federal transfers to Manitoba will increase by about \$200 million in the five years; WHEREAS total transfers to Manitoba in the future will continue to increase at a rate well above inflation;

WHEREAS a major share of Manitoba's budgetary expenditures are in the fields of health and education, requiring close scrutiny of all federal-provincial cost sharing programs in order that the quality of health and education services be maintained or improved.

THEREFORE BE IT RESOLVED that this Assembly request that the Government of Manitoba, in concert with the Government of Canada, attempt to determine future health and education needs; and thereafter, attempt to reach a consensus on a funding formula that takes into account the realities of our nation's and province's wealth, our willingness to produce additional wealth, and the deficits of governments.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker. I would appreciate a copy of that amendment as soon as possible. Madam Speaker, I appreciate the member's cooperation.

Madam Speaker, there are aspects of this resolution I think which are worthy of support and I intend to speak to those as I make my comments. I want to point out to all members of the House that I also concur with the Member for Morris' comments about the importance of this issue and that it is important that all members of the House try and acquaint themselves with the facts, and they are complicated, it is not a simple matter. As the Member for Morris has rightly pointed out, there are a number of factors which go into the sum and total of federal transfers to the province. They include transfers that come by way of income tax, corporate and personal income tax, equalization, health and education, cash transfers, and other transfers which occur as a result of federal-provincial agreements. I believe in 1986 there's some \$232 million which come about as a result of other agreements. It is a complex issue.

I believe, however, Madam Speaker, that the Member for Morris misses one essential point in this debate, and that is; what we are faced with at this point is

changes to an act of Parliament; changes which are in statute, which are law of the land, as he has put it on other occasions; changes which are going to result, or have the net effect, of seeing transfers, in his words, "slow down to the province" substantially over the course of the next four or five years and affecting the provinces, not only Manitoba, but affecting the provinces detrimentally and incrementally over the next few decades.

MADAM SPEAKER: Order please.

May I remind honourable members of Rule 44.(1) that no member shall engage in private conversation in such a manner as to interrupt the business of the House. I'm having problems hearing the Honourable Minister.

HON. J. STORIE: So, Madam Speaker, what the impact of that bill will be has been referenced by the member — some \$313 million cumulatively over the next now four-and-a-half years; a tremendous sum of money. I put it to the member, and he has taken some offence, some umbrage of the fact that members opposite and other people in the public domain — I'm referring specifically to the coalition on health and higher education funding who have referred to cutbacks.

Madam Speaker, I ask the Member for Morris if he was renting me a house for \$100 a month, and we had a signed contract, i.e. a federal statute, and I determined unilaterally that I was going to pay him \$70 a month, would he consider it a cutback?

MR. C. MANNESS: I used that analogy myself.

HON. J. STORIE: Madam Speaker, what we want to talk about, I hope, on this resolution — not so much on the amendments perhaps but on the initial resolution — is the question of its long-term impact. The fact is, and the member acknowledges it, it is going to have a significant impact on our ability to fund higher education and health care in this province. I know that the member opposite appreciates, more perhaps than some others on that side, the real dilemma that the Province of Manitoba is going to face with \$300 million less in revenue to deal with those problems. I point out as well that the fact is compounded into the future.

Madam Speaker, we have to recognize that since 1977 the average increase in health and higher education spending has averaged some 2.5 percent to 3 percent above the GNP; it is average that. So what we're seeing is I suppose a combination of factors which affect spending in health and education. The fact is that our population is aging; the fact is that the technology that goes into maintaining health has increased in cost. It changes dramatically so that to keep up requires additional spending much above what the inflation rate is, certainly much above what we have experienced over the last few years in terms of growth in our gross national product. So, the experience in health spending for the Member for Morris across Canada is that we have been spending significantly more than GNP, and that's a fact.

Now if we're going to live up to our commitments, and members opposite in their comments over the last few days, the Member for Brandon West, others

members, have raised the concern about needed facilities, needed services in the area of health care. I ask them that if we continue to fund health care, and this year the health care spending, as members know, is above 6 percent in terms of a provincial contribution to increase in health care spending, I point out to them that they can't have it and we all, as members of this Chamber, can't have it both ways; that if we're going to face the fact that health and higher education costs have expanded traditionally beyond the rate of inflation, beyond the rate of gross national product increase, then we're going to have to face the fact that what Bill C-96 proposes to do, which is to cut the transfers by 2 percent less than GNP, is going to have a dramatic impact now and in the future.

So, Madam Speaker, the implications are what we have to look at. I agree with the Member for Morris to this extent. There is no point in us debating, trying to redefine what happened in the past, the reasons why the 13.5 percent personal income tax or the 1 percent corporate tax became part of BFP, why that particular breakdown occurred.

We could argue probably ad nauseum as to whether the statistics that are used by the provinces, and I include all of the provinces in the argument, about whether the Federal Government underestimates the spending on post-secondary education across Canada. I responded to questions previously and to questions from other groups across Manitoba about the fact that the Federal Government, in the estimation of all provinces, underestimates the spending in post-secondary education by \$1.8 billion. But I really don't find those particular kinds of debates very effective.

So when the member makes his resolution, it leads me to believe that he appreciates the dilemma that Bill C-96 is going to create for us; and we believe, like he believes, if my interpretation of his intention here is accurate, that what we should do is stop Bill C-96. We should put a hold on Bill C-96 until we know its implications, until we can tell Manitobans with some certainty this is what's going to happen, here are the implications.

Because, Madam Speaker, I want the Member for Morris to know that when the implications are known, and if they are as dire as we are predicting, and hospitals

are going to be closed, and universities — I mean \$300 million is almost double what we fund the universities currently — tremendous impact — I believe, like the Member for Morris, that we should know a little more, and that's why the Province of Manitoba will be before the standing committee on Monday, and that's why the Province of Manitoba will be asking them to put that bill on hold until we've had a chance to look at the implications.

So if that's what I read in the penultimate clause here, if that's what the Member for Morris is saying, then I support that. If the Member for Morris is saying publicly right now, let's put Bill C-96 on hold, then I'm for that. Perhaps the Member for Morris wants to clarify or would provide some edification on his intentions.

Madam Speaker, I had left an opportunity for the Member for Morris to perhaps provide some clarification as is provided for in the rules. I believe that the Member for Morris, who has introduced an amendment, should have the opportunity to clarify his intention because it certainly isn't clear; at least, my understanding of his resolution is not clear at all.

I believe the Member for Morris understands this Bill C-96 has devastating, if I may use that word, consequences for the Province of Manitoba. I believe that his intention in talking about the importance of the Manitoba Government and the Federal Government sitting down and deciding in some concrete way what the needs are and what they're going to be into the future is a good idea. I hope that what he means is, yes, let's stop Bill C-96. Let's stop it; let's put it on hold for the six months or the year's time it takes to come to some conclusion about its implications because it is important.

Madam Speaker, I point out, as well, that the Council of Education Ministers for Canada has already tried . . .

Thank you, Madam Speaker.

MADAM SPEAKER: When this motion is again before the House, the honourable member will have five minutes remaining.

The hour being 5:30 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8:00 p.m. in Committee of Supply.