

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, September 25, 1989.

The House met at 8 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HIGHWAYS AND TRANSPORTATION

Mr. Chairman (Harold Gilleshammer): We will call this meeting to order on item 3. Planning and Design and Land Surveys, (a) Planning and Design: (1) Salaries and Wages—the Member for Assiniboia.

Mr. Ed Mandrake (Assiniboia): Mr. Chairperson, the Minister was anxious to get into Highway 75, so without further adieu, we will get into Highway 75. Before I make any comments, I read an excellent little article by a young 12-year-old boy. He identifies this highway as “highway to heaven,” and after reading various articles about that highway, I am beginning to believe probably that is what it is, because we have lost a lot of people on that highway. I know the Minister is trying everything in his utmost power to provide or acquire the rights-of-way, et cetera.

Before we get further into Highway 75, I would like to ask the Minister just two questions in relation to the highway between Morris and I-29. Now, I have travelled this road on numerous occasions. In fact, I came back, Mr. Minister, when I went down to Aubigny, went down, came out Highway 75, and I realize how complicated it can get. We have people on that road—it is only a two-lane road—travelling at very low speeds. Would it be at all possible, would you possibly speak to the RCMP, to enforce the speed limit on this highway and ticket those people who travel too slow?

Hon. Albert Driedger (Minister of Highways and Transportation): That is a bit of an interesting request, Mr. Chairman. We have lots of fun with the RCMP, charging people who speed, myself included the odd time to my chagrin, but I can well understand what the Member is saying in terms of when you have people who travel too slow especially on a highway that has got a lot of traffic on it.

I can give the Member the example of Highway 59 south, between the Perimeter and Ile des Chenes. I do not know exactly what the count is. I can get that I suppose, but excessive traffic, especially a lot of commuter traffic mornings and evenings and every once in a while I run into an individual who decides to go 20 kilometres slower than the speed limit. In the meantime, traffic builds up and everybody gets a little antsy especially when you are wanting to go home, and I think there is a certain amount of danger in that.

I do not know whether we have any regulation that the RCMP enforce in terms of driving too slow. I suppose they could come up with some charge that would allow them to ticket these kind of people. When we are promoting safety, I do not know whether slower speeds

are necessarily a sign of safety but I think it altercation a problem in that respect. I am prepared to take and check with people in the Attorney General's Department and see exactly whether it is possible to lay charges in that case.

* (2005)

Mr. Mandrake: I do appreciate the answer from the Minister. At least he is taking the positive attitude towards this, and I think we should be able to find something within The Highway Traffic Act which would preclude this type of travel. I am not advocating everybody should travel at 100 kilometres an hour. I know the guy that was in front of me was travelling at 60 kilometres an hour, but what are you going to do?—stay behind him, unless you want to get a ticket.

The other question being, Mr. Chairperson, is this: what studies are being conducted on the Letellier corner, and would he produce them, please?

Mr. Albert Driedger: Mr. Chairman, I wonder if the Member could clarify what he means by what study is being done on the Letellier corner. If he can clarify this reference to the twinning of Highway 75, what is going to happen there, or what is he referring to?

Mr. Mandrake: Mr. Chairperson, apparently that is one of the bad corners. This is where you have had several fatalities on that bend. I was wondering whether or not you have had any remarks from people in that area. Has the department done any studies as to the design of the highway in that area? Maybe the road could be improved? I do not know.

Mr. Albert Driedger: Mr. Chairman, I am going to give a report as to exactly what the status is of Highway 75. However, addressing the aspect of safety on that particular location, I would like to indicate to the Member that one of the prime concerns that the department has in all of our designs is the safety aspect of it. We are constantly looking, especially when we are designing and reconstructing roads, to address that aspect of it so that we build roads for the future that are going to be safe roads.

That applies to more than just the Letellier end of it. Most certainly when accidents take place, unfortunately when fatalities occur, as they did with the Nelson House young people, it is always tragic, and certainly I think we always are very conscious of the fact that hopefully it has not had anything to do with the highways. Last winter we had a tragic accident on Highway 75, and the road conditions at that time were very marginal.

If you look at some of the costs that we expended last year because of the snow conditions, more overtime was spent in trying to address some of these concerns and some of our major routes when conditions were

bad. One thing, and this is not in defence, but one would hope that people, when they drive under adverse conditions, especially winter when it is blowing, or we have icy conditions, that people would drive within the realm of what would be considered safe. Then it is maybe too much to expect because many people maybe do not drive under those conditions very often, and when they do get exposed to them they find themselves at a disadvantage and possibly have trouble controlling their vehicles. Nobody is immune from having an accident, but those who travel under those conditions more often probably are a little bit more qualified to assess the danger of driving on a road of that nature.

Addressing specifically the Letellier corner, I would think that under our present design that is taking place for the twinning of Highway 75 that that would be addressed to some degree, so I do not know. I am just looking at some of the notes I have here. We will be doing a realignment of PTH 75 in the vicinity of Letellier in that program.

* (2010)

Mr. Mandrake: This one on Highway 75, how long will it take, Mr. Minister, to complete Highway 75 and all the by-passes in place from Winnipeg to I-29?

Mr. Albert Driedger: Mr. Chairman, let me do a little bit of history here. First of all, I would like to indicate that we have a major project going on Highway 75 right now where we are twinning and pouring concrete. It is a very expensive project. Hopefully we can get it finished before winter sets in. However, when we gave Highway 75 higher priority we had no further survey and design done past the point of construction right now. The first step we had to do in terms of twinning was to develop a survey and design. We hired consultants, two sets of consultants actually, one to address the twinning of Highway 75 from the present stop of construction going south, and we also have one consultant who was dealing with the survey and design aspect of it from I-29 going north.

We have gone through the process, as we have to do to have public hearings. When we have a new alignment—we do that in all cases where we have new alignments—the public consultation process has been in progress from quite some period of time with the municipalities, with the private sector out there and they have all had their input into the matter. The consultants are in the process of finalizing the design aspect of it on Highway 75. Once that is completed it would be our intention to start acquiring rights-of-way so that certain grading jobs, hopefully, could be let within the next construction year.

In terms of the total time, first of all the cost aspect of it, we are looking at possibly anywhere up to \$95 million to be spent on the completion of twinning of Highway 75. When you consider that last year's budget was a total of \$95 million, you cannot concentrate all your efforts on one portion of one road. However, we are moving on it as fast as we possibly can in terms of the—like I say, to do the initial work of survey design, the acquisition of rights-of-way, the grading jobs.

Ultimately, when we start doing the final paving, there are going to be major amounts of money spent on this road.

You see the other thing—I do not mean to jump up and down—we have a major difficulty in the Town of Morris where we have the Red River on the east side and we have three railways on the west side, and the community is sort of lodged in the centre there, and the consultants who are going to be coming forward with reports as to which would be the most feasible approach to take with the Town of Morris.

Coming back to the time element of it, I would anticipate that even if we escalate it as fast as we are doing now and as fast as we can, that I think we are looking at possibly six to seven years, that is if the funding would be available and everything worked well.

Mr. Mandrake: When is the Minister going to be able to announce, Mr. Chairperson, the plans for the by-pass for Morris?

Mr. Albert Driedger: Mr. Chairman, I am still awaiting the final report from the consultants. I hope that within the next short period of time that they will be coming forward with their final recommendation so that a pool can be given and that we then could, during the winter months, acquire the rights-of-way so we could create this project on stream for next construction year.

* (2015)

Mr. Mandrake: Mr. Chairperson, this is to the Minister. He made mention of the hearing process and I am very, very happy that he has undertaken that. But he says, and of course I am quoting him from the previous Estimates in the month of June: "We have to comply with the environmental impact." Now, would the Minister—I am not asking him to say it right now—but could he provide the two critics as to what does he really mean by an environmental impact and how does this affect the purchase of land?

Mr. Albert Driedger: Mr. Chairman, if I could in general terms indicate that part of the process, as I indicated, was the consulting process with the people in the area, the municipalities, the private sector and also the environmental impact. We go through that process, I think, in virtually all our new alignments, that we have to have the environmental impact study done. If the Member wants I can get the process exactly how this is done, but we have to go through that and departmental staff is well aware of it and this is a normal thing that develops just like we do with the hearing process with the municipalities. So I do not know whether we have a specific report that comes forward with that.

Mr. Chairman, my staff tells me that we have the consulting firm of Hilderman and Witty, the consultants doing the study on the environmental aspect of it. They deal with the environmental impact, for example if we cross the Red River on the east side, the impact it would have on the fisheries et cetera. They also study the impact on agricultural land on wildlife. All these

things are being dealt with and they then bring that report forward, and that is evaluated and the decisions are based on that.

Mr. Mandrake: Could the Minister please table those reports?

Mr. Albert Driedger: Mr. Chairman, they are not completed at this stage of the game. Once we have those reports, I have no difficulty letting Members of the Legislature seeing exactly what the reports say. Once the reports are completed and have been presented to myself, I will make them available.

Mr. Mandrake: I appreciate the Minister's openness on this because I think it is very, very valuable that all the critics in the Opposition Party and the third Party have this information, so that when we go into Estimates next year we will have far better communication as opposed to what we have right now.

Mr. Chairperson, in 1986, the now Minister of Finance (Mr. Manness) when in Opposition raised a question of the St. Norbert by-pass. The previous Minister stated, in my mind be the highest priority on Highway 75 as opposed to going further immediately, and that is another complicating factor in terms of getting on with the twinning. That section should be done, I believe, first.

This is back in 1986 and I appreciate that the previous Government slashed their budget by \$12 million. They probably did not have the funds to do it with, but we are now at three years later and still no action.

You have been in office now for over 16 months and we are now going through two Estimates. What have you done? What positive action will we see in your tenure as the Minister of Highways regarding this by-pass, and if you have a study, could you please produce it?

Mr. Albert Driedger: Mr. Chairman, I would like to indicate to the Member, and he is probably aware of the fact, that portion of Highway 75 in the St. Norbert area is the responsibility of the City of Winnipeg.

That is one reason why the provincial Government has not twinned that portion of it. I would have to indicate to you that negotiations have been going on since actually last year with the City of Winnipeg. I think there were proposals forwarded to the City of Winnipeg even prior to that in terms of some kind of a cost sharing arrangement, which we have again offered to the City of Winnipeg in terms of completing the entrance into the city.

To me this is a very important aspect of it, not only with Highway 75 but some of the other PTHs that lead into the city. It could be Highway 7, for example, where we have the by-pass being constructed at the present time. The province spends tremendous amounts of money, you know the four-laning aspect of entrances into the city, and then when we hit the city portion of it we get down to two lanes. I think that is most unfortunate. We have been dialoguing with the city on that. We again have a proposal before the City of

Winnipeg to see whether they would consider entering into an agreement with us.

What we proposed for them was a certain cost sharing, providing that they took over some PR roads within the city jurisdiction and one just outside of it. So, this constant dialogue and negotiation is taking place with the city. I must say that recently we have not concluded any agreement, but I think has an openness and a willingness to discuss this aspect of it. Hopefully we can get some kind of arrangement made with them.

* (2020)

Mr. Mandrake: I do appreciate the answer. Again, I think we are taking at least a step forward, and I appreciate the fact that he has to work through Urban Affairs on this particular by-pass.

My next question, Mr. Chairman, is this: how many kilometres has his department completed this year, or not completed, but is under construction this year on Highway 75 south of Ste. Agathe? How many kilometres this year is under construction right now?

Mr. Albert Driedger: Mr. Chairman, we have 15.3 kilometres that is concrete pavement that is currently under way.

Pardon me, Mr. Chairman, we also surfaced Highway 75 from Highway 14 to the border.

Mr. Mandrake: I have one question, Mr. Chairperson, to the Minister. My colleague from St. Norbert (Mr. Angus) wants to ask a question, and I will leave for him to do so.

Could the Minister please advise the critic for the opposition Party how many kilometres of Highway 75 was completed by the previous administration?

Mr. Albert Driedger: I am advised that 25 kilometres was completed prior to last year.

Mr. Mandrake: When did they start working on Highway 75?

Mr. Albert Driedger: I think about the turn of the century—no, I will get that information. About 1980, Mr. Chairman. Oh, yes, I have got good information here. It was started under the Lyon administration between '77 and '81. They started it then and then it sort of got waylaid.

Mr. John Angus (St. Norbert): Mr. Chairperson, I came in this evening specifically to ask questions that are of a constituency nature. I understand you have just been discussing them to a certain extent—Pembina Highway and the St. Norbert Bridge and the park in the St. Norbert Area. It is my understanding, Mr. Minister, that money has already been given to the city through Urban Affairs to restructure that bridge.

Mr. Albert Driedger: Mr. Chairman, I am advised that funds probably are available under the five-year plan,

but there is none specifically for the work to be undertaken at the present time. We are negotiating, as indicated to the previous Member, to get a package done so that we can do the whole thing right up to the Perimeter. That is up to the city boundary.

* (2025)

Mr. Angus: My further understanding, Mr. Chairperson, is that the money that was earmarked either in the five-year Capital budget, in the share costing with the city, has been transferred as a matter of fact by direction from the Cabinet to hard surface Wilkes Avenue. Do you want to comment on that at all?

Mr. Albert Driedger: Mr. Chairman, I am trying to get a handle on the question. What has to happen is if we reach an agreement with the City of Winnipeg in terms of doing the Highway 75 through St. Norbert, we first have to do the survey design aspect of it and acquire the rights-of-way. So we are looking at three or four years down the line before we actually can undertake physical work on that end of it. I do not think any money has been moved.

Mr. Chairman, my deputy advised me that if we reach an agreement with them we could probably start actual work on it in two years' time, providing that everybody co-operates and that we get an agreement.

Mr. Angus: Your assurance is, Mr. Minister, that monies are being earmarked from the province to the city to twin Pembina Highway and replace the La Salle River bridge, redo that structure, and are not being diverted from that particular project. May I have your assurances on that?

Mr. Albert Driedger: I would like to assure the Member that if we reach an agreement with the City of Winnipeg, the Province of Manitoba will not divert funds or deter the project to any degree, because I think it is a very high priority, at least in the department's minds as well as mine in terms of getting that done. We are going to have a beautiful four-lane highway coming into the city. Getting to that cow trail, I think everybody is of the same mind that we want to try and get that done as soon as possible.

Mr. Angus: My second and very quick—I understand that one of my constituents was here earlier and raised this particular issue. It has to do with Waverley and the Perimeter Highway. I am circulating a petition, I think, as a result of the hard surfacing of Waverley. As I say, my constituent, the Member for Churchill (Mr. Cowan) was here, and he was perhaps bringing to your attention that is a potentially unsafe corner, the Perimeter Highway and Waverley.

I would like you to take it under advisement—I guess having been in this role as chairman of Works and Operations and a city councillor for a long time, I understand the difficulties that people have with dangerous corners and some of the options that might be available to us that do not cost an awful lot of money.

1) I would like you to give serious consideration to reducing the speed on the Perimeter Highway to 70

kilometres per hour from a safe distance west of Waverley Street to a safe distance east of the Pembina Highway-Perimeter interchange. There is a dangerous stretch there where cars are coming across Waverley and coming up to turn off on to the Pembina Highway, and then turns to go down and under, and other cars are coming up to go on it, and so on. So I think that whole stretch could be reduced, as you have done, as the Province or somebody has done at St. Anne's and St. Mary's Road as we get further down.

2) If we could install flashing warnings lights at the approach to advise the motoring public of the intersection, this would alert them to the fact that there is an intersection there where people who are not perhaps as familiar with highway driving, more familiar with city driving, are going to be crossing.

Thirdly, if you could consider budgeting for single lights for the Perimeter and Waverley intersection to be activated during peak traffic periods for the future, that would be also desirable.

I would like your assurances that you and your administration will look at with the possibilities of implementing these ideas.

Mr. Albert Driedger: To the Member, we spoke briefly about it before. I want to indicate that the department is very much aware of the concerns and about the traffic build-up at Waverley and the Perimeter. We are looking at some of the problems that could be developing in the future as well, because with the landfill site we expect that traffic could be a more major problem later on. The city has requested the signal or setting up of lights at that intersection. We are in discussion with them at the present time.

As far as the reduction of speed limit is concerned, most people ask me why we do not have the speed limit at 100 around the Perimeter. Certainly this is one of the options, the suggestions made by the Member. We will be discussing that with the city, and for the sake of safety we will try and do whatever is reasonable and is acceptable to the city as well as our departmental staff.

* (2030)

Mr. Angus: This will be my absolute last statement on it because I know you are anxious to get back to the budget. I thank the committee for its tolerance. The flashing lights that would warn of an intersection coming up is something that can be done fairly inexpensively, and certainly if you would give consideration to reducing the speed, those two things would go a long way to at least alerting people to the intersection. I know that there are overpasses and interchanges being discussed there. I saw the plans two and three years ago when I was still on city council, so I appreciate anything that you can do before it becomes a more dangerous corner than it is.

Mr. Albert Driedger: Mr. Chairman, we will take note of the comments made by the Member. If and when we have decisions that are going to be made in terms of affecting that we will try and notify him as well.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Chairperson, I would just like to put a few comments on the record and then ask the Minister whether he might be able to update me on what is happening on the northeast section of the Perimeter Highway around the City of Winnipeg.

As my colleague, the Minister of Highways (Mr. Albert Driedger) knows, when I was first elected and in my two years of Opposition and now as a Member of the Government benches, I have had a great concern about the six miles, I believe it is just off the northeast quadrant of the Perimeter Highway, that has never been completed. I have stated in many speeches over the last few years that the northeast quadrant of the City of Winnipeg has been short-changed by previous Governments in this section. I mean the Perimeter Highway I believe was started about 20 years ago and we are having to upgrade and redo and repair parts of the Perimeter Highway when there was that six miles of the northeast corner of the City of Winnipeg that has never had access to the Perimeter Highway.

I do know that Highway 59-Lagimodiere Boulevard that goes just sort of right behind my constituency but through residential parts of the City of Winnipeg is very overutilized. The traffic signals along that stretch of Lagimodiere where there is no Perimeter do not coincide with each other so people are stopping at every corner at every traffic light and there is a great backlog. There is a lot of residential development in my constituency that almost borders on Lagimodiere Boulevard. As I have been out knocking on doors in the last little while, I have had complaints that the noise level from traffic on Lagimodiere right behind them is very great. I think completion of the Perimeter Highway would certainly alleviate some of that traffic.

I also do know that there is a growing and expanding business just over the last little while, since our Government has taken over—Palliser Furniture to be exact in Transcona—and I know the Member for Transcona (Mr. Kozak) would agree with me that it is a very thriving business. They are working 16 hours a day. They are hiring a couple of hundred new staff and they are also indicating to me that they do not want their trucks going down the residential streets through Transcona and that the northeast Perimeter Highway would do a lot to alleviate that heavy truck traffic through residential areas in Transcona. I wanted to put all those comments on the record and ask my colleague whether there is anything in the plans for completion of that northeast section of the Perimeter Highway.

Mr. Albert Driedger: I thank my colleague for the comments that she has made and would like to give her an update as to exactly what is happening.

As the Member has stated, the northeast Perimeter has been left in abeyance for what?—20 some odd years, I guess maybe even more, and I am pleased to advise the Member that we are planning to proceed with the northeast Perimeter. Where we are at right now is that at the present time approximately 85 percent of the property has been acquired, and we are in the process of buying up the balance of the rights-of-way and we also are expecting the consultant's report to

be coming forward this fall sometime. That consultant in his report has also done the public consultations and the studies. I might indicate that there is a very, very favourable response to the activity on the northeast Perimeter in that regard. We would hope to be able to acquire the balance of the rights-of-way.

I have to indicate to the Member that if the project had been continued at the time when the Perimeter was done probably it would have been a lot cheaper than what it is going to be costing now. It is going to be a very, very expensive project because we have we have, what is it?—three or four major structures that are involved. We have CP main line, we have CN main line, we have overpasses possibly at 15 and 59. The cost is going to be a very high cost, but I think we are overdue on doing it and we will be proceeding on the basis as outlined, but the consultant's report will come in. We will define the balance of the rights-of-way and the final design is going to be done and so we are on track with it. I am very pleased to announce that we will be proceeding to move in that direction.

Mrs. Mitchelson: Mr. Chairperson, I understand that it will be a very costly proposition although it is not very many miles, the cost of putting in all the adjacent structures that will support—the completion of that portion of the Perimeter Highway will be costly.

I guess I am sort of looking at a time frame. It is not something that is going to happen overnight, I realize. Are we looking at the possibility maybe of one lane each way as an initial measure, or are you looking at building the whole structure all at once? What will be the time frame, the phase-in period?

Mr. Albert Driedger: I think I read what the question is from my colleague, when are we going to get the darn thing started? Right?

Mrs. Mitchelson: Right.

An Honourable Member: Finished?

Mr. Albert Driedger: We will do, as I indicated, the things that we have to do first. We are looking at dirt flying by, let us see, construction year of 1991. So we should have everything ready to go at that stage of the game and be ready to let contracts go for the construction year of 1991. So we would need this next coming year to get all things tidied up, the acquisition and the consultant's reports, the final design, and then we are ready to roll. I might add, Mr. Chairman, I expect we will be here then yet anyway, so I want to assure the Member that we will get her on track.

Mr. Mandrake: First of all, I would like to put it on record that I appreciate the Minister's answers to that northeast quadrant because I had it on the agenda to propose to the Minister.

There is an access road to Downs Village or Augier Avenue in the west side and I have noticed a sign there, Mr. Minister, saying that it is going to be closed. I would strongly suggest, Mr. Minister, that you take another look at that because I live there. That road is not used

that often. All it is, is just an entrance in for the people going into the Downs Village and, of course, St. Charles. In fact, I stood there one weekend counting cars and there are not that many cars using that road. So I would beg of you to have another look at it and reconsider the closure of that road.

Mr. Albert Driedger: Mr. Chairman, to the Member, I am advised that this has been in effect for quite a number of years, and there are signs I think put up indicating that this was on a temporary basis, that ultimately other roads would be closed. We are not in the process of closing them right now. The signs have been there for awhile indicating that the eventual closure will take place but we are in no panic to take and close the roads.

* (2040)

Mr. Mandrake: I appreciate what the Minister said but that sign did not go up until this year and I just cannot see the logic to it. That is here nor there. I mean I would like him to look at that road very, very, carefully because it is going to affect the traffic. It is going to affect the traffic going down onto Portage Avenue and then coming down St. Charles Street into that area. I am just offering you a suggestion. If you close off that road, we might just incur more traffic going down Portage Avenue and then down St. Charles into that community.

Mr. Albert Driedger: Mr. Chairman, I want to make one correction to the Member. He indicated that the sign was just put up this year. My staff tells me that the sign has been up for quite a few years already, so it is not that it has just been put up now. However, we have no immediate plans to close that road right now. I guess circumstances would dictate that for the future somewhere along the line.

I am advised that once the situation becomes hazardous, then in the name of safety it would be closed, but at the present time, we are not closing it.

Mr. Mandrake: We will be watching very carefully, Mr. Minister. What traffic flow criteria is used by your department as to when a certain road requires resurfacing? Do you use a traffic flow count or how do you calibrate this? Let us say, to put on a two-inch overlay.

Mr. Albert Driedger: Mr. Chairman, we have various ways that we do these things. First of all, the staff have a numbered scale that they use to identify a highway when it gets to be, how should I put it, once it gets to be in bad shape. We have a scale, when it gets down to a certain point, then we start getting a little nervous, and staff is always aware of this. We have a rating system that is used in terms of when we feel a highway has some things to be done with it, for resurfacing purpose, other than regrading the whole thing. If we wait until it breaks down to the point where we have to regrade the whole thing, then it is a lot more costly. So we try and catch a lot of these roads and do reasphalting prior to that point.

We also have a system that we look at in terms of trying to extend the life of a highway. For example, we have the Sealcoat Program which, if done at the right time, will extend the life of a highway quite a number of years. We use that quite extensively, and that has proven a very effective thing in terms of deciding when a highway should be done. Each district, we have 12 districts, comes forward with recommendations of what they feel should be done in their district in terms of roads that need repair or resurfacing. We use the scale that I indicated before as well as a traffic count, et cetera, et cetera, and then make a decision as to when that project will be undertaken.

Mr. Mandrake: The reason why I am bringing that up, Mr. Minister, and that is in your own constituency, road 216 south of PTH 52 was redone, and the count of the AADT is 1,110 vehicles average per year, no trucks. Now, I am going to go on to Portage Avenue west of west junction 100. The westbound traffic, again, the AADT count there is 13,102. It has not been touched. The truck count on that is 3.7 percent. Roblin Boulevard westbound, AADT is 8,872. Truck count is 3.1 percent.

Now, Mr. Minister, I do not begrudge you for having your road done in your constituency. All I am asking, why have not these two roads been looked at?

Mr. Albert Driedger: Mr. Chairman, I am glad the Member added that he is not begrudging that road, because that 216 is a nice piece of road, and ironically it goes right by my place as well, you see. To further clarify the situation, I would certainly like to take all the credit for that road. However, what has happened was that prior to our becoming Government, I was in with a group of people including Chambers, Livestock Auction Mart, business people out of the community, to see the then Minister of Highways, Mr. Bucklaschuk, and we laid before him a request for having either the 216 or the 205 upgraded to the point where we could then not have the excessive restrictions that we had in the spring, because the only services are the PR roads into that community. There is a lot of agricultural product coming out of there. In fact, milk trucks picking up milk were overweight when they were driving empty in the front, so that was one of the cases that we presented to the Minister of the Day at that time.

When I inherited the portfolio of Minister of Highways and Transportation, this road was one of the ones that was on there. I would have been a fool to take it off and I was very pleased to have it on there.

In regard to the other roads that the Member was mentioning, we are looking at continual upgrading, especially the roads around the city. If the Member has become aware, on the Perimeter, for example, we have spent millions of dollars trying to get the Perimeter upgraded. There has been a lot of money spent in the general area around the city. I certainly do not feel I have to apologize for the work that we have done in the surrounding area of the city. That does not mean that we have everything under control. It will keep on going that way. We are very cognizant of the fact that we are a major transportation province, Manitoba, and as a result we feel that the roads around the city are a very important part of that.

The other thing that I have to indicate to the Member is that 77 percent of all traffic travels on the PTH system, the provincial trunk highway system, and 23 percent travel on the PR system. As rural Members we always have a tendency to say we would like to have our PRs brought up to the maximum standard that we could as soon as possible. However, we have to be realistic and listen to staff as well indicating that where the traffic goes that is where we have to try and get the roads upgraded first. I do not know whether that is a crisis situation.

Mr. Mandrake: Mr. Chairman, to the Minister, and I will recite something to him when the previous critic for Highways and Transportation said to the then Minister of Highways: when in Opposition you criticize—this is my guys here—the previous administration. “I did not pave the road to my cottage in my constituency like this Minister has done.” I just want to put that on record.

The thing is, sure the Minister says that he has done paving of roads on the Perimeter Highway, on the by-pass, and he has done so, but it was not in my constituency, Mr. Minister. You know, I find this rather ironic because we have a stretch of road between the Perimeter and Headingley and if the Minister would just take maybe a minute and drive down that road he would probably realize that is one of the worst stretches of road that I have ever seen. I would beg of him that in next year's budget that he would see to appropriate something, at least some overlay over top of that road where it would make it just a little bit more of a pleasant road to drive on. Right now it is washboard and when it gets wet, because of the sandseal, it is very, very difficult to drive on. I am not saying that he should do it within this year's budget, but maybe consider it for next year's budget.

Mr. Albert Driedger: Mr. Chairman, are we talking about the Trans-Canada from the Perimeter to Headingley.

Mr. Mandrake: Yes.

* (2050)

Mr. Albert Driedger: Well, Mr. Chairman, I would want to indicate to the Member that I have the occasion to drive that quite often, so I am aware of what the circumstances are. However, I have to also indicate that with the negotiations that are going on with the community of Headingley right now there are certain implications of how the negotiations will go and what will happen. Should, for example, Headingley secede—and these are questions marks that we have to get some answers on—if they do, and if there was development taking place, if they would allow all kinds of development to take place, that would create certain problems for the Highways Department in terms of the perception of having a new type of traffic. The Member is well aware that it was long-range planning in terms of having a by-pass coming around instead of using the existing route, using a different one, so these things are all being looked at, at the present time.

To take and just put a layer of asphalt on that stretch of road without having long-term plans in place would possibly be wasted.

Some Honourable Members: Oh, oh!

Mr. Chairman: Order, please; order, please. The Honourable Minister.

Mr. Albert Driedger: I can indicate that we are very conscience of that stretch of highway there and especially in terms of long-range planning for a national highway program that we will not neglect the Member's comments or his concern for that portion of the highway.

Mr. Mandrake: I was going to talk about the by-pass and I am later on, Mr. Chairman. Just one of several other questions I have on the highways, and that is, what is his department's policy on residential construction bordering Highway 100 or 101 or the cloverleaf? What is the distance that you would recommend before you would allow a developer to put up residential buildings?

Mr. Albert Driedger: There are control areas in place on the PDHs so much on each. I will get the details, staff is going to get me the details, exactly what a controlled area is on our major PDHs. Then also in areas where we have major intersections we have a controlled area of, I will get you the figures, but we have a big control area, which sometimes creates a concern for people who want to build within that control area.

We are quite stringent in not allowing development to take place, residential or commercial, because as I indicated before, staff are very possessive in terms of accesses up to highways. We prefer to have the service roads used, especially on our busy highways, to have less entrances on to the highway. We believe that basically, for example, the Perimeter and Trans-Canada should be viewed in the long term as a freeway, thoroughway, which they have in other provinces as well as other cities.

Mr. Chairman, if it is a normal intersection, we have a 1,500-foot control area, circle, that we control, we will not allow development to take place. In the case of a cloverleaf, we, my deputy just gave me some drawings as to how we do it, we do it a little differently. We provide certain service roads and then on the outside control area and then development can take place on that side. We have guidelines and distances that have been in place for a long time and we try and enforce them and adhere to them as close as possible.

Mr. Mandrake: What is the distance then for developments near a cloverleaf?

Mr. Albert Driedger: Mr. Chairman, 1,500 feet.

Mr. Mandrake: Thank you very much, Mr. Chairman. That is exactly what I wanted to hear—1,500 feet. Yet in 1988, Order-in-Council 713/88, your department sold several parcels of land to a developer near the east side of Assiniboine Downs. You sold this parcel of land and he is now developing this parcel of land and it is very, very close to the cloverleaf. I would like the Minister to now explain to me why he sold this parcel of land to and I will quote a company that bought it, “72959

Manitoba Ltd., Albert Olson Plastering and Inuit Properties and Development Limited.” That property that you sold, Mr. Minister, is now going to be developed into residential land which is only a matter of 50 feet away from the cloverleaf.

Mr. Albert Driedger: Mr. Chairman, I find this interesting and I wonder whether the Member could give me more information. Is this within the city limits?

Mr. Mandrake: Yes, Mr. Chairman. Three pieces of property, if you would just allow me, Sir. The Order-in-Council is 713/88 and I am quite confident that the Honourable Minister would be able to find that in his documents.

Mr. Albert Driedger: I will try and get detailed information for the Member if he will give me a location slip tomorrow and have a written answer for him on that outlining exactly why this was done. The first information has indicated that there will be no development anticipated on the side where it was sold, but I will get a more detailed answer for the Member by tomorrow.

Mr. Mandrake: I do appreciate the Minister's—and I am quite confident that it was done probably with—he signs more papers in a day than probably I sign in a year. The other question being, Mr. Minister, he sold these three parcels of land to this developer for a paltry sum of \$7,790.00. Now it has been subdivided into two lots. If my memory serves me right I think that two lots are now selling for around possibly \$59,000.00. My question, being to the Minister, is this: who did the evaluation on this property that he sold to Albert Olson and was that a fair evaluation in his eyes?

Mr. Albert Driedger: I would sure be nervous if I felt that I was being gouged by somebody, you know. Maybe it has happened but as I indicated before, I am going to get a full detailed answer to the Member by tomorrow in terms of exactly the process that we went through, why we did it and what the appraised value was. I will have that in writing by tomorrow when we come back to Estimates, if that is acceptable. I do not have all the details right now but I will get them for him.

Mr. Mandrake: Mr. Chairperson, I would never, ever, ever question the Minister. All I am saying to him is suggesting that in future whenever we are anticipating the selling of land within the city limits that a private assessor should be hired whereby then maybe he could offer to the department a fair market value of that land. Because I look at that land, I only wish that the Minister would have told me about it and I would have gladly bought up that land, that two parcels of land for, let us say, even \$8,000.00. I think it was just an oversight and I certainly would appreciate receiving an answer on it as expeditiously as possible.

Mr. Albert Driedger: Mr. Chairman, the Member's points are well taken and I will make sure that I have the information and bring it forward tomorrow. If there are any doubts about it, I would be the first person to be prepared to admit that something had not gone

right. However, I still suspect that we do not sell properties without getting proper appraisals done. I would anticipate we did that in this case as well but the details will be coming.

* (2100)

Mr. Mandrake: I will not dwell on this any more, Mr. Chairperson. There is no property being erected there right now, and I would strongly suggest to the Minister if he could go back to this gentleman that bought the property and put into regulation that 1,500 feet, a corridor between that and the by-pass, because I would hate to see anybody putting up a home there. Those homes are ranging around \$145,000, and having a big semitrailer truck coming along that corner on the way to Selkirk and tipping over and destroying all the homes in that area, maybe we could put that 1,500-foot barrier to protect the residents in that area. I think it would be a positive step to take.

Mr. Albert Driedger: Mr. Chairman, I will get all the details and then explain it. If there is something before that has gone on, we will certainly be looking into that. I cannot offer any more information at this time, but I certainly will.

Mr. Mandrake: Mr. Chairperson, as I had mentioned before, I was going to bring up the Headingley by-pass to the Minister's attention. I am quoting from the June 22 Estimates, “At the present time, we are proceeding with doing an updated study on it.” When is this study going to be conducted and when will it be released?

Mr. Albert Driedger: Mr. Chairman, I am informed that we are engaging a consultant to do that study now.

Mr. Mandrake: Mr. Chairperson, would the Minister and his staff seriously consider some other route other than the proposed route which was brought here by your administration back in 19—I think it is '83 if I am not badly mistaken—on the by-pass? Are there alternative routes that we could possibly look at whereby we would provide maybe a far better access past Headingley?

Mr. Albert Driedger: Mr. Chairman, I understand over the years various options have been looked at and considered and ultimately the favoured one seems to be the one that we are going to be doing, hiring a consultant to do the final study on.

Mr. Mandrake: Mr. Chairperson, so in other words, nothing has changed. We are maintaining status quo as per the design in 1983. Am I right, or am I wrong?

Mr. Albert Driedger: Mr. Chairman, I am informed that we are redoing that whole design. That is why we are hiring the consultants. What was planned and designed in '83 is not acceptable and the consultants will be coming forward with a new plan.

Mr. Mandrake: I appreciate that there are going to be changes to the basic design of that by-pass, namely, because of Red River Ex going to be moving into that

area. You are going to make arrangements for your land acquisition from Red River Ex, or whatever they do, but the basic design is going to stay in place. Am I right, or am I wrong?

Mr. Albert Driedger: Mr. Chairman, the general—how should I say?—the alignment is pretty well the same but the plan itself, there are various changes on there from the time that it was first brought forward.

Mr. Mandrake: Thanks for answering those questions, Mr. Chairman. At least now I know what to tell the people of Headingley when they ask me about the by-pass.

Dodds Road, Mr. Chairman, and I brought this to the Minister's attention last year, PR334, it is in dire need of repairs, and I am not saying a bituminous surfacing. All I am asking is that there are potholes in it which can cause damage to a vehicle. Now I wrote the Minister in 1988 about this and the potholes are still there. Mr. Minister this is from Saskatchewan Avenue to Portage. All I am asking, would it be at all possible to get a grader on that road, level it off so we do not have those potholes which could cause some grief and some damage to vehicles?

Mr. Albert Driedger: Mr. Chairman, I will talk with staff and see whether we can upgrade it with a maintenance program on there.

Mr. Mandrake: The other one, Mr. Chairman, and that is Saskatchewan Avenue from Highway 100 west. This road is washboard and could stand some maintenance on it. Would the Minister consider doing some maintenance on that road?

Mr. Albert Driedger: Mr. Chairman, I do not want to belittle the concerns of the Liberal critic in terms of the highways or the roads around the city that are rough, but I would actually like to sort of maybe one of these days take a tour with the critic and cover half of Manitoba and give him an idea how many other roads that are rough need to be rebuilt. We have a maintenance program, a standard that has been set up based on the amount of traffic and the quality of road as to how often we do a grading, whether it is two times a week, three times a week, once a week. We have a standard developed which we apply in terms of trying to keep the maintenance up on the roads.

Weather conditions, of course, have a bearing on this, as well. When you have excessively dry or if you have excessive rain, all these things have a bearing on the condition of the road. We try and adjust our maintenance accordingly. Certainly at any time, it is not unusual for people to phone up and indicate that a road is very rough. As Minister of Highways I get numerous calls saying, you know, why do you not drive this road, or the maintenance is lousy on some of these roads. Invariably what we do then, we make contact with their district engineer and have him look into it and, if possible, we try and accommodate and improve our maintenance on these roads.

Mr. Mandrake: All right, let us not have that put on record, Mr. Minister, that he is the only person that is

driving down these roads. In the past four months, no pardon me, ever since we recessed, I have put on close to 14,000 kilometres on my car on the roads in Manitoba. So I do a lot of driving out, I do not fly, I drive. Okay, so let us not put that on record.

An Honourable Member: It is already on the record.

An Honourable Member: Has your car suffered?

Mr. Mandrake: Yes, it has. Okay, in District No. 8, Mr. Chairperson, PR276 was sealcoated. Excess gravel is still on that road. Now, could the Minister be so kind as to tell me how long does this process stay in place before they start sweeping the highway after they have sealcoated it?

Mr. Albert Driedger: Mr. Chairman, before I get to that answer and I will try and get that answer for the Member, I just want to indicate the two roads that he mentioned previously, both of them are the kind of roads that were taken over under the PR-PTH system years ago. Those are the roads that are on the 4,000 miles of road that we still have not regraded. As a result, these kinds of roads are usually not good quality roads and maintenance is harder on them, but we will duly note and take that into consideration.

I want to indicate that under the sealcoating program that we have in place when we do this program, and we think it is a good program, we try and . . .

Mr. Mandrake: Point of order, Mr. Chairman.

Mr. Chairman: On a point of order.

* (2110)

Mr. Mandrake: On a point of order, Mr. Chairman. I mean, I have difficulty listening to the Minister and all the baffle-gab that is going on here. Now, if the people opposite me wish to converse, by all means do so. Go to the back of the room and do all the talking, but I am trying to go through a process here where I can have at least a reasonable conversation with the Minister.—(interjection)—

I cannot, I am sorry, I have spent 12 and a half years in the military and my ears have been damaged and I cannot hear all that well, so please, if you do not mind, I would appreciate it.

Mr. Chairman: The Member does not have a point of order, but he has a point.

Mr. Albert Driedger: Mr. Chairman, I would like to maybe just explain to some degree the sealcoat program that we have. In most cases when we put the sealcoat on, first of all we have signs up indicating to the general public to "slow down, flying stones." Normally we sweep them within three days because when we do that, when we put the chips on, we like to have them compacted as much as possible by traffic. We roll them ourselves and normally they are swept within three days, depending on the traffic. If there is less traffic and we do that too soon, then we lose the

value of having the chips in there. We are watching it all the time. Our staff is watching it all the time in terms of how we can upgrade that.

Most certainly we have instances where stones get kicked up because not everybody adheres to the speed limit that we recommend in these areas where we have done sealcoating, and as a result people get windshields broken and are unhappy about it. We try and stay on top of it in terms of making sure that it is the least inconvenience while still getting the maximum product out of it.

Mr. Mandrake: Mr. Chairman, just for the Minister, I do not know the date that this particular road was sealcoated, but I will guarantee you that on the first long weekend in September when I drove down that road to Meadow Portage, it was not swept, so maybe it was just because I was there in that interim period of time, I do not know, but I would plead to the Minister to talk to his district engineer in that area, and if it has not been swept, please sweep it so that we do not have any further claims against the department for broken windshields, et cetera.

Mr. Albert Driedger: Mr. Chairman, Highway 276 is noted and we will check into that.

Mr. Mandrake: Would the Minister, through Urban Affairs, encourage the city to upgrade Highway 221, that being Inkster Boulevard from Oak Point Road to the Perimeter, so that we can have a very, very good access route for our truck traffic?

I appreciate that this has to go through the Urban Affairs, so I am just offering that as a suggestion to the Minister.

Mr. Albert Driedger: Mr. Chairman, on Highway 221 inside the Perimeter, I am advised that we are looking at that with the possibility of maybe having it on the program for next year.

Mr. Mandrake: Congratulations, Mr. Minister.

Mr. Albert Driedger: That is a possibility.

Mr. Mandrake: Congratulations, that is what I like to hear. That is nice, because we are going to take all that area out of there and we are going to be able to move it out to the Perimeter in a faster way, and I appreciate the Minister taking that under advisement for next year's project.

Mr. Minister, what is the status of PTH 9 from the City of Winnipeg boundary to the vicinity of Lower Fort Garry?

Mr. Albert Driedger: Mr. Chairman, I am advised that the consultants are doing the detailed study on No. 9 right now up to—from the Perimeter up to 27. Once that detailed study is done we also have to require a right-of-way, approximately 15 feet of right-of-way on both sides, not all over the place, but we have to acquire a right-of-way in order to make proper four-lane highways, four-lane divided highways. In fact, we have

seen the detailed plans, have we not? The preliminary plans I have seen and we will be doing the detailed—we are doing it now. We are on track with that one.

Mr. Mandrake: You are disappointing me, I am not kidding you. The last two questions asked, you gave me a proper answer for it. You are starting to really get to me. I do not know. You are doing things before—this is is crazy. Very good.

Could you be so kind as to provide the opposition critics with that study so that we know what is going on?

Mr. Albert Driedger: Once the detailed design is brought to my attention and the report comes forward, I have no difficulty—it is not a study, it is an actual plan.

My deputy tells me this is about 30 feet long, the plan when it is finally developed. As I have indicated to the critic before, that if he has concerns about some of these things, that most certainly we will arrange to have staff show him exactly where it is at. We have no difficulty with these things.

Mr. Mandrake: I am too scared to ask this question because he is probably going to say he did it already. Bridge to East Selkirk, apparently the structure of that bridge is in question. Has a study been done on the structure of this bridge and is there anything in the plans as to whether or not this bridge will be upgraded?

Mr. Albert Driedger: Mr. Chairman, first of all, I want to indicate to the Member and all Members here that I do not know if people remember the fun we had in the Legislature about what we call the "bridge to nowhere." Anyway that bridge north of Selkirk has been completed and this Minister, maybe a little grudgingly, has completed all the access and pavement to that bridge which is now full in place. Now that is done, have patience, now that project is completed we will be rerouting the traffic around that way and the bridge going to East Selkirk.

We realize that the platform in there is very marginal and we are looking forward to doing a replacement. We will have to close that bridge for a while. So that is slated for, I guess, next year. We are going to do the design on it and then we will be redoing that surface, but we had to wait until we had an alternate route, which we now have with the new bridge.

Mr. Mandrake: Approximately when will you expect to commence work on that bridge.

Mr. Albert Driedger: 1991.

Mr. Mandrake: Route 201 from—and I am going to spell this name because I would never insult a German name by trying to pronounce it, it is G-n-a-d-e-n-t-a-l, to Junction 32 it needs upgrading and maintenance. Would the Minister anticipate doing something for this road in the next year's budget?

* (2120)

Mr. Albert Driedger: Mr. Chairman, anybody that cannot pronounce Gnadental is not a friend of mine because my wife happens to come from Gnadental, and if you cannot pronounce that I am very sensitive about that. This is getting very dicey. However, on Highway 201 I want to indicate to the Member that it is done, the concrete put in, the contract has been awarded and it is well under way. In fact, we are even doing the access into Gnadental.

Mr. Mandrake: According to your book, Mr. Minister, the work that has been offered is the coating, okay. That is from, I forget, but it is not the other portion of the road that needs repair. Now, I might be wrong, maybe it has been done without appearing in there. Okay, from No. 32 to Gnadental has been upgraded?

Mr. Albert Driedger: Mr. Chairman, it is in the process right now, the contract has been let.

Mr. Mandrake: Mr. Chairman, PR 432, 10 kilometres requires upgrading, has that also been done?

Mr. Albert Driedger: Excuse me, Mr. Chairman, I wonder if the Member has a total list I can get them updated constantly as we go along. I tabled the total projects there, I will get an update on 432, but I am just saying I do not know whether the Member wants to go through all the roads. I have no difficulty with it, it gives me a chance to explain what is happening.

Mr. Mandrake: Mr. Chairman, the Honourable Minister made reference prior that I have only travelled on two roads. What I am just trying to prove to the Honourable Minister that I have travelled on more than just two roads and I do not just travel up north, I travel down south into his territory and into the Morris area. To me I do not care where it is, I go. All I am trying to say is that I know it has been mentioned to me about PR432, and if he would take that under advisement and come up with an answer, that is all that is necessary.

Mr. Albert Driedger: Mr. Chairman, I would like to inform the Member that Highway 432 is under survey and design this year, and the next step will be the acquisition of right-of-way and after that we will be letting a project go on there.

Mr. Chairman: Shall the item pass—the Member for Assiniboia.

Mr. Mandrake: Mr. Minister, could he be so kind as to tell me? Route No. 242, south of Bagot, connecting with Highway No. 2, from all the information that I have, it would have been planned to put bituminous covering on that road since I think the previous administration. Seeing that they cut the budget by \$12 million they could not do it. Now, is it possible under this administration to have that done? I mean, it is in your constituency.

Mr. Albert Driedger: Mr. Chairman, the Member has already convinced me he has travelled more than just the north, more than two roads. We are getting the information on 242, I do not think we have it on our

program at the present time, I will get an update on that.

Mr. Mandrake: While the Minister is securing the information on 242. On Highway No. 6, Mr. Minister, I notice that your department has placed in cryo-anchors along the road and, as I said, I do not want to show you the pictures because I am quite sure that you are fully aware of it. Has a study been conducted as to the effectiveness of these cryo-anchors?

Mr. Albert Driedger: Mr. Chairman, based on the testing that was done by CN on the rail bed going to Churchill where they used these, they seem to be coming, the positive reaction to that, and as a result of that what we are doing right now, we are testing them on the highways. We have to use them a little differently than they do on the rail bed and that is why they are slanted, to get underneath. So we are experimenting with them at the present time to see whether that will help stabilize to some degree. We do not have the results yet. They have just been installed this year.

Mr. Mandrake: I do not know how long it takes for the department to have a comprehensive study on these cryo-anchors, but I would be hoping that once the study has been done, would he provide the critics with the information as to the use of the cryo-anchors.

Mr. Albert Driedger: Mr. Chairman, most certainly. It is the first thing I will do when I have that report. I am just wondering, based on the amount of pictures that the Member has taken—this is the third set I have—whether we should maybe have some kind of a book where we can put these in or does the Member want these back? Boy, we are getting quite a collection.

Mr. Mandrake: The Minister says a collection of pictures. I come from Missouri. My picture is worth a thousand words, and I feel that if I am going to communicate with the Minister and if I could prove to him by a pictorial evidence as to what is happening, I think it is going to be far better type of communication. I do not think it is necessary to be screaming at anybody. I think a good communication with evidence is the avenue to go.

I might be touching on a very sore point with the Minister on this question, but on CJOB the Minister is quoted as saying this program has been in place for many years, that being parallel parking. It has been part of the policy of the Department of Highways. Could he today, or tomorrow, whenever is convenient for him, provide the critic of this policy and where is it written, or is it just a whimsical thing that goes on in a department? All I want is if it is written in a policy form within a policy of his department, I would like to be shown.

Mr. Albert Driedger: Mr. Chairman, the issue of parallel versus angle parking has been the subject of discussion for many years, not just in the last year and a half. The parking policy is not a recent initiative. It was begun in the early '60s as the community main street

reconstruction programs were undertaken by the province either individually as a part of a larger provincial trunk highway or provincial road reconstruction program in the immediate area. So the aspect of parallel parking versus angle parking is nothing new. It has been going on for many years.

* (2130)

What happens from time to time, we have communities that resist it, maybe more than others for whatever reasons, and certainly that has been the case lately. Invariably where people have gone to the parallel parking, invariably I do not think there would be one community that would now want to go back to the angle parking. I personally, from a personal point of view, support the aspect of parallel parking versus angle parking. If the Member wants to have a good example, I would suggest that he maybe drive through a place like Beausejour some day and see exactly what the impact of angle parking does there.

I fully appreciate the concerns of the business community that they feel that the Government should be responsible for providing parking, but that is not necessarily the case. In most cases where communities have gone to the parallel parking in conjunction with a construction program that was undertaken by the department, we have invariably managed to resolve it through discussion and try to explain to people showing them how much better a community looks when we can go to parallel parking.

What I will do for the Member tomorrow when I come back, I have a booklet that has been prepared for me in terms of pictures showing exactly what the difference is and what we are trying to accomplish with that thing. So I realize in many cases that the business community feels that they will be losing business if they do not have angle parking. Most of our information to date basically disproves that, because in many cases what happens is that the employees of the various businesses are the ones who are parking on the streets all day. In some surveys that we have done, a third of the parking spaces are being used by the people who are working in these businesses, not the customers.

One certainly never likes to take and dominate, or force people into situations of this nature, and in most cases that has not happened either. So after lots of consultation, in most cases, invariably the communities accept the fact that parallel parking is an advantage over angle parking.

The other aspect that of course is a matter is the cost saving. In many of the cases, instead of having a big wide street paved that way, we can save between 20 percent and 30 percent of the cost by implementing parallel parking versus the angle parking aspect of it. The other things, of course, normal maintenance costs that are involved, there are many things, plus the community enhancement aspect of it, the safety aspect of it, engineering aspect of it, and so this is not a new debate. I think this has been around the clock many times already. I indicated that I do not like to force any community to go into parallel parking but most certainly I lean in that direction and certainly support that aspect

of it. Unless there is a good reason why this cannot be done, I would like to see, eventually, as we improve these roads to the communities, that we ultimately will have all of them with parallel parking.

Mr. Mandrake: Mr. Chairman, the Minister does not have to convince me about parallel parking. I attended a meeting in Killarney where I was lambasted by Members of my own Party because I felt that parallel parking was—so I would never, ever question the Minister's philosophy on that. All I am asking is that where is it part of the policy of the Department of Highways that states that parallel parking would be used as opposed to angle parking? That is all I am asking for, or is this just a wish of the Minister?

Mr. Albert Driedger: Mr. Chairman, maybe the Member missed that. I indicated that this parking policy was begun in the early '60s. It has been in place a long time so it is not a whim of the Minister, as the Member would put it. This has been in place a long, long time and in fact I can probably provide a list by tomorrow in terms of all the communities that have basically undergone the changes, the population of the community and the approximate year when they did the conversion and invariably as part of the—because of the static that was raised, I would actually like to go back to all these communities that changed from angle parking to parallel and just get their reaction to see exactly whether they would want to change back again. I dare say that I do not think too many would.

Mr. Mandrake: Mr. Chairman, I have had the pleasure of speaking to Mrs. Fotheringham in the village of MacGregor. I would like to now relate exactly what she has told me.

When the Honourable Minister of Community Service (Mrs. Oleson) was in Opposition, she requested of the then NDP Minister of Highways to install streetlights at the east and west entrance to MacGregor. He replied that because there were not any accidents in either of these intersections, therefore there would be no requirement for lights. The then MLA for Gladstone informed Mrs. Fotheringham that things would be different if we were in power.

They are in power now, and why is this Tory Government not willing to at least consider the elimination of the intersection at MacGregor? I will just go on a little bit, one step further. We have a Government before us today, Mr. Chairman, who has always been trying to increase the flow of traffic into the small towns, for example, when you are going down south, stopping in at Morris at the Chicken Delight place there and picking up a bucket of chicken, stopping in, probably, at the little town of MacGregor, if there was some type of illuminated lights at that intersection. If a person uses the by-pass he will not get any free gas, of course, might like to have a little bit of food, but stop at these towns if they were illuminated.

Mr. Albert Driedger: Mr. Chairman, the Member made reference to the fact that we were now in Government and what kind of changes took place. I am pleased to say there have been dramatic changes.

First of all, in terms of the construction program, it has been escalated dramatically and I am very excited about it. A lot of communities and people are happy with the road construction going on. I would like to also indicate that with the lighting which the Member is making reference to, we have in many cases already made major improvements, because certainly safety is a major factor with us. We are doing it based on a priority basis. We probably installed more lighting in the last year and a half than was done for many years before that.

I am not belittling the request that the Member is making. However, I want to indicate to him that we are very conscious of the requirements for these things, and we will keep on proudly working ahead and installing those lights wherever we can, wherever we feel it is justified, based on the amount of money that I can get my colleagues and my Opposition Members to vote for my department.

Mr. Mandrake: I appreciate what the Minister just finished saying. He said that in his tenure he has made such fantastic changes and illuminated so many places. Would he be so kind as to table the places where he has illuminated the intersections, please?

Mr. Albert Driedger: Mr. Chairman, if the Member would give me time, till tomorrow sometime, give us a couple of days, we will give you every one of the sites that we have illuminated. It is not a secret, but we are talking pretty detailed stuff here already, and we will get that information for him.

Mr. Mandrake: Mr. Chairman, while we are on the illumination of intersections, would he consider illuminating the intersection, the east and west entrance to MacGregor, in the next year's budget if at all possible?

* (2140)

Mr. Albert Driedger: Mr. Chairman, I will take that request as notice. We will take it up with staff and we will go through our guidelines. If the justification is there and we have the money, I have no difficulty doing it. We have a process that we will go through and we will note his request.

Mr. Mandrake: Mr. Chairman, I am going to go to the man for issue. As everything gets in planning and design, consequently it would fall within the realm of this responsibility, survey and design. What I would like to know is in this Repap agreement, approximately how many bridges are you going to have to upgrade to meet the new standard for the transportation of pulp?

Mr. Albert Driedger: Mr. Chairman, I do not know. I am going to try and find out. According to the information I have here, there are two bridges that we would be redesigning and have to upgrade.

Mr. Mandrake: Could the Minister be so kind as to provide the cost factor which would be involved to upgrade these two bridges, please, and where are they located?

Mr. Albert Driedger: I will try and find out. The location is actually indicated on there if the Member wants to follow. On the left side it says PTH 39, 3.7 kilometres west of east Junction PR 392 as part of No. 6 where we do the survey design and bridge design. On the bottom one it says Sasagui Rapids.

I want to indicate to the Member that we normally do not put the prices in there because I think it has been part of policy if we do that for the people that are out there wanting to do the tendering on it, that if we start putting price tags in there we would be defeating the tendering purpose, because everybody will tender—we have a rough idea, we have our estimates, but if we start putting figures on these things, we defeat the whole purpose of why we tender.

Mr. Chairman: Order, please. The Member for Assiniboia.

Mr. Mandrake: Mr. Chairman, the Honourable Minister of Health (Mr. Orchard) and the Minister of Finance (Mr. Manness) are chirping from their seats as to why am I asking for the cost factor that could be involved in bridge redesigning at these two locations. I will give you one very simple reason. It is because from every calculation that I have been afforded by engineers, and providing them with all the information that I was able to provide them with, and knowing that 418.3 kilometres of road in that area are going to have to meet the new standard for the transportation of pulp under Section H of the Repap Agreement—when I mentioned \$90 million to them, they laugh at me. They say that has to be ludicrous.

Now something has gone amuck here, because during Question Period I asked the Minister two-inch bituminous overlay costs, and he replied \$1,000 a mile. I will do a rough calculation as to how many kilometres you are going to pave in this area and multiply that, and I think we are going to find it at \$90 million. It is hardly going to be a sufficient amount of money to upgrade those roads to the standards which you have stipulated in Section H of the Repap Agreement, Mr. Chairperson. That is the reason why I am asking what the approximate cost value is going to be on the bridge design.

Mr. Albert Driedger: Mr. Chairman, let me first of all correct the Member. I do not know where that information comes from. What was it, \$1,000 a mile for asphalt? I think I should correct the Member on that, because at that rate I would have most of—

Mr. Mandrake: It is 100,000.

Mr. Albert Driedger: Okay, fair enough. Mr. Chairman, based on the information that I provided to the Member, where we have generally indicated the process, the timing of it and on the bottom we have the general figures that we intend to flow over that period.

I have no intention of going back to my department and asking them to justify these figures, because I have all confidence that when they did this, when they developed this scenario here, that they are very capable

people, and I do not know whether I or the Member who is raising the question are capable of challenging the figures that the staff have provided me with. As far as providing the figures for the bridges itself, I do not intend to make that information public at this time. If the Member wants to come and visit me in my office some time, I am prepared to discuss that further with him, but I do not intend to put that kind of information on the record.

Mr. Mandrake: I appreciate that answer, Mr. Chairman, and I would not expect the Minister to put that on record. All I am asking for is just some indication on a personal basis as to what it would be approximately for the cost of bridges.

My second question on this particular issue, Mr. Chairman, \$90 million is going to go out of the Capital budget for Highways and Transportation over the next what?—six or seven years. Where is this money going to come from?

Mr. Albert Driedger: Mr. Chairman, I am glad that the Member raised that question, and the Minister of Finance (Mr. Manness) is here right now. I hope he is listening to some degree in terms of that is an issue that I will be—Mr. Minister of Finance.— (interjection)—

I want to repeat, I am glad that the Minister of Finance is here while the Member is asking where this money for the upgrading of the Repap roads is going to come from. I would indicate to the Member seriously that these are things that are being negotiated at the present time.

Mr. Mandrake: That is not an answer, Mr. Chairperson. I mean, booming economy and all this kind of rhetoric, as far as I am concerned, garbage. I want to know whether or not that money is going to come out of the present budget of capital for the Highways or is this going to be over and above the anticipated capital budget that is going to be appropriated to Highways and Transportation?

Mr. Albert Driedger: Mr. Chairman, it would sure be my hope that it would not come out of my normal Highway construction program, the capital program. I am very possessive about my highway program generally across the province and I would like to view it as above and beyond what we are putting forward in terms of our normal construction program.

Mr. Mandrake: I am going to leave the Manfor roads alone for now. I would like to go on to the Yellowhead route if I can, please.

Could the Minister be so kind as to provide me with what kind of monies, capital dollars, is there being set aside for the Yellowhead route projects?

Mr. Albert Driedger: I wonder if the Member could clarify. The Member is, I believe, aware of the fact that there was a federal-provincial arrangement where the federal Government pumped in \$10 million which was part of the four provinces entering into an agreement

with the federal Government on the Yellowhead Highway. The Manitoba's portion of that participation from the federal Government was \$10 million—just over \$10 million—and that program, by and large, I think, terminates at the end of next year and carried over until the year after that. That is cost shared 50-50 and involves certain work that we have already undertaken on the association on the Yellowhead route or highway, and that includes also the overpass at Portage and other work related to that on the by-pass around Portage. What we have set aside is basically the monies that we require to complete the agreement.

* (2150)

I am advised and it is the plan of myself and the department to then continue the ongoing upgrading of Highway 16 from Minnedosa going west. We are doing survey design and acquisition of right-of-way at the present time for a stretch on there. Am I right?

Mr. Mandrake: The Minister asks me the question about—to explain it. I will right away, but I will just go back to the Yellowhead Route Association meeting. I am going to recite some of the figures that were quoted in the report. Saskatchewan funding this year is going to be \$10 million, Alberta is going to be \$46.7 million. Mr. Minister, you never committed yourself to one penny, and rightly so. The budget was not processed, so therefore you could not commit even a penny because—how could you?—the Estimates were not in process.

My question: right at the present date how many provincial Government dollars are there allocated to the Yellowhead Route and how many federal dollars have been allocated and not used on the Yellowhead Route?

Mr. Albert Driedger: Mr. Chairman, that is pretty detailed information that he is asking because we are in the progress right now of doing the overpass. I will get a breakout for the Member so that they can indicate the amount of the contracts that have been let and that are pending to be let, if that is acceptable. As I say, it is quite detailed and it is an ongoing thing. We will try and get that information for you by tomorrow.

Mr. Chairman: Would Members having a private conversation withdraw to the back of the room, please? The Member for Assiniboia.

Mr. Mandrake: Mr. Chairman, to the Minister, Saskatchewan announced that they are constructing two sets of passing lanes on Trans-Canada Highway west of Grenfell and west of Wolseley. These passing lanes are auxiliary lanes which increase passing opportunities on two-lane highways. The extra lanes are two kilometres long providing similar passing opportunities as on four-lane highways. Passing lanes can improve flow and reduce delays at approximately one-tenth the cost of four-lanes. My question to the Minister is this: would this Minister speak to his Saskatchewan counterpart and evaluate these passing lanes with the possibility of implementing this plan for Highway No. 16?

Mr. Albert Driedger: Mr. Chairman, no, I would not consider that, and I will tell you why. My Deputy Minister just happened to drive down to Calgary a week ago to attend the ministerial conference and the RTAC meetings that were taking place. He drove back with his car specifically to look at exactly the impact of these passing lanes that the Member is making reference to. We do not like the idea at all. We believe that we have an ongoing program in terms of four-laning the Trans-Canada, and probably well out in advance of Saskatchewan in terms of what we are doing in terms of four-laning. We would believe, aside from the fact that I would not mind having paved shoulders on all our roads, the cost of that is prohibitive. We would proceed to continue with the four-laning of the Trans-Canada Highway both to the west and also consider the possibility of doing it to the east, to Ontario.

Mr. Mandrake: That statement is very, very abrupt, Mr. Chairperson. Has he spoken? Do you have any statistics? Do you have anything to substantiate what you just finished saying? Your counterparts in Regina did it and if it is wrong, then fine, provide us with a study. Sure, I will withdraw my remarks, but if a counterpart in your province, your own Party, seems to be using it and with obviously some great success, why could we not at least study the idea with the possibility of implementing it here in Manitoba?

Mr. Albert Driedger: Mr. Chairman, the Member asked whether we would consider it on Highway 16, am I correct? I am advised that the traffic count on 16 is such that we do not believe that it is warranted to do that kind of an expense. We were talking of regrading and redoing Highway 16 from Minnedosa west, and certainly that is I think required, because we are looking at that as being part of our national highway program over a period of time.

When you consider that in Manitoba on the Trans-Canada, for example, 85 percent of the Trans-Canada is dualled at the present time. Saskatchewan has got a lot more on the heavy travelled Trans-Canada that is not twinned or dualled, and as a result of that, that is why they have basically set up two areas where they have the passing lane, because obviously it appears that they will not be dualing it for sometime, so we would rather continue with the approach that we rebuild our highways. For example, on Highway 16, as part of the program that we have been undertaking, we do partial paving of the road. We believe that our program is the route to go.

In fact, Mr. Chairman, I must say that my Deputy Minister is a very qualified individual when it comes to engineering on highways, and I am not facetiously patting him on the back, but I think he is a man who has had a lot of experience, a lot of vision, in this aspect of it, and I certainly respect his judgment when he indicates to me that would not be the approach that we should use.

Mr. Mandrake: Well, I would never question that. There is no question about the Deputy Minister's integrity or his knowledge, Mr. Minister. That is not what I am trying to get at. I drove down that road this year and the

amount of truck traffic that is on that road is rather astonishing. In fact, if I may be so bold as to say that is one of the reasons why you are constructing a rest area at No. 16 and No. 10 because there is a certain increase in truck traffic in that area.

Now, I went up to Russell to talk to a gentleman there, and I was behind a semitrailer truck for almost 10 kilometres, and there was no way I could have passed him. That seems to be the scenario that we have in that district. We can look at statistics, Mr. Minister, we can look at all kinds of facts, but if we travel down that road you will notice that there is a lot of truck traffic now. You have admitted it by building a rest area in that area.

Mr. Albert Driedger: Mr. Chairman, I am glad that the Member brought forward the rest area at Minnedosa which I am very pleased that we are proceeding with that. It is not moving as fast as I would personally like to see it happen, because initially we were trying to work something jointly with the Department of Tourism. However, this is sort of a pilot project which we think is going to enhance conditions for truckers as well as other travellers where they can stop and get information and have a bit of a break, and I think this is the thing that we have to encourage to take place in other major travelled routes across the province. So I certainly encourage that aspect of it. Because the Member raised it, that is why I wanted to address that.

As far as truck traffic and passing, you know, invariably, the safest route in my mind is if you have a dualled highway. You know, you can pass at ease. I certainly find it much more comforting driving on a four-lane highway than a two-lane highway, but until such a time as we have the money to undertake these under our major PTHs, we have to suffer with some of the shortcomings that the Member has referred to, for example, driving behind a semi. I almost made a bit of a facetious remark that with the kind of car that the Member is driving you should not have any trouble passing a semi.

Mr. Mandrake: A point of order here, Mr. Chairman.

Mr. Chairman: The Member for Assiniboia (Mr. Mandrake), on a point of order.

Mr. Mandrake: I have had my fill this evening of people making very sly remarks about the type of vehicle I am driving. Well, I do not blame them because they are jealous, but I only pay \$23,000 for that car. The Honourable Member probably paid more for his car brand new.- (interjection)- well, okay. So let us not go making sly remarks about the car I drive. I am very proud of my Lincoln, it is probably going to be the last one I have in my lifetime. If they want to make these sly remarks, go right ahead, I could care less.

Mr. Chairman: The Member does not have a point of order. The Honourable Minister.

Mr. Albert Driedger: Mr. Chairman, I was not meaning to be insulting.

Mr. Mandrake: Well, it sounded like an insult to me.

Mr. Albert Driedger: Maybe the hour is late already, but it was not meant as that. It does not hurt to have a little bit of lighter conversation once in awhile. We are going at it so heavy in such deep things that I just thought I would throw in something on a more casual basis.

Mr. Harry Harapiak (The Pas): I wonder if the Minister could tell me if there are any meetings being held with the Saskatchewan Government to try and upgrade the road to connect with No. 283 because when we were in Government they said that if we upgraded our road that they would pave their portion. The Manitoba portion has been completed, it is paved right to the border and I wonder, has there been any meetings with the Saskatchewan Government to try and get that east-west road paved.

Mr. Albert Driedger: Mr. Chairman, my understanding is that we have done our portion and Saskatchewan has not done theirs. Staff has indicated that we have not had meetings with them to date to encourage that. It is something to take note of possibly, if we have the opportunity, to raise it with them.

Mr. Harapiak: One other area I was going to ask a question on, Mr. Chairman, is on No. 60. That is about 120 kilometres across there and there are no camping areas along there, no rest room areas and the Department of Highways was going to be looking at setting up some spot where the travelling public can stop and view that beautiful lake and have a rest spot as well. Has there been any planning done to put in a rest area on No. 60—Easterville Road?

Mr. Albert Driedger: The Member is referring to Highway 60, Easterville Road? Staff advise me at the present time we have not.

Mr. Harapiak: There are some very nice views there.

Mr. Albert Driedger: There are some very nice views there, I certainly have no difficulty with that because I happened to travel that road this year as well and I enjoyed that road. But at the present time we do not have any plans.

Mr. Harapiak: I think that they should consider it, because I think a few years ago this was raised and they said they would look at possibly setting at least one spot on there. I think that there are some suitable facilities on there, or suitable spots that should be looked at to put a rest area in.

Mr. Albert Driedger: I am advised that we have done a temporary truck stop on 6 and that we will consider it, we will have a look at it.

Mr. Chairman: The hour being ten o'clock, committee rise.

* (2000)

SUPPLY—AGRICULTURE

The Acting Chairman (Parker Burrell): Committee will come to order. We are now considering Item 2. Manitoba Crop Insurance Corporation. The Honourable Member for Interlake.

Mr. Bill Uruski (Interlake): Thank you very much, Mr. Acting Chairman. When we rose at five o'clock I was in flight asking the Minister to explain to Members in this Chamber and Manitobans the decision that had been reached to cost-share in what historically has been federal responsibility, which clearly is an ongoing maneuver by the federal Government to offload expenditures from national perspective onto provincial taxpayers. In Manitoba's case the costs of this kind of a maneuver, while required for the assistance of Manitoba farmers, is clearly a case of an additional burden on the farm community as taxpayers, although grain producers are receiving the money in terms of support and it was required. Nobody is arguing that point, but farmers, as taxpayers, and the rest of the taxpayers of this province have to pay a far greater share of support toward a program which has historically been a federal responsibility.

I will give you the example, Mr. Acting Chairman, where we did an analysis on crop insurance. Manitoba's Crop Insurance Program, in terms of premium dollars several years ago, was similar to that of Ontario. Ontario and Manitoba, the size of the program were relatively similar in terms of premium dollars taken in. Mr. Acting Chairman, for Manitoba to go to the 25 percent cost-sharing, as was being bandied about in the media casually at the time by federal Government, we could see that Manitoba taxpayers would have to be taxed to raise the same amount of money, would have to be taxed at a rate 10 times that of Ontario taxpayers because of the size of agriculture to the rest of our economy.

If you look at the drought program, the maneuver to saddle Manitoba—and here are colleagues of the same family, of the same political family bringing out the knife to one another, sending the bill, blackmailing a colleague. I mean nothing more than that, Mr. Chairman, to say here you are, Mr. Findlay from Manitoba. We want \$30 million bucks, and if you do not do it, your farmers are not going to get money. That is essentially what they said.

So what happens? We cave in. We made brave statements here in this House, in this Chamber, to Manitobans—federal program, we were not consulted. It is their responsibility and you were right, we gave you credit for that, but to be bludgeoned into getting into responsibility for how long we do not know, because obviously you do not find \$30 million bucks overnight in the Province of Manitoba. It is going to have to be spread out into the future unless we are going to use the \$200 million rainy-day fund.

Mr. Chairman, I have given you my position. You look back at Hansard and you will know my position on that, but here we are, the Minister of Agriculture (Mr. Findlay) in Manitoba having to be put in an untenable position, having to be totally embarrassed by one's own

political family, and saddle Manitoba taxpayers with a bill far higher than they would have had they been paying for a program of national scope. There is only one taxpayer, but because of the manoeuvre we will pay a far higher price. Mr. Chairman, I want to know from the Minister, what is the quid pro quo? What are we getting? What can he tell us tonight that will say, look, we have a deal that you cannot refuse. I want to hear that and then maybe I will sit back and keep quiet, but I really want to hear from the Minister where we are headed.

Hon. Glen Findlay (Minister of Agriculture): Well, I guess I will lead up to a punch line for the Member, but technically the first request was 50 percent cost sharing. We absolutely refused, continued to refuse and, as I said earlier, Saskatchewan gave in early, Alberta gave in later, and we were sort of left standing out alone. We were given ultimatums that would have sacrificed the farm community. We could have continued to say no and you would be here hammering me, why do the producers of Manitoba not get the drought payment?

So reality came into being. Let us negotiate some degree of tradeoffs that for the good of the taxpayers of Manitoba, we come out of this ahead rather than behind. The process is still ongoing, as I said earlier, and I am not at liberty to divulge any components of the agreement, because that might make it difficult to conclude the total agreement. I guess I am satisfied that the approximately \$130 million is in the hands of producers and moving through the economy of the Province of Manitoba as opposed to not happening, which we could have caused to happen. That is the unfortunate position we were put in, and we have gotten the money in circulation. When the final deal is struck, I am confident in saying it will reflect more dollars to the taxpayers of Manitoba in tradeoffs than what we gave up in terms of payments that we will make over the next period of time.

* (2010)

The Member also made some mention along the way, either before or maybe even tonight after eight o'clock, about offloading because federal programs were not working, and I know he has referred to the Agricultural Stabilization Act at different times in the past. I guess I have even commented on it too, that it would be nice to be in that program. You did not have to pay premiums, but yet when we go to federal-provincial meetings, the Ministers in these other provinces will have commodities under ASA crying, hey, we want your western programs, they are better. Everybody thinks the grass is greener on the other side of the fence and I am thinking particularly of grain stabilization.

They are under ASA in the East and we are under WGSA out here. They think WGSA is a lot better program. It is not always cut and dried as it sometimes appears to be on the surface. The same applies to this system that we are in. I guess I feel some confidence that we saved the Province of Manitoba some \$32 million by coughing up the 50 percent—a little bit disappointed that I got left standing alone in the final analysis and had to give in on something that maybe

we did not care to give in on but that is the process we are in. They say when the deal is a done deal, you will see that we probably come out ahead.

Mr. Laurie Evans (Fort Garry): Mr. Acting Chairman, I, too, just want to make a few comments about the federal offloading. I can visualize the situation that the Minister got himself in, but the concern that I have is why in the world does it seem to be impossible for the three western provinces to provide some sort of a united stand against the federal Government on an issue like this?

I think we all understand the situation with Grant Devine. Whether one is cynical or not, Grant Devine had a major outstanding IOU that he had called in. But it would seem to me that there should be some reason that the three western provinces could get together and decide that they are not going to permit this offloading. I think the Minister would have to agree that if you are going to get sucked into the offloading the way you have, then surely you should have had some consultation before the drought program was thrown out. You admitted that you did not and I appreciate that you did not but, my goodness, here you have a drought program which will go down in history as a fiasco in terms of the mechanics of it.

Now, one may be able to argue that the result and the support that went to Manitoba farmers was good, but if you tried you could not make a program that was more awkward and poorly set up. First of all, you have a situation where farmers do not know how to get an application. Secondly, they are given a toll-free number that is always busy, and then they set up the province and say there are areas that are severe, moderate, and light, and they make a payment on the basis of preliminary crop information and then have farmers getting bills when they are anticipating a second cheque. Now you have a situation where they are still looking at ways of getting this all sorted out with an appeal mechanism that appears to be very, very awkward.

So, if I can give any advice to the Minister, and I am sure he pays about what he figures it is worth, but if you are going to be sucked into offloading in the future, Mr. Minister, for goodness sake make sure that you get an opportunity to have some consultation with Mr. Mayer before he gets into this, because he seems to have a knack of making a botch up on most everything that he touches when it comes to the mechanics of it. His ideas are not bad, but he is poor mechanic in putting it into place.

I would like to ask another question and the one that I think has been addressed by the Keystone Agricultural Producers and, lo and behold, appears to be also in agreement as far as the NFU is concerned, and that is the concern that now that you have a cost-sharing arrangement with crop insurance that we may run into a situation where other provinces come up with proposals which they can afford which are attractive to the farmers in their provinces.

We are talking specifically about Ontario, where the agricultural component is small enough that they can

afford, through the Provincial Treasury, to come up with the dollars for cost sharing. They may in fact come up with some bright ideas and good ideas that are attractive to Manitoba farmers but you, as the Minister of Agriculture, may find that you are in a situation because of cost sharing that it is too rich for Manitoba because of the requirement to cost share. This to me is more of a concern than the cost sharing per se, but is the future potential of difficulties because we just do not have the dollars to come up with improvements that may be attractive that are being pursued in other provinces. Is this not a concern of yours?

Mr. Findlay: I guess in the Member's preamble he commented on you have a cost-sharing formula on crop insurance. As I indicated earlier, we have a proposal that at the Minister's meeting nobody objected to. It is not in writing and nobody signed it so it is not a "done deal" so far as a done deal is concerned with regard to being committed to something.

I would also say further to my comments to the Member from the Interlake (Mr. Uruski) with regard to cost sharing it, part of that proposal had been that we would cost share crop insurance this crop year. Any proposal that is on the table is not until next year, which gives us time to know whether we are going to get something that is worth cost sharing. So there has been some winning in this process, I guess.

Whether what you have laid out is a reality in the long term, it is difficult to analyze at this time, but I will go back to my comments of this afternoon, that the proposals we are laying in front of our producers as options under crop insurance are, in general, superior to other provinces and we would be in a position to offer a better program in 1990 than what you will see in most other provinces, if not all provinces. We are ahead and I do not intend that we should ever fall back or fall behind. If you think we cannot afford it, I do not share that pessimism at this time.

Mr. Laurie Evans: What I was referring to, Mr. Chairperson, is the fact that the corn growers in Ontario are already indicating that they want coverage of 90 percent, and they may even feel that they want more than 90 percent which I think is probably out of the question. Assuming it is 90 percent, and you made comments earlier this afternoon, Mr. Minister, that when you start to try and individualize the agreements, that obviously the premiums go higher. Now, in theory, if you were not cost sharing it and the farmers were satisfied with the arrangement, you would not really care how high the premiums were because, as a province, all you were worried about was the administration. Now you are into a situation that if you want to improve the program and go to 90 percent on some crops, or all crops, and you would like to go to a quarter section or even an individual field, because you are cost sharing at 25 percent, your Treasury may just prohibit you doing it even though other provinces could. So you find yourself in a situation where you cannot compete with the other provinces because the Manitoba Treasury is not capable of doing so.

The question then, would you not have been better off to have dug your heels in and say, as far as crop

insurance is concerned, in other words, capitulated on the drought payment but been tougher on the crop insurance and said that is one that we feel is a federal initiative and we are not prepared to cost share it. I think that is the one, the drought one, hopefully is ad hoc and short-term but the crop insurance will be with us forever. That is the one that I do not think you should have knuckled under.

Mr. Findlay: I will, for the third time, give the same answer. We have not knuckled under. We have a discussion point that we will divulge to the public where we are at. We have not signed anything; it is not finished. We are in that process and I appreciate where you are coming from and the problem that might be created down the road. We will take that into consideration as we move through the process because it is not a sure thing that this whole thing will come into being on any kind of cost sharing. There may be reasons why we will balk on it when we see what is finally on the table.

You talk about corn growers in Ontario at 90 percent. Well, they are at 80 percent now. We are at 70 percent. We are going up 10 percent, they are going up 10 percent and the premiums that everybody pays right across the country is relative to risk. If the risk is low, the premium is low; if the risk is high, the premium is higher. It is all in the process. Maybe we are into this argument because we have divulged where we are at and I think it is not improper to divulge, but do not argue that we have done something wrong because it is done, because it is not done.

* (2020)

Mr. Laurie Evans: I appreciate the Minister's comments that this is not a done deal but obviously the negotiations have moved a long way and the time frame is pretty tight because obviously the farmers are going to want to know what they are in. I would certainly want to go on record, Mr. Chairperson, as being supportive of the concept that if you can possibly do it, that you try and force the federal Government into regarding this as a federal initiative and stay with the context that the province is responsible only for the administration.

I think that allowing them to offload, and I like the terminology that my honourable friend from the Interlake has used, because I think it is offloading. I am not too concerned about the offloading with the drought because you were in a bad position there. It was a conquer and divide situation that had been used against you, and you were the lone man. You had been hung out to dry essentially because the threat was that if you do not do this, the farmers in Manitoba are not going to get the payment on time, and they are not going to get as much. So I certainly do not blame you for that, but I think the crop insurance is a tougher one, and I hope that you will be very, very difficult in negotiating that.

I would like to just move on to a few other more specific things that I have with crop insurance, and then let my honourable friend carry on to the extent that he feels necessary with crop insurance.

Last year we had quite a bit of discussion of this concept of risk sharing, and I believe there was some very specific cases where women in particular who were farmers in their own right were not satisfied with the way in which this was done. Now I gather that there have been some changes, and that for the most part this has been rectified. Can you comment on that, and is it no longer a problem?

Mr. Findlay: Yes, I believe last time we talked about the application that was sent out in terms of requesting information in terms of being able to, for the board to make a decision on whether there should be the risk splitting or separate contracts to married couples, I can report that three women have been granted contracts and the process is ongoing. There certainly will be the objection to certain kinds of questions saying they are not relevant, but the Human Rights Commission has reviewed this application and has not said anything negative about it. The reason for the application is to determine the risk level that corporation will be putting itself in if they grant contracts where there is the opportunity for misuse, and we have to protect ourselves in that respect. It is the same reason that the corporation went away from more than one contract in a farm unit, what, five, six years ago or thereabouts. Some problems are still there, and so they are having to be reasonably cautious in how they approach the risk splitting of contracts in a unit, but they are attempting to the best of their ability to meet the requirements that people are putting forward for that opportunity.

Mr. Laurie Evans: Mr. Chairman, rather a general question, but it relates to the nature of the losses. Now I assume that when there is a claim against crop insurance, probably the most common in recent years has been drought, followed by excess moisture, and then various other things. But my question is specifically, is there any information within crop insurance over the last number of years that would indicate any increase in losses due to diseases, lodging, shattering, or any of the so-called agronomic characteristics that might, in fact, be inferred to indicate a drop in the research level that is going on, and that there is greater vulnerability of some varieties because of these failures or lack of adequacy in the agronomic characteristics of the varieties that are available.

Mr. Findlay: Mr. Chairman, I guess in addition to drought the most likely causes that they would have claims would be for people that either did not use adequate weed control or did not use proper fertilizer. Those are more identifiable. The nature of loss that you identify, a shattering disease, they do not have any good idea that there are many claims that fall into that category, cannot identify its lack of research really. The nature of not using chemicals or weeds really is a matter of not using research, it is already known in terms of the benefits in those cases where it is identified that improper management practices were used. It is an uninsured loss and either the claim is denied or there is a reduction in the level of claim, bases the uninsured cause.

So that is more likely than the nature of loss that you have identified, but there may be specifics going

through all the reasons for claims. There might be some places where the disease was identified, but it is not a large factor. It is a very, very small factor if it exists. Flame chlorosis is one that comes to mind that is cropping up for which there is no control and if it was rust on a variety of wheat that a person grew, that was not a rust-resistant variety, I mean it would be a non-insured claim, too. There are not any good hard facts on what you are looking for, really.

Mr. Laurie Evans: Mr. Chairperson, I was thinking more in terms of perhaps specifics with canola. I would be surprised if there are not some identifiable losses to sclerotinia, or blackleg, and then the other one that I think would be cropping up occasionally would be problems with lentils and wilt, because I have seen fields of lentils that are virtually wiped out because of disease.

At the same time, I would like to ask the question: in the losses where there a necessity of reseeding, have you any information on the incidence where the loss and the necessity of reseeding is due to erosion, which in some respects could be attributed to relatively poor management that is conducive to erosion and the loss of the seedlings just after emergence?

* (2030)

Mr. Findlay: Just on the latter question first, on reseeding and whether erosion is assessed and claims are denied, or whether too deep a seeding is another common thing, particularly with the oilseeds, we are not aware of any cases where reseeding benefit was denied for those reasons. It could be if you try to be tough in your assessment.

With regard to canola, of sclerotinia, blackleg, again, they are not aware of any cases where that has come in on the inspector's report that was the cause. I guess when you are into either of those two, whether you could assess poor management practices because that happened, boy, you would be into a pretty gray area. It would be tough to argue that case on either side because there are preventative mechanisms, but I am not aware that they work 100 percent, so I think we are on shaky ground if we tried to assess poor management practices, because those diseases struck.

Really, I guess what I am coming back to is I think the only time you can assess poor management practices is if you do not use proper inputs, chemicals or fertilizer. Basically, I guess the other one would be too deep seeding which is a common thing to happen, but we cannot just recall if that has ever been applied.

Mr. Laurie Evans: A final, I guess it is a two part question, Mr. Chairperson, in that it relates a little bit to the question regarding countervail that was asked this afternoon. I think we were all shocked somewhat when we looked at the American report on why the countervail had been imposed on hogs, and there were some 18 different programs that were identified as being taken into consideration.

Does the Minister have any concerns that somewhere along the line, if there is any thought of a countervail

on any of the grains, that crop insurance would in fact be identified as one of the countervails? Because I thought we had assurance, when the free trade was being negotiated, that tripartite was going to be outside of the—in other words, it was a broad based stabilization program that would not be identified as a subsidy under countervail. Now that it has been, it leads me to be a little suspicious as to whether crop insurance would be exempt.

A final question, and I am not sure whether the Minister would have looked at this so far or not, but in reading the Free Trade Agreement I am not convinced in this thing that farmers are not going to find themselves paying 9 percent on the premiums that they pay for crop insurance.

Has the Minister looked at that, and is he satisfied that they will or will not be subjected to the 9 percent GST on this, having it regarded as a service?

Mr. Findlay: I guess we will address the last question first, on goods and services tax. Anything that I have seen would lead me to believe that farmers' costs of producing a crop and the proceeds from selling that crop are not—the tax will not be collected on them, or what portion that is collected will be rebated.

I can assure the Member that my request to the federal Minister of Finance and Agriculture was that if you are not going to assess the tax against the inputs, like fuel, fertilizer, machinery and so on, then do not collect it at all. Do not require the farmer to pay it and then come and claim it back. It really increases operating costs by that amount for a period of—well, I am sure if farmers would be lucky, they would get around once a year to getting those claims put in, and it is an unnecessary paperwork burden for the farm community.

If it is exempt, it is exempt. You do not pay it up front is our position, and I think if they wanted to do it they could do it that way.

With regard to countervail of crop insurance, I think we are all aware that the Americans have a strange relationship with regard to trade and how to keep things out of their country and have done a lot of homework over the past few years of travelling throughout Canada and knowing exactly what is going on in all our programs. If they used the principle that they have been using in the past, the Government portion of the premium payment would fall into a category that they might want to add to their list, if they were to pursue it in the grain side.

I think it is imperative that we, at the federal level, start doing the same homework on the other side of the border, because we have always contended that they subsidize more than we do, and I honestly believe in that because general calculations that developed a statement in the Free Trade Agreement that American grain cannot move up here until their subsidy levels down to our level basically applies.

I have asked the question, have we done enough homework to know what we would lay on the table as identifying their programs. They can very clearly lay on

the table and identify our programs, and I think the responsibility to do that, everybody could appoint somebody else, I mean that is pretty easy. But I think at the federal level, there is a high level of responsibility.

I think the university community has a level of responsibility here to get in on this as well as the provincial Government, and as well as producer organizations. I think we all have a role to play in this process and we have not done our homework in a general sense of knowing that. I guess we never thought we would have to get into this dispute situation that we are in with them.

It just boggles my mind that the Americans think that 3 percent of their hog consumption coming from Canada in any material way affects their live hog prices, let alone their downstream product prices. It is just very difficult to accept. I would hope that cooler heads would prevail in the process. I guess the highest words I have heard, and I think everybody has heard it, is that the Prime Minister approached the President with that question about hog countervail, and the President's comment was, well, my officials will deal with it. That is not a good enough response.

I just find it unusual that they would use us as such targets, that we are so vulnerable because we are so export oriented. I always contend that every time we have a product that we are selling somewhere we usually have a willing buyer. We are not forcing anybody to buy our product and I would assume that the American processor or retailer, whoever is buying one of our food products, be it pork or durham or whatever it is, he is buying it because he believes the price is right or the quality is right, or the combination of price and quality is something that is important to him.

Mr. Uruski: Mr. Chairman, I would like the Minister to run me through his arithmetic on cost sharing again, because I am somewhat at a loss to understand his mathematics on cost sharing of the drought program.

Here is, Mr. Chairman, how I understand it. The federal Government makes an announcement and says, here are the parameters of the drought program. The Minister admits that there was no consultation—totally their program. An announcement is made that there will be a payment initially and a further payment soon, or before the end of the year. Well, it did not occur the end of the year, it went down the road. The announcement is made. Provincially the Minister says, look, it is a federal program, we had nothing to do with it, it is totally their own program, no provincial participation.

We then hear rumblings that the province should cost share. The Province of Manitoba and the western provinces—go ahead and say that, no, we are not cost sharing and it is still a federal program. As weeks go by, all of a sudden there is a real change, and then just before the final payments go out, we hear statements to the effect that Manitoba farmers will not get their money unless Manitoba contributes.

Now, Mr. Chairman, I believe—and maybe the Minister will correct me if I am wrong—that the largest farmer organization in the province, Keystone, and I

think the NFU were onside with the Minister, were totally onside with the Government of Manitoba, in saying do not give in.

* (2040)

Now, if your two major farm organizations are saying to you as Government, look, we support you - (interjection)- I mean the Minister said that there would be pressure in Manitoba. I speak for myself but I believe my colleagues from the Liberal Party, both of us were onside with him, to say that you would have rubbed our noses in it had we changed our minds because we were onside to say, stand pat, hold your ground. Now we have coughed up \$30 million and I do not understand the arithmetic. The Minister of Agriculture (Mr. Findlay) comes here tonight and says this is a great deal because we did not have to pay 50 percent. We did not have to pay anything. It was their announcement.

So tell me, Mr. Minister, how did you arrive at this arithmetic that says we got a good deal? I think taxpayers, Manitoba farmers, legislators here want to know how you describe and explain this as a good deal. I would like to know, because, Mr. Chairman, this offloading really hits at the heart of confederation. I say that in the kindest terms to my colleagues. It does in the sense that less wealthier provinces are made to pick up a greater and greater proportion of national spending, and to have our Minister of Agriculture, whom I respect as being probably one of the most gentlemanly people that there is, but yet from the strictest sense of fairness we were not being treated fairly. For him to come to this Chamber and say we got a good deal—I want an explanation from him how we got a good deal. Tell us. I guess I am from Missouri. I have to see it.

We had a zero bill last November. It did not cost Manitobans, in general, other than as taxpayers in a national program. We ended up spending \$30 million. We did not gain any more in terms of the national taxation pie of equalization. Our proportionate cost of that program as compared to Alberta, British Columbia, Ontario and Quebec is far higher, because agriculture is such a large proportion.

The fly in the ointment, I admit, is that your immediate colleague, the Premier of Saskatchewan, sold you out. He did. I know that there is an election coming. Had he been onside, because Saskatchewan is in the same boat as Manitoba, identical boat, they are even more so, they are going to pay \$100 million. Now they have announced the oil upgrader and a few other things. They had a sewer and water program, which we could not get in agreement. There have been a few things that have happened. The Minister says, give me time. When is that agreement about to be concluded? Give us your arithmetic. Maybe there is something there. Maybe those of us who do not understand what is going on in the backrooms want to know, but right now on the surface it looks like you have been taken, and so have we along with you.

Mr. Findlay: I guess we will look at things exactly on the surface. Manitoba producers have \$90 million in their pockets and it has not cost us a penny. They had

it before, and if the cheques had not been delivered or if only half the cheques had been delivered, you would be beating me over the head for sacrificing Manitoba farmers, and I am not prepared to sacrifice Manitoba farmers.

We carried our argument as long as we could, and when I was in a position of sacrificing Manitoba farmers, I chose to support them. I chose to support them to get \$90 million into their pockets which they should have had several months prior to that, and they have the money and it has not, to this point, cost us a penny. If we get a deal that is acceptable in terms of more dollars to the taxpayers of Manitoba, as I said this afternoon, then the deal will be struck, but at this point, the deal is in the process of being negotiated, and we have the money in the pockets of Manitoba farmers which I am very proud of. We got it done. It is in the pockets of every farmer across the country, mind you, but it could have missed here. I know that the Member is well aware, having been in Government, of the amount of total political clout Manitoba has in the total Canadian context, and you know that they may have called our bluff if we would have said no, and we would have sacrificed Manitoba farmers, and I was not prepared to do that.

Mr. Uruski: Mr. Chairman, I will not belabour that point any longer, but I know that the Minister had, and he cannot really use the excuse that both myself and my colleague would have, in fact, batted him about, because we were onside. We were onside on this issue. I guess minds do change, but I tell you I guess I had my head beat about in terms of the Interlake situation.—(interjection)- I did, but, quite frankly, -(interjection) - pardon me? Yes, you bailed me out. Well, mind you, you went out on the hustings. Your Party went out on the hustings and said you were going to pay it. So you made sure you made the commitment. You had to twist and turn a bit on it, but you did it. I give you credit for it. I have never said or given credit where credit is due, but on this one, I guess, in a sense, I feel sorry for you, but in another sense I feel sorry for Manitoba taxpayers because in the long run we are the losers with this continued offloading.

We are the losers because in the national sense of the wealth of Canadians, we are less wealthy than the larger provinces, both to the East and to the West, in terms of national wealth. We do share in the national tax base, and for every program that historically has been a federal responsibility, that we start picking up the tab or a portion of the tab, costs us money. Mr. Chairman, I leave that.

* (2050)

I was interested in the discussion that you had with the Member for Fort Garry (Mr. Laurie Evans) on risk splitting. I would like to know what the criteria is because I am not certain that I for one accept the proposition that any husband and wife, unless the units can be shown as totally, totally separate, should in fact be granted separate contracts. I say that in the sense - (interjection)- Well, no, I say that. Either one of them, either one of them should be granted a contract. No doubt about it. I have no difficulty with that, but if the

unit is not separate, then the question has to arise where there are multiple families. Now I am in a potential conflict. I am in a situation where there are multiple families farming together. We have separate lands. We have separate storage, although for a portion we do combine, but the bulk of the storage is separate. We have one contract, and we were advised, and we would not debate that. The corporation said, look, as far as we are concerned we think you are eligible for one contract, and we said, no problem. That is the way it is; those are the rules.

Now I hear the Minister saying, yes, it is possible. I have no difficulty that if there are two separate farm units operating, then obviously there are separate contracts, but if the unit is managed, basically with one set of equipment, but the land happens to be in two names, we have separate contracts, then there are a lot of farmers who have been given advice that is not accurate. Then the corporation has to write to those farmers to say have your circumstances changed, because we have now changed our criteria, and I would like to know what criteria they are using.

Mr. Findlay: The criteria that the corporation or the board are using is operational and financial separation must be demonstrated, operational and financial separation. That is the purpose of this application, to be able to demonstrate that. In theory you are probably right, there is no question in terms of taking a risk. We are doing it by doing this, but human rights being as it is today, it is difficult to deny somebody an access to it, particularly the attitude that women have nowadays with regard to striving for independence.

I guess what I have more difficulty with than anything, is when—and I will use an example—a girl whose parents died, she was not married, she inherited the farm and she is the farmer. She comes forward and asks to do business and they say send your husband, send your father. They will not deal with her as a farmer. That lack of acceptance, and I think it spills over to here in that if there is financial and operational independence that can be demonstrated, then I think we are on weak ground if we say no, we perceive you as a unit. There may be a fine line between the two categories but I think we would be foolhardy if we said we could stick to one contract, one contract, one contract, regardless of what they could demonstrate. Even if we end up in court we would not win this one because of the attitudes of human rights and independence, and particularly females striving for independence. I feel for their plight because they are not given a fair shake in many business positions that they get into.

Mr. Uruski: Mr. Chairman, I do not disagree at all with the Minister's example. Clearly that is an example that should be given a contract. I have no quarrel on that. I asked the question, and I think the criteria is fair, saying both is it financially separate and operationally separate. Are there on-site inspections, or how does the corporation go about determining those two basic criteria? I think that is sound criteria, I accept that. I think that is good criteria, being able to determine but, quite frankly, whether it be the husband or the wife

who applies, I do not care. If the family decides it is the wife who applies, that is who gets the contract. There I have no difficulty.

Now, if those two criteria met, as the Minister points out, and let us find out how they arrive at that, then I have no difficulty with that criteria at all in terms of any spousal arrangement that has both operations separate and financial record keeping separate, no difficulty with that at all.

I said at the start, Mr. Chairman, that I was raising a matter that affected myself and I was in a potential. We could not meet that. Our farming operation financially goes on one statement and I have no difficulty with that. So there I can understand how the corporation gave that advice and made that decision.

Now the next question is how do you arrive at determining that?

Mr. Findlay: I guess the corporation, Mr. Chairman, is relying very heavily on the signed declaration when the application is completed. It simply says, I declare that the statements made herein are true and correct. If something should happen later on that would require an inspection, or a complaint is raised and they have to follow up with an inspection and then they found that it was not true and correct, obviously a reversal would be in order. We are depending a lot on honesty but there is a signed declaration which I would think would hold some water if we found there was a violation of that.

Mr. Uruski: Mr. Chairman, can the Minister (Mr. Findlay) tell me in the criteria of operational separateness, does the corporation look at or at least ask the question whether there is a completely separate line of equipment? Obviously you do not have to operate a farm with line equipment. You can lease equipment from one operator to the other. I do not know how they determine that, and I guess that is one that might be explained as to how they handle that question.

* (2100)

Mr. Findlay: Yes, Mr. Chairman, I guess you would have to say that on that specific question it is not cut and dried, if you do or you do not share equipment. Sharing equipment is quite a common relationship between farm units, co-operatives, whatever. That is just a common-sense way of doing business. If they did not have separate lands equipment, that in itself would not be a reason to say no. If they could follow up the demonstration with showing financial and operational independence, "operational" meaning running the business, making the decisions, buying the inputs, selling the product. That is operational independence. They may share equipment, they may own it jointly, one may pay rent on the other one's in the process of setting up their financial statements, so it is not cut and dried. Everything has to be separate. Provided there is sufficient demonstration of operational financial separation, then a separate contract will be granted. I do not know if you would do it on a provisional basis or on a provisional basis. Obviously then there

would be follow-up inspection to be sure that what was indicated at the time of application in actual fact followed through. There can be sharing but there has to be shown reasonable separation to indicate that they are not able to move grain around to put a claim in one and not the other. I guess there is an attempt to accommodate a need. It is not as black and white as anybody would like.

Mr. Uruski: Mr. Chairman, there are two reasons why that occurs, the risk splitting. One for the whole question of independence; but secondly as well, risk splitting does enhance clearly the coverage availability to a producer, because the risk is narrowed down to a much smaller area and does provide greater protection to the operator if the risk is spread over a smaller area. That may be the reason in many cases because clearly if I look at our own operation and I go back probably 10 years, the one claim that we had was—we were still treated as three separate contracts—during the drought year of 1980 and one of us did, the other two did not have a claim. I think it was probably '82-'83 when we swung into a single contract, and I do not think we will ever come close to having a claim. So be it, the protection is required.

So I understand some of the reasons that farmers do that. One of the key conditions, if I recall correctly, was that the separation of storage is one of the keys to prevent exactly what the Minister is talking about, the movement of grain from farm to farm, and I am assuming that is one of the key criteria that on an on-site inspection that is confirmed as a follow-up even though financial records may not be confirmed and the like, but a separation of storage is one of the key elements in this whole area.

Mr. Findlay: Most definitely separation of storage would have to be in place, but I guess the reality of operating a program of this nature without being able to keep supervision day-to-day or week-to-week, I mean any producer who wants to put in a claim can easily hide grain, and he can easily sell it by some vehicle that is non-traceable. He can beat the system if he wants, but I can assure the Member that as time moves on, as we go into the '90s, it is going to cost that producer in a reasonably frequent claim position, it is going to cost him. He is going to have lower coverage, because the coverage adjustment is going to go against him and he is going to pay higher premiums. So he is going to beat himself.

It is just like insurance on your house. You pray it never burns, but the day it does you are glad the insurance is there. So the premiums are going to go against him faster and his level of coverage is going to go down faster. So in the short term it may look like a win by playing games, but in the long term they will really lose because they will pay high premiums. It will take a long time to get back to having low premiums and high coverage if they beat the system for two years out of three or something. So I think that they hurt themselves more if they stop and think about it.

I think in the past maybe some of the penalties were not applied fast enough, and therefore farming crop

insurance might have been attractive but I can guarantee you that the idea in the future is that it will not be attractive. It will be costly and your coverage will not be as good as your neighbour's is.

Mr. Laurie Evans: Just one final question, Mr. Chairperson, and that is this: can the Minister outline the procedure in terms of claims under the Waterfowl Damage Compensation Program. Lately we have had some correspondence, and I am sure the Minister has, regarding an individual who is not happy with the claim settlement on a seed crop of alfalfa. I am just wondering how does a person go about making a claim on such a crop where it is so difficult to determine what the yield would have been after the fact.

Mr. Findlay: I guess the procedure is really that if the farmer has damage, and this is strictly waterfowl damage now, he goes to, I guess, his natural resources, puts in his claim and then crop insurance does the adjustment and makes a recommendation. On that basis, the waterfowl damage is paid, but it is strictly waterfowl.

You are talking about seed alfalfa, and I do not know where you are talking about waterfowl damage or wildlife damage.—(interjection)—Probably deer which is—I think for wildlife damage like moose, elk, deer, I think there is a compensation package directly with Natural Resources, if I am not mistaken; but that is not handled by us. We only handle the waterfowl damage component.

This corporation does the adjusting on the other to assess the level of damage.

The Acting Chairman (Mr. Burrell): Manitoba Crop Insurance Corporation (a) Administration \$4,867,000—pass; (b) Canada-Manitoba Waterfowl Damage Compensation Agreement \$300,000—pass.

Resolution No. 7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,167,000 for Agriculture, Manitoba Crop Insurance Corporation, for the fiscal year ending the 31st day of March, 1990—pass.

Item 3. Manitoba Agricultural Credit Corporation—the Honourable Minister.

Mr. Findlay: Mr. Chairman, I will just make a few opening comments on this section. First, the individuals we have here are: Neil Potter, General Manager, probably known to everybody; and Doug Parnell, Director of Credit.

With regard to activity in the MACC, activity has increased substantially the first four months of this year, where some 930 loans have been processed, that is in the first four months; whereas in all of last year the total number of loans was 474. The number of guarantees processed under the Guarantee Program, 26 million last year, and 32 million this year, in the first four months.

The level of arrears remains about the same, around 17 million and the corporation has been extensively involved in dealing with the arrears situation going

before the federal Debt Review Board and the Manitoba Mediation Board in attempting to resolve the circumstances that farmers have found themselves in with the corporation.

We have announced a number of new initiatives this year which has led to the increased level of activity. We announced a Guaranteed Operating Loan Program with the limits being raised from 125,000 to 150,000 for one or two operators, and to \$200,000 for three or more operators. That program was renewed to the end of December 1991.

* (2110)

Also announced in March was the Young Farmer Rebate Program, presently a 4 percent rebate program on the first \$50,000.00. We have doubled the amount allowable up to \$100,000.00. That type of loan used to be over a 10-year loan, now we have reduced it to a five-year-or-more loan. We have also made it possible for, as well as new clients coming in and getting the rebate on up to \$100,000, for clients who are presently in the program to roll in for additional benefits up to the ceiling of \$100,000.00.

For instance, if a client was two years down the road with a \$70,000 loan, he had the rebate on the first \$50,000.00. He can now come back and apply without any extensive paperwork for the five-year benefit on the remaining \$20,000.00, so he may be two years into the first one and start at Year Zero on the next 20, or any combination thereof so he can get maximum benefits. We tried to make it as easy as possible to create the maximum benefit for young farmers.

We have also raised the net worth restriction for people who can apply for loans. We have raised it from \$185,000 to \$250,000.00. Also an additional change that has not really been—it is just being done now, is that in order to give producers an opportunity to reduce the amount of interest they are paying, we are offering an opportunity to pay their loans on a much more frequent basis. Instead of annual loans, they can go to quarterly or semi-annual loans. When you do the calculation on that, instead of paying the interest on the entire year, you are paying it just on a quarter or a half for a portion of the loan. It does substantially reduce the cost to a producer.

The old concept is still there that the MACC loans are totally repayable at any time without penalty, so persons are wide open to—we are trying to stimulate people to save themselves on interest costs. I think it is fair to say that MACC interest rates are, if not the best, certainly right in there with the best loans available in the marketplace, about a percent or a percent and a half better than FCC. The private credit is usually at a higher rate than ours. We are seeing a substantially increased level of activity, particularly from the young farmers because of the expanded program and the higher net worth ceiling that we have put in place.

Mr. Laurie Evans: I think the Minister has outlined certainly the primary changes that have occurred since our discussion on this last year. I guess the one area that I would like him to comment on is the fact that

we are looking at a budget of 5.4 million less than it was last year and that the bulk of this comes under the reduction in the amount set aside for doubtful accounts.

Simply stated, was the speculation or the projection that was made in coming up with this reduction pretty well on course? Is that about the way the pattern is falling this year, that that will be the differential you are looking at over last year?

Mr. Findlay: We went through this to some extent last year, trying to explain the allowance for doubtful accounts. Technically last year the total draw on it was not as high as anticipated and so the amount this year that is going into it is a little less than last year. I would like to think it is a precise science of projection, but it is not. When you underspend in this category it technically means that producers are more able to meet their financial commitments than what we had projected. It is a so-called bad news story becomes a good news end result, less money spent. That means less producers should be in financial difficulty than what we had initially anticipated.

Mr. Laurie Evans: I guess the follow-up question obviously is, of the 11.3 that was set aside last year, how much did it cost and how much does he anticipate it costing of the 7 million that was set aside this year. I assume we will be getting the next report fairly soon on this, but I assume there was considerable underspending last year and maybe a similar amount this year.

Mr. Findlay: Last year the \$11 million figure was in the budget and roughly six was used. Seven is in this year and the anticipation is that we will not be anywhere near as far under this time around. It may be under seven, but it sure will not be \$5 million under seven, that is for sure, nor half under like sort of \$3.5 million, so if there is any figure, seven appears at this time still to be the accurate figure.

Mr. Laurie Evans: Mr. Chairperson, can the Minister give us any indication of just how much impact changing the net worth from \$185,000 to \$250,000, how many more participants came into the program because of that change? Was it really significant or not?

Mr. Findlay: Yes, certainly the two things, the net worth ceiling raising and the increased benefits to Young Farmer Rebate, the two together will stimulate considerable increased activity. Staff believe more likely the Young Farmer Rebate will be the big trigger for additional activity, but in terms of how much activity, the impact out there is just starting to settle in, and in terms of purchases of land or buildings or whatever is just starting to take place. Between now and next spring we will see the level of impact it will have in terms of total loan activity for the corporation, so there is no end of projections that we will see, substantial increased activity for the two together and in combination.

I guess we are pleased to see that because it does show that there are young people still prepared to invest,

given a little bit more of a carrot to work with. I guess my hope is that the benefit that the producer gets, it was \$2,000 and now it is \$4,000, I hope—you know \$4,000 a year, five years, \$20,000 benefit, I hope a young farmer does not go out and capitalize that in terms of making a purchase. It is always something that is the downside of any program that is an incentive that they go and capitalize their benefit, and I sincerely hope it does not happen. We are not in a strong buying cycle, so I guess it is my earnest desire that it does not get capitalized to any great extent, but if we can stimulate a doubling or tripling of young farmer investment in agriculture, I would feel real good about it.

Mr. Laurie Evans: Mr. Chairman, does the Minister have any indication as to how much impact the change in the mandate of FCC has had on shifting more clients into MACC, or has that been apparent?

Mr. Findlay: The kind of clientele that FCC is targeting is in a net worth's point of view way above where we are at. The average figure that they are working with, average, is \$446,000 net worth. I mean, we have a ceiling of \$250,000 so when we raised that ceiling, we picked up a number of clients who were in no man's land between over \$185,000 and below what FCC would look at.

* (2120)

I guess it is fair to say that FCC would like to be a participant in our Young Farmer Rebate, and our answer to them is a clear no, no way in the world. If you want to have that kind of program, then you put the money forward, but you think us participating and paying the benefit for them to have a client, no way in the world.

Mr. Laurie Evans: Well, I guess it prompts a question, is there still a group that falls into that no man's land? Can you visualize MACC being prepared to go higher in their net worth in subsequent years and allowing more to come in?

Mr. Findlay: I think it is safe to say that anybody with a net worth over \$250,000 is probably able to find financing, either FCC or the private sector, or both. But if conditions can be demonstrated to us that that ceiling should be raised a bit higher, we are more than willing to look at it. But we made the decision on 250 basis the market characteristics we believed were out there, and I have not had any negative response that I am aware of in that regard. - (interjection)- You mean, having raised it high enough.

Mr. Laurie Evans: Mr. Chairman, can the Minister give us some indication of the land holdings that currently are with MACC? Is this decreasing and as a subsequent and final question to that, could he give us some idea of just how many MACC clients have gone entirely out of business through bankruptcy or something else in the immediate last 12 months or so?

Mr. Findlay: They say the acres are presently owned by MACC, about 125,000 acres, and I can assure the

Member that the corporation has been aggressively attempting to sell as much land as they can attract a purchaser for, either through the bid process or through the lease-to-purchase option that is available to all leaseholders, and we are just getting the figure here on total acres that have been sold.

The number of acres that have been sold: '85-86, 1,600 acres; '86-87, 5,600 acres; '87-88, say, 4,000 acres; and in '88-89, 21,600 acres have been sold, and we are selling roughly 20 percent of the total. It is coming in, it is going out. We are attempting as much as we can to keep the process moving of selling land and I am pleased to see it is up to 21,000 from a previous average of roughly 3,500 a year. So in that respect it is going in the right direction.

The number of contract holders who have gone out of business in the past year? In the period from April 1, 131 properties under negotiation and approximately 100 additional properties taken back where negotiations have been completed. Individual clients, I would assume, as opposed to quarter sections.

Mr. Uruski: I would like to ask the Minister, in terms of farmers who are in financial difficulty, I note that the budget has been reduced, I guess, based on expectations of what the program of Special Farm Assistance, the uptake might be. Generally that program would have allowed for some flexibility for the corporation to go into land-lease arrangements and the like of their portfolio of land holdings, and perhaps the Minister may want to provide some statistics to me as to how many quarter sections, or how many farm units may have been turned back to the corporation, and how many of those have been leased back to the owner-operators, and for what period of time.

I have the impression—and I hope that I am wrong—that the corporation is taking a fairly tough line when it comes to leasebacks beyond a one-year term, and the leasebacks beyond the one-year term do give the owner-operator some greater flexibility in terms of trying to work his or her way out of the financial difficulty that they find themselves in. The one-year leaseback basically gives one year and then the farmer has no option but to compete against whoever or meet the appraised value of that land within the one-year time limit. Basically it is a one-year grace, no more than that because basically the land is gone, is up on the block.

I would like to know from the Minister how many parcels of land or how many units, and maybe that is very difficult because of the way some units may be split up into other units, how the corporation keeps its records, but what I would like to know as to whether it is by acreages, by quarter sections, however he wishes to present those statistics, what the makeup of the lease program is. Is a fair chunk of the land-lease program, of financial difficulties into that two- to five-year period, or is the bulk of it in the one-year period? Maybe that will either allay my fears or increase them.

* (2130)

Mr. Findlay: On quitclaim leasebacks, I will give the Member the number of units and the number of years

with a purchase option first: five-year leaseback with purchase option, 104; four-year with a purchase option, 16; three-year with a purchase option, one client in that; two-year leaseback with a purchase option, three clients. There are producers who desire just a short lease—I am leaving farming, just let me wind it up and get out of here. There are two categories: there is a two-year leaseback with no purchase option, there is one client there; and one-year leaseback with no purchase option, there are 23 there. Out of the total of 148 leaseback agreements, 104 are five years, so it is contrary to your suspicion that there are only three, four clients with leasebacks of less than four years, other than those who have chosen they do not want a purchase option, they just want to lease it for a while and then, I am out of here.

Mr. Uruski: Mr. Chairman, I appreciate those statistics. That is very good to know. I want to say to the Minister that the sensitivity I had hoped was there continues to be there. I appreciate that, because there is no doubt that if ever there is any hope of some of these people who are considered reasonable in their—at least half reasonable in their operations, this is the only hope and chance they have of really making another comeback into farming. No doubt the statistics shown here do point in that direction, that the overwhelming amount, two-thirds basically, more than 60 percent of the clients are provided a five-year leaseback. That is, I would say, in terms of the clientele the corporation deals with, about as reasonable as one can expect. I appreciate that that information is there.

I note, Mr. Chairman, and maybe that question was asked, the administrative costs have dropped by basically a million dollars and there must be some explanation as to either changing programming or dropping of some programming. Maybe I am not reading it right—there from \$5.2 million down to \$4.3 million. Basically there has been a reduction from the previous year. Can the Minister advise what that pleasant change might account for?

Mr. Findlay: Yes, Mr. Chairman, under the administration line is the cost of the loan guarantee program. That is what went down really a million and a half. That accounts for the difference that appears on that line. It is not just strictly administration.

Mr. Uruski: Mr. Chairman, the Minister announced a new loan guarantee program. Were the terms significantly different from the previous one or was this basically an extension of a loan guarantee—(interjection)—pardon me? The guaranteed operating loans.

We were at, I believe, 12.5 percent of a financial institution's total that we were guaranteeing. The new program that was announced, I am assuming, would have been a continuation for a number of years forward that an agreement was reached and an additional five years. Perhaps the Minister can elaborate on whether the terms were basically the same and the program was extended with what maximums.

Mr. Findlay: Mr. Chairman, really the extension in terms of time, I indicated five, it is really a three-year to the

end of 1991, but there are changes in terms of the limit of the loan guarantee that are applicable, that we raised it from 125 to 150 for up to two operators. For three or more operators we raised the ceiling to 200,000 from the 125. So we have made more money available and the statistics indicate that there has been reasonably good activity in the use of the program, and in my understanding of financial institutions I am reasonably satisfied with the terms continuing on technically the same as they were at the 12.5 percent.

Mr. Chairman: The Honourable Member for Lakeside.

Mr. Uruski: I just moved southward, Harry. Mr. Chairman, although the Member from Lakeside (Mr. Enns) and I are going to be exchanging communities—(interjection)—oh yes, yes. He is taking on part of Eriksdale and the Lake Manitoba Reserve, and I am taking over Inwood and I am taking some from Gimli as well—Fraserwood from Gimli—but Inwood from the Honourable Member for Lakeside's constituency.

By the way, the statistics are shown in the annual report. The activity of operating loans appear to be dropping. I am assuming that the activity has not dropped, only the amount of new loans is what is shown in the statistics. So that basically when the corporation started with 444 loans, or at least the statistics in '83-84 were 444, the assumption that I am getting at is that the 444 may continue and then in the following year there were 307. So that would be an additional 307 or '87-88 it was down to 99. That would be an additional 99 to that 700 or whatever there was in-between. Is that essentially how those statistics are presented? I am making that assumption.

Mr. Findlay: Yes, the Member is right in that you have to add the two together, but knowing that occasionally some people do pay a loan out so there are a few who complete their loan, the new ones technically can be added on to the existing ones that were there at the end of the previous year.

The Acting Chairman (Mr. Burrell): The Member for the Interlake, or for Lakeside.

Mr. Uruski: No, Interlake.

The Acting Chairman (Mr. Burrell): Interlake. I am sorry.

* (2140)

Mr. Uruski: We will get it straight yet, Mr. Chairman. I ask the Minister then, because of, for example, '87-88 statistics 5.1 million were approved, the amounts for those others would not be a carry forward then, only the new loans that would again go on. Now, for what period of time would some of those old loans, I say old guarantees I guess in those numbers, for how long would they carry on before they became a new approval? You had a number of repeat approvals. Essentially over a four-year period the loans increased from about \$28 million to \$34.5 million. That is essentially what occurred.

I would like to ask the Minister as to the take-up under the Young Farmer Rebate. Are there some statistics with the increased activity, knowing that the net worth has gone up from 185,000 to \$250,000, which I believe is a substantial jump and I believe is a good move in terms of trying to get clientele with family backing makes it a bit easier and broadens the portfolio of the corporation and a move that is a good move? I applaud the Government on that as well as the extension of the Young Farmer Rebate, although recognizing, as the Minister pointed out earlier, the concern that additional \$2,000 a year does not get capitalized. Given the circumstances in the marketplace over land and everything else, this may be an appropriate time clearly with land values having, I believe, bottomed out and generally speaking I would say stabilized, that if there is going to be investment into farming this is probably about the right time that there will be some movement there.

Can the Minister indicate the activity as well as the current rates of the corporation over the various loan portfolios that they have going for them? I guess anything five years and up and whether the corporation is still maintaining the kind of differential that they have between MACC and FCC, which has been usually between probably .75 to 1.5 percent differential, whether that differential is still being maintained.

Mr. Findlay: The lending activity from April 1 to the end of July in terms of direct loans, there are 151 that have been made for \$7.7 million; stocker loans, 21 for \$480,000.00; under loan guarantees, 344 made for a total amount of \$21.5 million; in terms of total activity, 550 loans for roughly \$31 million of activity.

In terms of loans that are specifically involving young farmers that would qualify for the Young Farmer Rebate, the activity in that direction is just getting started to roll and I think that as people are aware of it out there now, I think it is fair to say there are a fair number of inquiries coming into the field offices. We will see probably considerable activity between now and next spring in that particular area. Of course a lot of young farmers that already have a loan for where they qualify for the first \$50,000, if their loan is really \$70,000 or \$80,000, they can roll in for the additional benefit for five years for whatever amount they are over the \$50,000.00. I think it is fair to say that they will be coming in between now and the 1st of November looking to whatever they have to do to qualify, roll in for the extra money.

I will say one more thing that we have done with regard to administering that program, we no longer are treating it as a rebate where the farmer pays his principal and interest, then waits six weeks for the rebate. We have said, you can show it on the invoice so that the producer, if he has a \$2,000 rebate coming, that \$2,000 comes right off his payment. He never makes the payment and waits for a rebate; he gets the credit at the time that he makes his payment. Provided he makes it on time, he gets the full rebate; if he does not, of course, he has to pay a bit more if he does not meet the deadline of roughly the first seven days of November. So it is no longer a rebate, it is a credit on his account. Of course, if he does not pay it, he does

not get the credit. It is almost like the crop insurance payment, if you do not make it on time, then the payment gets higher and higher.

The rates that are in effect up to October 14, 10-year loan, 11 percent; FCC, 12.25 percent, or 1.25 percent better. No, I am sorry. Ten-year loan, we are 11 percent, they are 12 percent, comparing apples to apples, we are 1 percent better, which is the traditional margin that we have maintained.

Mr. Uruski: Mr. Chairman, is the corporation continuing on their activity in stocker loans? I know there was discussion on I think where there was a finishing loan, the Beef Commission finishing loans, but that was basically a stocker loan that the corporation provided. I notice in the statistics that the activity in stocker loans and I can understand in terms of administration and checking it took a lot of time and effort in the field. I know that management was very much frustrated by the activity in that program as compared to what they could do in other areas. Is the program continuing or has there been, as there has been in the past, a continued move to try and lessen the role of the stocker loans and try and move those through financial institutions under the Guaranteed Operating Loan Program? Because that is essentially I think the other option, that without saying anything you are basically saying to producers, move over onto the other one and go through your financial institution and come at us a separate way. I do not know whether that has been generally the intent.

Mr. Findlay: Yes, I guess technically a producer has one of two ways in which he can effectively get his stocker loan. One is do it through a direct stocker loan, of which in the first four months of this year 21 loans were given to a value of \$480,000; or he can go through the Guaranteed Operating Loan direction with the private institutions, so we are still giving the stocker loans and still doing business in that respect. But the other option is there, too, and the producer can get his stocker loan either way, either the private institution under GOL, or is a direct stocker loan from MACC, so the level of activity is there.

* (2150)

Mr. Uruski: Mr. Chairman, under the program of special farm assistance, of the amount that is budgeted, can the Minister indicate how much activity was under that program for, say, the last fiscal year and how much of that, of the funding, in fact, went to MACC?

I want to preface my remarks saying that I have no difficulty with the use of that program in extending the land lease program as a support and using that program to fund the lease payments. I mean that is an indirect way of assisting the farm community and yet maintaining them on the land. So I do not want to be, and to even appear to be, critical, because I have no difficulty with that move. Has the activity been moving ahead? I guess the question may be tied to those 104 clients, whether a good percentage of those 104 clients did qualify or whether they were in fact using the Special Farm Assistance Program to keep them there. Recognizing

that the approvals, I believe, rest with the Manitoba Mediation Board, although the funding is through MACC, but the board are the group who make the decisions.

Secondly, I guess a final question is whether or not the leasing terms that were set up a couple of years ago and the economic returns on the Land Lease Program, whether there have been any substantial changes, or any major changes in the leasing rates where in fact the lease rates were being tied to market prices for commodities and some measure of trying to relate to the ongoing leases in the area that the land is in? I think there was a combination of factors that were used to determine the lease rates.

Mr. Findlay: The funding for that program, as the Member well knows, started at one time at \$6.5 million and we reduced it last year to \$3.5 million. The amount expended out of that was \$464,000, but previously it had been zero. It has taken some time to put the program together and be able to feel comfortable that what was being put out there was responsibly done, budgeted now \$2.8 million, and up to September 12, \$106,000 had been used. So there is a fair bit of money out there, but it is probably safe to say nowhere near what had been anticipated in over the last four budgets now—three years but four budgets.

In terms of how many MACC clients involved in that process, right now there are 19 for a figure of guarantees for \$1.7 million. Of those 19, they were not all MACC clients prior to the financial arrangements.

Some are ones that we have taken over that were previously clients of some private institution. It is not 19 previous MACC clients. They do move around through the process of the debt settlement—and some 25 leasebacks that are guaranteed through that program.

Mr. Findlay: The land lease, how the figure is arrived at, and it is by and large around 4 percent of the value with the land and that seems to be about what the market offers and the market will bear, it is somewhat negotiated, but plus or minus in that 4 percent of value figure.

The Acting Chairman (Mr. Burrell): Item No. 3. Manitoba Agricultural Credit Corporation, Administration, \$4,299,400—pass; Net Interest, \$2,354,600—pass; Allowance for Doubtful Accounts, \$7,000,000—pass; Special Farm Assistance, \$2,800,000—pass.

Resolution No. 8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,454,000 for Agriculture—pass. Is it the will of the committee to rise? Committee rise. Call in the Speaker.

IN SESSION

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