

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, October 2, 1989.

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MINISTERIAL STATEMENTS

**Hon. Gerrie Hammond (Minister of Labour):** I have a ministerial statement, Mr. Speaker.

Mr. Speaker, it gives me great pleasure, as Minister of Labour, to rise in this House to announce that today is the 45th anniversary of apprenticeship in Manitoba.

While anniversaries are intended to celebrate the past, I would like to take a few moments to talk about the future of the trades generally and apprenticeship training specifically.

Apprenticeship is a proven training system that combines on-the-job experience with in-school training to develop a comprehensive work knowledge of trades. One of its most unique features is that apprenticeship is a co-operative effort between industry, Government and apprentices, all working together.

One of the most consistent features of apprenticeship in modern times is change. As technology advances the trades, higher education levels are required of applicants. A good example of our response to changing technology is in the area of the aircraft mechanic trade.

While this trade was formally designated in 1984, the aircraft operators' industry saw need to expand the responsibility level of the mechanic. Manitoba's apprenticeship program, in response to industry, began to incorporate curriculum and on-the-job training which would expand the skills of the apprentices.

Mr. Speaker, my colleagues and I are pleased that this summer our Apprenticeship and Training Branch, in association with Stevenson Aviation Technical Training Centre, was awarded Canada's first and only national accreditation status for this program by the federal Department of Transport.

Effectively, this means that people will be applying from across Canada to attend this training. Those who successfully complete the course can write a Department of Transportation exam which results in a federal licence, which expands the responsibility of the journeyed aircraft mechanic.

Another important area of change is the tradespeople themselves. Many of today's candidates for trades training are being drawn from new sources, including disabled Manitobans, Natives, members of visible minorities, older workers looking for a career change, and women.

As Minister responsible for the Status of Women, I am specially interested in this attractive training option for women. Right now, only 2 percent of the 16,000

journeyed tradespeople in Manitoba are women. Another 45 are training as apprentices, but that is only 1.3 percent out of 3,500 apprentices in total.

\* (1335)

There are a number of reasons for women to consider trade occupations. One of the most important is the fact that tradespeople can earn twice as much as women working in traditional occupations like clerical or service occupations.

Secondly, the apprenticeship training model suits many women's needs because they have an opportunity to earn money while they learn. Apprenticing can also benefit women who have children to support or those who are changing careers.

This year my department has undertaken a number of initiatives aimed at doubling the number of women in apprenticeship training. These initiatives include working with high school counsellors to be sure they are seeing trades as an option for all students, working with teachers to encourage young girls to remain in math and science to keep their career options open, incorporating gender-free terminology into legislation; reviewing and developing curriculum to reflect gender-free terminology and attitudes, and launching a recruitment campaign which portrays women working in the trades.

The Apprenticeship Board now has three women members. More significantly, we now have one female employer and one female employee representative on one of our trade advisory boards. It is only a start, but it represents significant progress towards inclusion of women in the trades.

One very exciting aspect of our recruitment efforts is a contest which we are co-sponsoring with Canada Employment and Immigration Commission. The purpose of the contest is twofold: by opening the contest to students and the general public, we hope to heighten public awareness about women working in trades; and, secondly, to solicit a library of artistic materials upon which the department can draw for its ongoing educational efforts. I consider this a unique and challenging complement to the other work we are doing to direct women into trades.

The contest closes next January, appropriate timing given the theme "Women, Trades and the 1990s."

Mr. Speaker, I am proud of the special efforts my department is making to focus recruitment efforts on getting more women involved in trades.

I would like to invite Members of this House to visit the Pool of the Black Star later this week. We are placing a display there as part of our general recruitment efforts. By portraying tradeswomen, we are taking one more step towards normalizing participation of women in the trades. Thank you, Mr. Speaker.

**Mr. Paul Edwards (St. James):** Mr. Speaker, on behalf of our caucus, we would like to join with the Minister

in congratulating the Apprenticeship Branch on their 45th Anniversary of activity in this province. It has been an illustrious and a very successful and very helpful branch within our Government during those years.

Mr. Speaker, I am glad to see that the Minister did reference the changing economy and the changing economic world in which we live, and I think that we, in this era, must be constantly aware of the changes which are facing workers, all workers, men, women in all industries in this province.

\* (1340)

Mr. Speaker, the Minister mentions that the Stevenson Aviation Technical Training Centre has recently been given national accreditation, and we congratulate them on that achievement. I do note that we are still importing people in this province into the aerospace industry. That is certainly an industry that we need in this province and want to promote, and hopefully we will reach the stage through programs such as apprenticeship when we will not have to import people into that industry of which we are all very proud of. Unfortunately, we of course will not have the planes in Portage to work on, but hopefully we will be producing more and more people all the time.

Finally, I want to congratulate the Apprenticeship Branch on their very special efforts being made presently to include women in the trades and promote the inclusion of women in greater numbers in the trades. I think we all, in this House, join in congratulating the Minister and the Apprenticeship Branch on those initiatives. Thank you very much, Mr. Speaker.

**Mr. Steve Ashton (Thompson):** Mr. Speaker, I would certainly like to echo the comments that have been made in regard to the Apprenticeship Branch. Although the Minister gave us a lengthy statement, I think what was probably more notable was the issues that were left out, important issues in the apprenticeship area, and I think they should be mentioned: the continuing shortfall in terms of federal cost sharing; the continuing attempt of—and this is for the Minister of Northern Affairs (Mr. Downey)—the federal Conservative Government to privatize the apprenticeship system in a way that is not providing the type of quality trade we have developed over the 45-year period.

Once again, perhaps for the Minister of Northern Affairs, this Minister made no reference to what this Government has been doing and in terms of the Limestone Training Authority, the Northern Training Authority, which is basically dismantled that and has left the training that was put in place, and especially in terms of apprenticeship training, in disarray—training I might add, that brought the largest number of Native apprentices in the system in history, and that now is being dismantled at a time when we all know that Conawapa could very well be imminent, Conawapa with its great demands for skilled tradespeople.

We have a golden opportunity for many people in this province to be trained for those positions, to reduce the number of people who have to come in from out of province, and yet we are not doing it. Instead of moving forward, we are moving backwards.

So that was another omission on behalf of the Minister, and I could go on about what is happening in terms of the education system in this province. I really believe that this province lacks direction under this Government, and I would be looking forward to seeing the Minister make some statements about what is happening in terms of our community college and our apprenticeship system.

While certainly we celebrate 45 years, we just hope that the current combination of the federal Conservative Government and provincial Conservative Government does not undo 45 years of tremendous development in the apprenticeship field. Unfortunately, Mr. Speaker, I think currently we can only say that it is headed very much in that direction.

## TABLING OF REPORTS

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, under Tabling of Reports, it gives me great pleasure today to introduce the Eighteenth Annual Report for 1988/89 of the Manitoba Law Reform Commission.

## INTRODUCTION OF BILLS

### BILL NO. 47—THE DEPENDENTS RELIEF ACT

**Hon. James McCrae (Minister of Justice and Attorney General)** introduced, by leave, Bill No. 47, The Dependents Relief Act; Loi sur l'aide aux personnes à charge.

### BILL NO. 48—THE INTESTATE SUCCESSION AND CONSEQUENTIAL AMENDMENTS ACT

**Hon. James McCrae (Minister of Justice and Attorney General)** introduced, by leave, Bill No. 48, The Intestate Succession and Consequential Amendments Act; Loi sur les successions ab intestat et modifiant diverses dispositions législatives.

\* (1345)

### BILL NO. 46—THE WORKERS COMPENSATION AMENDMENT ACT

**Hon. Edward Connery (Minister responsible for The Workers Compensation Act)** introduced, by leave, Bill No. 46, The Workers Compensation Amendment Act; Loi modifiant la Loi sur les accidents du travail. (Recommended by His Honour the Lieutenant-Governor)

**MOTION presented.**

**Mr. Connery:** Mr. Speaker, I have just a few words on the content of the Bill.

Injured workers and surviving family members receive pension payment and it is the intent of this Bill to index the pension back for the years of 1987 and '88. There

are some 5,500 people who are affected by the pensions, Mr. Speaker.

As you know, it is not by legislation that it happens every two years, but by practise it is, and hopefully if we can receive co-operation, which I am sure we will from the Opposition Parties, we can put through this very quickly so that those pension people can receive their additions in the month of October. Thank you.

**QUESTION put, MOTION carried.**

### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to oral questions, may I direct Honourable Members' attention to the gallery where we have, from the Manitoba Technical Training Centre, 11 adult students under the direction of Donna Hilton. This school is located in the constituency of the Honourable Member for Fort Rouge (Mr. Carr).

On behalf of all the Members, I welcome you here this afternoon.

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**Mr. Speaker:** The Honourable Member for Brandon East, on a point of order.

**Mr. Leonard Evans (Brandon East):** On a point of order, what about the introduction of the other Bills, the private Bills?

**Mr. Speaker:** Would there be leave to revert back to Introduction of Bills? (Agreed)

### INTRODUCTION OF BILLS (Cont'd)

#### **BILL NO. 45—AN ACT TO PROTECT THE CONFIDENTIALITY OF PERSONAL AND CORPORATE RECORDS COMPILED AND STORED BY GOVERNMENT DEPARTMENTS AND AGENCIES**

**Mr. Leonard Evans (Brandon East)** introduced, by leave, Bill No. 45, An Act to Protect the Confidentiality of Personal and Corporate Records Compiled and Stored by Government Departments and Agencies; Loi protégeant le caractère confidentiel de documents et registres compilés et classés par les ministères et les organismes gouvernementaux et relatifs à des personnes ou à des corporations. (Recommended by His Honour the Lieutenant-Governor)

**MOTION presented.**

\* (1350)

**Mr. Leonard Evans:** I have a few words of explanation, Mr. Speaker. Regrettably, this Government is intent on giving away a very lucrative valuable agency, Manitoba Data Services, to the private sector.

**Mr. Speaker:** Order, please; order, please. The Honourable Government House Leader, on a point of order.

**Hon. James McCrae (Government House Leader):** On a point of order, perhaps for help for all of us as we are introducing Bills, that at the time of introduction of Bills a very, very brief explanatory statement to say what the Bill does, not how it came to be or not any great lengthy speech, Mr. Speaker.

**Mr. Speaker:** I would like to thank the Honourable Government House Leader. The Honourable Member is given an opportunity to explain the purport of the Bill, a brief statement. The Honourable Member for Brandon East.

**Mr. Leonard Evans:** We believe, Mr. Speaker, as does the public of Manitoba, that the sale of this Crown agency will put confidential information of our citizens in the hands of a private company and, as such, put the confidentiality of personal records at risk.

Mr. Speaker, the Bill is intended to protect the privacy of Manitobans by ensuring that confidential personal records, stored in Government departments and agencies, are not passed on to the private sector without very strict limitations.

At present, there is no guarantee that hundreds of thousands of personal records will remain confidential once they are turned over to the private sector. I am talking about medical records, hospital records, income tax records, records of farmers with regard to their credit rating, welfare records and so on.

The people of the province are opposed to the sale of MDS and are especially concerned about the threat to their confidentiality. I trust, Mr. Speaker, that I will receive the support from sufficient Members of this Legislature to ensure that this Bill passes and that confidentiality is protected.

**Mr. Speaker:** The question before the House is First Reading of Bill No. 45. Agreed and so ordered.

### ORAL QUESTION PERIOD

#### **CIVIL SERVICE ACT COMPLIANCE**

**Mrs. Sharon Carstairs (Leader of the Opposition):** My question is to the Minister responsible for the Civil Service Commission (Mrs. Hammond), for the good of all citizens of this province who must have an independent, competent Civil Service—that is the tradition and that must be the way in which it is carried out today.

Mr. Speaker, the only way it is possible for our public servants to maintain their positions of trust and maintain the confidence of the people of this province is that they be free of all internal political interference and that their position be based on merit, years of service and seniority. It is also critical that when positions open up all eligible persons be given equal and fair opportunity to apply for and compete for positions within the Civil Service.

My question to the Minister, if she would pay attention instead of speaking to the Minister of Natural Resources

(Mr. Enns) is: is this Minister satisfied that all of these appointments complied with The Civil Service Act, firstly, through internal promotion; secondly, through external competition after adequate and appropriate posting?

**Some Honourable Members:** Oh, oh!

**Mrs. Carstairs:** Oh, that is why the Minister can talk.

\* (1355)

**Hon. Gary Filmon (Premier):** The Leader of the Opposition did not—(interjection)—Mr. Speaker, any time that the Member for Osborne (Mr. Alcock) has something to contribute, I would invite him to get up on his feet, but he is so embarrassed to speak publicly that he has to speak from the seat of his pants and instead he offers nothing of value to the Legislature. If I may have the attention of Members opposite, I will attempt to answer the question as it has been posed.

Firstly, we have to assume that the Leader of the Opposition (Mrs. Carstairs) was speaking about the Communications positions, because she did not identify which positions. We were satisfied as to how the Civil Service hiring procedure was followed. I assume that she is speaking of those positions, because they were in an article in today's paper, which is the normal source of her questions.

Let me say, Mr. Speaker, two things. First, as a Government, we have reduced overall term hirings in the Civil Service since we took office in just over a year by 12 percent. We have reduced term hiring.

Second, not all term hirings can be eliminated, because there are good and valid reasons. For instance, when somebody is on pregnancy leave, you would not expect us to replace that person with a full-time position and have no job left for the person when they returned from pregnancy leave. Secondly, when people are on temporary assignment or secondment, again, you would not expect us to put a permanent position in place to replace that individual. So there is a reason why there is term hiring. We have 12 percent less people in term positions since we have taken office. There are only 9 percent of the people in the Communications function who are in term positions and that is indeed what is the overall average throughout the Civil Service.

**Mrs. Carstairs:** It is my understanding that ministerial responsibility also included being able to answer your own questions.

### Civil Service Commission term positions

**Mrs. Sharon Carstairs (Leader of the Opposition):** I have another question to the Minister of the Civil Service Commission (Mrs. Hammond). Mr. Speaker, will the Minister tell this House today how many positions have been filled by this Government since April 26, 1988, that were slated to be Civil Service Commission appointments, therefore requiring Civil Service Commission approval—have been appointed by this Government outside of approval of the Civil Service Commission?

**Mr. Speaker:** Order. The Honourable First Minister.

\* (1400)

**Hon. Gary Filmon (Premier):** Mr. Speaker, what I will confirm for the Leader of the Opposition (Mrs. Carstairs), because she has not had any experience in Government and does not understand any of the background information to term positions, is that none of the physicians that we have hired and filled are able to be challenged directly by the Manitoba Government Employees' Association. That is why they have not grieved any specific hirings under any of the policies, because we have followed the Civil Service Commission rules to the letter, absolutely to the letter. They have made a general statement in the form of asking for a policy review, rather than grieving any single hiring decision we have made, because they do not have a leg to stand on.

Now the Leader of the Opposition does not understand that because she has not been through the Government process, and I want to inform her that eight out of 87 communicators have been hired on term. That represents 9 percent. That is consistent with the overall average of those who are in term positions throughout the Government service. In every case we followed the Civil Service procedure for hiring those people, and everything we did was within the rules and the availability of Government to hire people for its staff.

**Mrs. Carstairs:** There is such obvious violation by this Government that they have had to actually file class action suits.

### Policy Grievance

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, I have another question to the Minister responsible for the Civil Service Commission. Perhaps she will be allowed to answer this one. Has the Minister of the Civil Service Commission been in touch with the Civil Service Commission itself with regard to the specific appointments which have taken place outside of their guidelines and without their approval?

**Mr. Speaker:** Order, please; order, please. I would like to refer Honourable Members' attention to Beauchesne's 419 which states quite clearly that the First Minister answers for the Government as a whole and is entitled to answer any question relating to any ministerial portfolio and matter of policy. The Honourable First Minister.

**Hon. Gary Filmon (Premier):** Mr. Speaker, I will not allow the Leader of the Opposition (Mrs. Carstairs), nor any Member of her side of the House, including the Member for Kildonan (Mr. Cheema), to consistently put false information on the record. There has been no class action suit filed by anybody on any of the Government's actions to date. That is absolutely false.

No. 2, Mr. Speaker, there has been no hiring of staff that has not been done within the rules of hiring procedures that have been laid down for any

Government, ours or any predecessor Government. Therefore, no grievance has been made on any specific hiring that has been made because they do not have a leg to stand on, and she ought not to try and put a false case on the record. She ought to go back and learn what the rules are and then come back to this Legislature with a proper question.

### Civil Service Act Government Policy

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, what I would suggest to the Premier is that he would like to meet with the Manitoba Government Employees' Association, which I did at ten o'clock this morning. Can the Minister responsible for the Civil Service Commission, in that her Premier frequently in '85, '86 and '87 complained about apple polishers, nepotism and violations of The Civil Service Act, can she explain how her Government's policy that she is supposed to administer under the law differs from the policy of the previous administration?

**Hon. Gary Filmon (Premier):** Very simply, Mr. Speaker, I will tell the Leader of the Opposition how our policy differs. Firstly, we have fulfilled our election commitment and all of the criticisms that we made when we were in Opposition. We have reduced the staff of communicators of this Government by 27 positions since we took Government. That has resulted in an overall saving in the budget of Communications of this Government of \$1.9 million annually.

Thirdly, we have reduced the term hirings in just over a year by 12 percent. Again, in terms of our commitment to the people of Manitoba, that is how it differs from what we said. That is how our actions differ from the actions of the previous Government.

**Mrs. Carstairs:** Well, thank you, Mr. Speaker, but we all know that the funds that they have saved have just gone into his particular Executive Council to pay his staff additional salaries.

### Civil Servants Accountability

**Mrs. Sharon Carstairs (Leader of the Opposition):** With another question to the Minister responsible for the Civil Service Commission (Mrs. Hammond), last week the Premier stated that appointments to boards and commissions should not have independent criteria because then they would not be accountable. It is now the position of this Minister that all civil servants should also be accountable to the Government of the Day. Therefore, to ensure that accountability they will make the appointments directly thereby bypassing the Civil Service Commission.

**Hon. Gary Filmon (Premier):** The Leader of the Opposition should not put false information on the record. The overall budget of Executive Council, my office, is down from last year. The overall budget, the overall salary component of my office, is less today than it was when the NDP was in Government. Aside

from the golden handshakes, aside from the severance that was paid by Howard Pawley, it is still less in overall salaries than it was when the NDP were in Government.

Third, Mr. Speaker, she ought to read an article from Sunday's Sun which is entitled, "Liberals blast generous leader," It says, Alberta Liberal Leader Lawrence Decore is coming under fire from his own Party over the way he spends taxpayers' money on his office staff. Almost 30 percent of the publicly funded Liberal Caucus budget is paid out in hefty salaries for two staff members.

It goes on to say that her counterpart, Lawrence Decore in Alberta, has generously increased the salaries for his staff, just at—

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. Order. The Honourable First Minister.

**Mr. Filmon:** I am having difficulty hearing myself speak, Mr. Speaker.

**Mr. Speaker:** So am I.

**Mr. Filmon:** Speaking of things that people said before, Mr. Speaker, the Leader of the Opposition (Mrs. Carstairs) said that she was going to have decorum in this House, that she was going to discipline her Members so that they would not be shouting and laughing and yelling in the House.

**Some Honourable Members:** Oh, oh!

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**Mr. Speaker:** Order, please; order, please. The Honourable Member for Thompson, on a point of order.

**Mr. Steve Ashton (Second Opposition House Leader):** Mr. Speaker, you have cited Beauchesne on numerous occasions which indicates that answers to questions should, amongst other things, relate to the question that was raised. As much as Members of this Chamber might be entertained by the Premier's speech and talk of the Liberal Leader in Alberta, I hardly see how that is relevant, and I would ask you to call the Premier to order.

**Mr. Speaker:** I would like to thank the Honourable Member for Thompson.

**Some Honourable Members:** Oh, oh!

**Mr. Filmon:** Mr. Speaker, I will indeed go off that topic—

**Mr. Speaker:** Order, please.

### Civil Service Act Compliance

**Mrs. Sharon Carstairs (Leader of the Opposition):** To make sure that the record is absolutely accurate, the figures budget-to-budget in the Administrative

Section of Executive Council show an increase of 13 percent.

Mr. Speaker, the Act clearly states, and I refer to the Civil Service Act, and it says, the commission shall whenever possible and in the public's interest fill vacancies in the Civil Service by promotions within the Civil Service. Can the Minister responsible for the Civil Service Commission (Mrs. Hammond) tell this House this afternoon why she is condoning a violation of this law, a law for which she is responsible?

**Hon. Gary Filmon (Premier):** I have two corrections. There is no violation of the law. The MGEA has not made a specific allegation or complaint because they do not have a leg to stand on. There is no violation of the law.

No. 2, Mr. Speaker, the salary component of my Executive Council is less than it was last year and is less than it was under the NDP. She is wrong, and she has put false information on the record twice. I wish that there was some responsibility on the part of the Leader of the Opposition to be accurate and honest instead of all this nonsense.

#### POINT OF ORDER

\* (1410)

**Mr. Speaker:** The Honourable Government House Leader, on a point of order.

**Hon. James McCrae (Minister of Justice and Attorney General):** Mr. Speaker, I would ask that you review the question of the Honourable Leader of the Opposition (Mrs. Carstairs), and if in that question the Honourable Leader of the Opposition imputed motives of impropriety, or even worse to the Honourable Minister responsible for the Civil Service Commission (Mrs. Hammond), I suggest that those comments should be withdrawn and an apology made.

**Mr. Speaker:** Order, please. The Honourable Opposition House Leader (Mr. Alcock), on the same point of order?

**Mr. Reg Alcock (Opposition House Leader):** Mr. Speaker, on the same point of order, please.

I think, Mr. Speaker, you should review Hansard, and I think you should pay particular attention to the comments of the First Minister (Mr. Filmon). I distinctly heard him question the honesty of a Member of this House, and if that shows up in Hansard, I would like it withdrawn.

**Mr. Speaker:** I would like to thank both the House Leaders. I will take this matter under advisement, and I will report back to the House.

#### Solvit Resources Inc. Fire Commissioner Report

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, one is tempted to get into the debate,

but I think we will move on to some other -(interjection)- I beg your pardon. Fine, thank you. Very well, thank you.

I have suggested that the Leader of the Opposition (Mrs. Carstairs) and the Premier (Mr. Filmon), if they want to investigate the allegations and answers, they may check the Department of Labour's communication hiring in the last six months for concurrence and compliance with The Civil Service Act.

My question is to the Minister of Environment (Mr. Cummings).

**Some Honourable Members:** Oh, oh!

**Mr. Speaker:** Order, please. The Honourable Member for Concordia has the floor.

**Mr. Doer:** Mr. Speaker, perhaps if the Premier (Mr. Filmon) wants to be so forthright on personnel matters, he could give us an answer about Mary Humphrey which he refused to do all day Friday, yapping from his seat.

My question is to the Minister of Environment (Mr. Cummings).

**Some Honourable Members:** Oh, oh!

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**Mr. Speaker:** Order, please; order, please. The Honourable Leader of the Opposition (Mrs. Carstairs), on a point of order.

**Mrs. Sharon Carstairs (Leader of the Opposition):** I think it is about time that the Premier (Mr. Filmon) of this province apologized for smearing members of families in this particular House. He does it over and over and over again, whether it is the Member for Selkirk (Mrs. Charles), whether it is the Member for Concordia (Mr. Doer). He has no business in those asides across the House, bringing our personal relationships into this particular Chamber.

**Mr. Speaker:** The Honourable First Minister, on the same point of order.

**Hon. Gary Filmon (Premier):** Mr. Speaker, I have not smeared anybody's family. If anybody is embarrassed as to what their family has been paid by virtue of their employment in the Legislature, if they believe that their family was worth more money than people that have been hired by the Civil Service, that is their business to justify.

**Mr. Speaker:** The Honourable Member does not have a point of order. Order, please.

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**Mr. Doer:** Mr. Speaker, the issue is an embarrassment. Some people like to roll in the mud, some people do not like to, and I choose not to.

My question is to the Minister of Environment (Mr. Cummings). Last June, there was a major explosion in

this province illustrating the great problems in our society with the disposal of hazardous waste. Many citizens of the province, and indeed the City of Winnipeg, were very concerned about this explosion, the causes and the reasons for the explosion.

The Minister has had in his hands the Fire Commissioner's Report for the last month. My question to the Minister is: why has the report not been made public to the people of Manitoba?

**Hon. Glen Cummings (Minister of Environment):** Mr. Speaker, the Member is probably referring to the fact that I stated I would make a decision on whether or not there would be an inquiry into the solvent explosion after I had received the information from the Fire Commissioner's Office. When I have received all of that information I will make a decision.

### **Solvit Resources Inc. Public Inquiry**

**Mr. Gary Doer (Leader of the Second Opposition):** The Minister, last June, when we asked for an independent investigation to utilize the sections under 39(l) of The Hazardous Goods and Transportation Act, stated that he would wait until the Fire Commissioner's report was in before he would proceed with a public inquiry.

My question is: given the fact that the Fire Commissioner's report is in and given that there are major public issues related to that explosion and the causes of that explosion, would the Minister now confirm or enforce in an Act an independent inquiry pursuant to Section 39(l) of the Act to deal with the alleged reasons for the major explosion in St. Boniface some three months ago?

**Hon. Gerrie Hammond (Minister of Labour):** Mr. Speaker, about the release of the Fire Commissioner's report, there has been some more information that was turned over to the Fire Commissioner. So they are reviewing the report and holding it for further investigation. As soon as that is complete we will be releasing that report.

### **Solvit Resources Inc. Plant Capacity**

**Mr. Gary Doer (Leader of the Second Opposition):** My question is to the Minister of Environment (Mr. Cummings). Can the Minister of Environment confirm that in the period of time of six months in 1989 the corporation that exploded received 208,000 litres of hazardous waste and only returned 7,000 litres? The majority of those litres were sent to the place that eventually exploded in the latter three months. Can the Minister confirm that, and does that raise any concerns with his department in terms of the capacity of that plant and the conditions under the permit that was issued?

**Hon. Glen Cummings (Minister of Environment):** I will not confirm those figures, but I think the issue that

the Member for Concordia also should be considering is that there were numerous allegations that were made at the time that plant suffered an explosion and all of the consequential concern that surrounded that. I would wonder if he is prepared to confirm that the picture that he claims to have taken from that plant in fact comes from that plant.

### **Public Inquiry**

**Mr. Gary Doer (Leader of the Second Opposition):** I have always said that we would be willing to abide by any independent public inquiry on any allegations we made.

My question to the Minister is: when can we expect an independent public inquiry into the causes of that explosion? He promised that he would look at that option after he received the Fire Commissioner's report. He has had that report for over a month. I believe it is in the public interest that the public be involved in this inquiry and evidence be given in a true and independent fashion, not that this investigation be conducted in the back rooms of the bureaucracy.

**Hon. Glen Cummings (Minister of Environment):** I wonder if the Member is impugning motives on the Fire Commissioner's office.

**An Honourable Member:** You certainly are, that is the only thing I can take from it.

**An Honourable Member:** Smearing somebody who cannot answer.

**An Honourable Member:** He can answer.

**Mr. Cummings:** Mr. Speaker, he asked when he could expect my decision on that. I have indicated numerous times and I continue to say that when I have all the information we will make that decision. The operative word is "all."

### **Civil Service Act Compliance**

**Ms. Avis Gray (Ellice):** My question is for the Minister responsible for the Civil Service Commission (Mrs. Hammond). The Manitoba Government Employees' Association, on behalf of nine civil servants, has filed a policy grievance because they believe that there were arbitrary decisions made in the hiring of nine communicators. A second group action suit has already been launched on behalf of nine civil servants in the Department of Health and Family Services because of alleged unfair treatment from this Government.

Mr. Speaker, there are many examples of individual grievances, but to have two major group action suits filed against this Government in a 17-month tenure is unprecedented.

My question to the Minister for the Civil Service Commission is: what action has the Minister taken to prevent arbitrary Government decisions from occurring, decisions which clearly conflict with the spirit and intent of The Civil Service Act?

**Hon. Gerrie Hammond (Minister responsible for The Civil Service Act):** In answer to that question, we are going to fulfill all the procedures according to the MGEA Agreement, and right now it is in the hands of the Civil Service Commission. I welcome the review that they have asked for and we will await the outcome of it.

\* (1420)

### Civil Service Hiring Practices Criteria

**Mr. Speaker:** The Honourable Member for Ellice, with a supplementary question.

**Ms. Avis Gray (Ellice):** Thank you, Mr. Speaker. I have a supplementary to the same Minister. Can the Minister tell us what criteria is utilized to determine which Civil Service jobs will be open to competition and which will be subject to appointments by the Tory Ministers?

**Hon. Gerrie Hammond (Minister responsible for The Civil Service Act):** At all times we follow the Civil Service procedures and most of the term hirings are because of temporary assignment, because of maternity leave. There are all sorts of reasons for temporary appointments. Our term appointments, at this stage, are down considerably from what they were under the former Government. I do not think we have anything to apologize for in that area.

**Ms. Gray:** I have a final supplementary to the Minister. Would the Minister be prepared to table in this House the criteria which are used to determine which jobs will be open to competition and which jobs are going to be appointments by Tory Ministers, whether they be term or permanent? Would the Minister be prepared to table that information because I feel that the Premier and the Minister—

**Mr. Speaker:** Order, please; order, please. The Honourable Minister responsible for the Civil Service Commission.

**Mrs. Hammond:** Mr. Speaker, we followed the Civil Service procedures and there is a policy in place that the Civil Service follows, and if she would like that policy I will be very happy to deliver it to her.

### Taxicab Drivers Safety and Health

**Mr. Gulzar Cheema (Kildonan):** Mr. Speaker, my question is for the Minister of Highways (Mr. Albert Driedger). The Winnipeg community has been hit by another tragic death of a taxi driver. This is the third such incident during the past few years. There are about 1,400 taxi drivers in Winnipeg, and many of them are afraid for their lives.

Mr. Speaker, my question is: after that tragic incident of 1986, can the Minister of Highways tell this House what specific measures were put in place to achieve the maximum possible safety for all taxi drivers?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, let me first of all express

deep, deep regret at the terrible tragedy that hit Winnipeg again, and yet another murder of a taxicab driver. I think it is very unfortunate.

I would like to indicate that after 1986, in February of '87, Mr. Wally Fox-Decent, Chairperson of the Advisory Council on Workplace Safety and Health, and Taxi Driver Safety and Health Committee, submitted to the former Minister of the Environment a four-month review of the taxi driver safety and health with regard to Winnipeg taxis.

The recommendations of this advisory council were fourfold; basically, mandatory action which was proposed was the training of new drivers and dispatchers, and this has been instituted. The second aspect was passenger information be posted in the cabs. This has also been done. The third recommendation was safety shields, and I would like to make some comment on that in a minute. The other one was the flashing rooftop lights. Those were four mandatory recommendations that came forward. There were about six voluntary recommendations that came forward and the first, second and the fourth one have been implemented.

On the safety shields, Mr. Speaker, the shields were made mandatory by the Workplace Safety and Health division, but an Order-in-Council was rescinded within days of implementation for various reasons, the reasons being the concern for passenger safety and that the shields did not protect the driver like bulletproof shields because it was just not available at that time.

The other thing that we have a matter of major concern about with the shields is the fact that it is not feasible to install these safety shields because of the variety of cars that we have. Eight out of 10 cabs in Winnipeg are mid-size to small-size vehicles and rear seat passengers in such cars would, in the event of a crash, suffer severe head injuries.

### Protective Shields

**Mr. Gulzar Cheema (Kildonan):** Mr. Speaker, given the fact that the Minister has admitted that there was a recommendation for the compulsory protective shields, can he now tell us whether he will now implement such a rule to have compulsory shields in the taxicabs? Also, will he establish a program which would make the purchase of such a shield possible for the taxi owners and drivers?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, the option is there right now for the taxicab drivers or the owners to install shields at the present time. In fact some of them were installed. As they changed cars many of them did not renew and put in the shields again.

However, I met with the chairman of the Taxicab Board this morning and we are establishing a Taxicab Board Advisory Committee which will—and I indicated to them that they are supposed to be reviewing the safety aspect of this whole situation. We will also be having on that committee, Mr. Speaker, adequate representation from the drivers of the taxicab industry. As indicated, I have

instructed them to deal specifically with the safety aspect of taxicab drivers in that board.

**Mr. Cheema:** Mr. Speaker, can the Minister commit himself today to provide the loan guarantees for the taxi owners and the drivers to have such shields put in place as soon as possible?

**Mr. Albert Driedger:** Mr. Speaker, I would not make that commitment at this stage of the game. I would want them to review it and see what aspects can be done or what has to be done because you have to consider that if you have the smaller cars, the fact that you have a lap seat belt on, instead of a shoulder seat belt in many of our cars at the present time, that we have to look at either new cars, the installation of the shoulder straps. It is a very complex issue, and that is why we are going to be looking at it and having them review it and come forward with recommendations.

### Manitoba Data Services Rate Structure

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, over the years Manitoba Data Services has consistently reduced the rates charged to its customers, including Government departments and agencies, thereby passing on the benefits of improved computer capacity and improved efficiency. As a matter of fact, we can quote from the MDS last report where it indicates since 1981 there have been nine rate reductions which means that clients who paid \$1 in 1981 only paid \$45.6 now for a unit of computer services.

What assurances can the Minister of Finance give to this House that a privatized MDS which will be in a quasi-monopoly position will continue to pass on such benefits to departments and agencies? In other words, how can we be sure that a quasi-monopoly computer service whose objective is to maximize profits will not charge excessive rates in the future?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, there are two elements of the Member's preamble that are, firstly, incorrect. When the Member talks about a quasi-monopoly there is no guarantee that the Government may want to have service from a quasi-monopoly, as he says, after five or six or eight or 10 years. That is certainly a fact, Mr. Speaker. So let me say that with respect to that dimension of his question that he is off base.

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, it is interesting there is no mention of that in these criteria that have been given out for divestiture.

### Economic Benefits

**Mr. Leonard Evans (Brandon East):** Mr. Speaker, the Minister's excuse for selling this very profitable and valuable Crown corporation is that it will lead to economic spinoff benefits. Exactly what benefits can accrue to this province over and above the economic benefits that have been obtained in the past and can indeed be obtained in the future from a publicly owned computer service?

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, first of all with respect to the economic advantages that the monopoly, the Crown, has presented to Government by way of nine rate reductions—let me say also to the Member that within the industry, outside of Government buying services from a service bureau, that rate reductions in the industry have been far greater than the nine provided to Government over the last number of years.

Mr. Speaker, with respect to economic development, I assure this Member, I assure all Manitobans, this Government will not entertain the sale of Manitoba Data Services unless there is a significant potential economic development benefit to the divestiture of Manitoba Data Services.

\* (1430)

**Mr. Leonard Evans:** I would like to see the figures that the Honourable Minister is referring to, because I find it rather unusual.

### Systemhouse Proposal

**Mr. Leonard Evans (Brandon East):** This is a final supplementary, Mr. Speaker. Where is the initiative for this final sale coming from? Is it coming from Systemhouse Limited, or is it from the boardroom of some other corporation that wants to get its hands on this lucrative Crown agency that the Minister of Finance (Mr. Manness) is determined to give away?

**Hon. Clayton Manness (Minister of Finance):** Again the Member's preamble is completely erroneous. As I have indicated on several occasions, we did receive an unsolicited offer for Manitoba Data Services. The Government of the time thought that maybe this Crown could be used as a launch for a major economic development within the high tech area.

We are more convinced today than ever with respect to that, having received upwards of 10 very bona fide, very solid offers, all of them with a strong economic development perspective. Let me say, if indeed one of those offers materializes to the point where the Government has confidence that the economic development potential and benefits that might accrue to a divestiture occur, then there will be a sale. Today there is no guarantee that there will be a sale.

### Environment Act City of Winnipeg Compliance

**Mrs. Gwen Charles (Selkirk):** Since this Government came into office, the City of Winnipeg has been under The Clean Environment Act. As a result, there are laws and regulations to which the city should be expected to comply. My question is to the Minister of Environment (Mr. Cummings). When will the laws of the province, specifically The Clean Environment Act, be applied to the City of Winnipeg, and when will the city be made responsible for the pollution of the Red River?

**Hon. Glen Cummings (Minister of Environment):** The City of Winnipeg is and will be held responsible for the

pollution of the rivers that flow through this city. I want to make it very clear that I have said before that the implication has been left on the record many times in this Legislature that the city in some way is exempt from the present Act. They are not exempt and they will be brought fully licensed under that Act.

**Mrs. Charles:** The Minister says they will comply. The question is when?

**Mr. Cummings:** Mr. Speaker, I have indicated the process began very early under the jurisdiction of this Government to bring the city under compliance. Those plans are proceeding and you will see action before too long.

**Mrs. Charles:** Will the Minister outline and table the time frames and plans that the province has been in discussion with the city in order that we may understand that this Government really is trying to do something and not just talking as it has for 17 months?

**Mr. Cummings:** I will do more than table a timetable. There will be an important announcement when that process is completed.

### **CN Rail Layoffs Labour Adjustment Strategy**

**Mr. John Plohman (Dauphin):** Mr. Speaker, I have a question for the Minister of Labour (Mrs. Hammond). Last spring, CN announced the layoff of some 3,395 employees across Canada, a net reduction of some 1,600 employees in the maintenance-of-way area, 200 of those in the prairie region, which includes Manitoba. They were to take effect October 1. In addition, VIA Rail will be announcing the layoff of some 3,500 employees on Wednesday of this week. I ask the Minister, what step has she taken to assist those workers that were affected in the layoffs at CN effective yesterday, and what steps will she take to assist the workers at VIA Rail who will be put out of a job and devastated, the families and the economy of Manitoba by that action by VIA Rail? What action is she taking to assist those employees?

**Hon. Gerrie Hammond (Minister of Labour):** The Department of Labour is in charge of the Worker Adjustment Programs. When there are layoffs of that magnitude we are immediately in touch with the federal Government and offer every assistance that we can through our department. That will be happening as far as the CN Railway workers are concerned.

**Mr. Plohman:** This Minister does not have any details on any programs. Obviously she is not familiar with any program.

### **CN Rail Layoffs Labour Adjustment Strategy**

**Mr. John Plohman (Dauphin):** I ask the Minister of Transportation (Mr. Albert Driedger), in view of the fact that in Estimates last week it was clear that he has

been unable to have his Premier intervene personally with the Prime Minister to put a stop to these massive layoffs, has this Minister of Transportation (Mr. Albert Driedger) made any effort to ensure that his colleague, the Minister of Labour (Mrs. Hammond), and the Premier have taken action to assist those employees that are being affected by these layoffs?

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Speaker, we discussed this at length the other day in my Estimates. I indicated at that time that I am in consultation with my Premier, as well as with my colleague, the Minister of Labour (Mrs. Hammond), and that the Premiers, at their conference, sent a joint communique to the federal Government indicating that no action should be taken on VIA Rail until there had been a consultation process taking place.

My Government is fully aware of what is going on. We are doing everything we can to alleviate whatever unfortunate layoffs there are because I think that is always a very dramatic situation in people's lives, the uncertainty of being laid off. We are going to do everything we can in terms of trying to alleviate and help those people in that situation.

### **Transportation Job Losses Manitoba Impact**

**Mr. John Plohman (Dauphin):** Mr. Speaker, while layoffs are taking place and services being devastated at VIA Rail, the federal Minister of Transport is providing \$800 million, supporting \$800 million to Thailand for a railway there.

I ask this Premier of Manitoba (Mr. Filmon) whether he will intervene now on behalf of those workers who are affected, on behalf of the service that was being lost to Manitobans directly with the Prime Minister to ask him to put this on hold until such time as hearings are taking place and Manitobans have an opportunity to provide their input directly on these cuts?

**Hon. Gary Filmon (Premier):** Mr. Speaker, that is exactly the message that all 10 Premiers delivered to the Prime Minister; that is exactly the message that all 10 Ministers of Transportation have delivered to their federal counterparts; that is exactly the message that all 10 Ministers of Tourism have delivered to their federal counterparts, that we do not believe—(interjection)—the fact of the matter is that may be the case, that if all 10 Premiers, all 10 Ministers of Transportation and all 10 Ministers of Tourism are not getting their message across, then obviously there is a problem there, and we have not been able to do anything with that problem.

The fact of the matter is—not that Member for Dauphin nor anybody else is helping the situation. We believe it is the provinces who ought to be consulted, it is the provinces who ought to have some say in this, because there will be an off-loading onto the road transportation system, there will be problems in Tourism, there will be many other problems to deal with and we have to be involved in that decision.

## Dutch Elm Disease

**Mr. Speaker:** The Honourable Member for Wolseley will have time for one very short question.

**Mr. Harold Taylor (Wolseley):** Mr. Speaker, the provincial Tories are as vulnerable on the issue of Dutch elm disease as the elms themselves are to the disease. They flip-flop on retaining the program at all. They increase somewhat consistent to the city but not to the province -(interjection)-

**Mr. Speaker:** Order, please; order, please. The Honourable Member for Wolseley, with his question.

**Mr. Taylor:** The question is: will the Minister of Natural Resources outline the main points of the provincial initiative on Dutch elm disease, if he is able to, because Manitobans do not know what the heck the Tories are doing right now.

**Hon. Harry Enns (Minister of Natural Resources):** Mr. Speaker, the Premier has just said it all. We have shown our concern by doubling the amount of money, doubling the amount of money that was used for that particular area.

Since 1981, some \$350,000 have been applied in this program. Five, six years of NDP administration saw no increase in that fee. Winnipeg forestry officials met with me in mid-summer to indicate the seriousness of the situation. I was very pleased to get the kind of support from my Cabinet, from my Government, to double the program.

**Mr. Speaker:** The time for oral questions has expired.

## NON-POLITICAL STATEMENTS

**Hon. Charlotte Oleson (Minister of Family Services):** I would like permission of the House to give a non-political statement.

**Mr. Speaker:** Does the Honourable Minister have leave to make a non-political statement? (Agreed) The Honourable Minister of Family Services.

**Mrs. Oleson:** Thank you, Mr. Speaker, and I thank the Members of the House for their indulgence. Mr. Speaker, and Members of the House, I would like to call the Members' attention to the proclamation of this week as the fifth annual celebration of National Family Week in Canada. This is a time to celebrate and appreciate our most important connection, our family.

\* (1440)

We all have family of some sort, whether it be two-parent family, a single-parent household, a blended family or a family of friends and relatives. The family remains the cornerstone of our society. It is our past, our future and our strength. The family is the central focus in our lives and is worthy of our preservation and our support. This has been recognized by the First Ministers of all the provinces who sponsored a national

symposium about families this past July. I was pleased to be able to attend this interesting meeting, along with others from other provinces and many people from Manitoba, to take part in this interesting symposium which focused its attentions mainly on the family and its present-day problems.

It is important to set aside a special time to recognize the significant role our families play in society. They bind us together and give us our strength.

I would encourage the Members of the House and their families, along with Manitobans, to spend this week of celebration reaffirming their family ties, and I would invite all Members of the House to show their support for Family Week.

I know it is difficult for many of us to see our families during this week, and any week, because of our schedules, but I would ask you to be very mindful of your families this week and every week. Thank you, Mr. Speaker.

**Ms. Avis Gray (Ellice):** Mr. Speaker, may I have leave to make a non-political statement?

**Mr. Speaker:** Does the Honourable Member for Ellice have leave to make a non-political statement? The Honourable Member for Ellice.

**Ms. Gray:** We on this side of the House certainly share in the Minister's words on the celebration of the fifth annual Family Week, and we certainly share with her those words in regard to the importance of family.

I think when we look back over the hundred-plus years that this country has been a country, the importance of family throughout the decades has become very, very important. I think whether we are speaking of the nuclear family or whether we are speaking of extended family, we sometimes tend to take for granted the importance of the family. Certainly this annual celebration of Family Week can help us to recognize that we should be ever mindful of the importance of families, whether that be single parents, whether that be our rural farm families, whether that be our extended families. I think it is very important that in our day-to-day work and in our discussions of programs and services of this Government or that any Government provides on a provincial or a national level that in fact the essence and the concern that we should be considering is what is the impact on the family and how do we consider the family in making those decisions.

I again, Mr. Speaker, join the Minister of Family Services, and I appreciate her comments that as we, as MLAs, oftentimes find ourselves very, very busy and oftentimes the job may come before the family, but that it is ever important and increasingly so that all of us here are mindful of the fact that we all have families and that we should share with those families as well.

**Mr. Speaker:** Does the Honourable Member for St. Johns have leave to make a non-political statement? The Honourable Member for St. Johns.

**Ms. Judy Wasylcia-Leis (St. Johns):** Thank you, Mr. Speaker. I too would like to join on behalf of the

Members of our caucus with other Members in this Legislature to mark the beginning of National Family Week. This is a week to celebrate our family roots, traditions, to pause for a moment and recognize that which has been a very formative part of our development and to pay tribute to those who have worked so hard to ensure that the family continues as a unit to provide physical maintenance, to assist with development and to provide that very important nurturing role in our society.

This is also a week to recognize the family in its many forms, to recognize the diversity of the family, to recognize that the family is no longer that homogenous traditional unit of man, woman, biological children, but to recognize that families today take many forms, whether it is parents without children, whether it is parents with adopted children, whether it is parents of the same sex living together, whether we are talking about extended families, people living in communal settings, all in all, any combination of individuals regardless of age, sex, presence of dependants, number of children—biological or adopted—or whatever configuration. So it is a time to celebrate the contemporary family and to ensure that that contemporary family is not condemned.

Finally, Mr. Speaker, this is a week, not only to spend some time of our own with family members and to remind ourselves about the importance of the family unit, but to rededicate ourselves as legislators, as community leaders, to help preserve the family, and that means working to deal with the stresses that the contemporary family is under today, to deal with the problems of economic pressures, to deal with the pervasiveness of violence in our families, to deal with the factors behind family breakup.

So, Mr. Speaker, I join with all Members in this Legislature in celebration of the family, and on that note pay particular tribute to the organization, Family Services of Winnipeg Incorporated, an organization that is sponsoring this week, that has had the leadership to ensure that this very important occasion is celebrated. I want to pay particular tribute to Charlotte Robbins, who has been one of the key organizers in this week.

Let us all rededicate ourselves to seek changes in our society that will lead to the day when violence is no longer a part of the family, when all people within the family are equal, and when the well-being of all individuals, women, men, children and families is guaranteed.

### COMMITTEE CHANGES

**Mr. Edward Helwer (Gimli):** Mr. Speaker, I move, seconded by the Member for Lac du Bonnet (Mr. Praznik), that the composition of the Standing Committee on Economic Development be amended as follows: Connery for Downey; Neufeld for Enns; and Burrell for Manness.

### ORDERS OF THE DAY

**Hon. Clayton Manness (Minister of Finance):** Mr. Speaker, I move, seconded by the Minister of Northern Affairs (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Highways and Transportation; and the Honourable Member for Swan River (Mr. Burrell) in the Chair for the Department of Agriculture.

\* (1450)

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY—HIGHWAYS AND TRANSPORTATION

**Mr. Chairman (Mr. Harold Gilleshammer):** We will call the meeting to order at this time. We are considering item 5.(a) Transportation Policy and Research, (1) Salaries, \$789,300—the Honourable Minister.

**Hon. Albert Driedger (Minister of Highways and Transportation):** Mr. Chairman, before we proceed there, I wonder if I could maybe table some of the information that was requested the other day. We are trying to catch up with this as fast as we move along.

One had to do with PR 246, PTH 23, PR 205, 13 kilometre cost of land acquisition. Officials of the land acquisition branch have reported that \$134,244 has been expended to date. One agreement recently has been concluded, \$200, and one agreement is outstanding, estimated \$1,500.00. The overall cost of the acquisition will be in the neighbourhood of \$135,900.00.

The other piece of information, Mr. Chairman, that was requested was the Dauphin by-pass cost of land acquisition. The right-of-way for the Dauphin by-pass was acquired in 1968. About 15 years later modifications were made to the roadway design. As a result, some of the original right-of-way became surplus and several addition properties were acquired. To date, \$132,488 has been expended, and two of the 11 affected owners have not yet settled.

Then I have one further piece of information here, Mr. Chairman. This is PTH 100 at Portage Avenue. I will not read the whole thing. I will just forward it. If there is a question on that—unless it is the desire for myself to put it into the record. If there are further questions on that, I will try and respond to that. Those are the three pieces of information that I have to present at this time, and I think if there are others—we have taken note of the questions as they came up. As we get the balance of the information we will go over that as well.

**Mr. Ed Mandrake (Assiniboia):** I will get into the 100 by-pass, or rather the PTH 100 later on, Mr. Chairman.

I do appreciate the Minister bringing this to our attention, but I want to go back to VIA Rail, seeing that we are in the transportation policy.

The one question that I would like to have on record is that I did give the Minister a copy of our submission to the task force, and the second question is: I would like verification from the Minister as to what does he consider remote line, in respect to the Churchill line? Does this mean from Winnipeg to Churchill? From The Pas to Churchill? Or is it from Thompson to Churchill? Now, which ones are going to be protected under the supposed statement made by Benoit Bouchard?

**Mr. Albert Driedger:** Mr. Chairman, I might indicate to the Member that first of all we do not know exactly what the interpretation of the federal Government will be in terms of what they call the northern route.

Our interpretation is from Winnipeg to Churchill, and hopefully when the decision comes down the federal Minister in his decision will respect that and regard that the same way as we do. However, we do not know at this stage of the game.

**Mr. Mandrake:** From all the research I have done and everything that has been provided to me, it is the Thompson to Churchill run. That is the only one that is going to be protected, so if the Minister is putting on record that he is hoping it is going to be the Winnipeg to Churchill, I would dearly appreciate a formal reply from the Minister of Transport in Ottawa, Benoit Bouchard, to the effect that it is going to be the line from Winnipeg to Churchill, as opposed to the Thompson-Churchill.

**Mr. Albert Driedger:** Mr. Chairman, in all the correspondence that I have sent to the federal Minister and my communication with him, we have always stressed very much that there should be consultation done before any decisions have been made. I am not hopeful that this will happen. I am just hoping that when the decision comes down—from rumours again it appears that the decision should be coming down very shortly. We have stressed our position I think as strongly as we can, including the Premier's. Everybody has been raising the issue. Whether we get any favourable response from the federal Government, that is a question that I cannot answer.

**Mr. Mandrake:** I think the writing is on the wall, Mr. Chairman. The writing is on the wall in respect to what Mr. Bouchard is going to do. This province has seen the escalation in our people being laid off. Every time you take the paper you read another layoff, another layoff. I appreciate what the Premier (Mr. Filmon) of the province made mention in the Chamber this afternoon but now I think the time has come to take a little bit more drastic action, and that being is that the Premier goes to Ottawa and brings along some other Premiers with him and presents the case of Manitoba on behalf of Manitoba to make sure that any kind of cuts that are going to take place in VIA, that hearings will take place and that Manitoba will be hopefully the least affected by these cuts.

**Mr. Albert Driedger:** Mr. Chairman, I might tell the Member that the Premier (Mr. Filmon), as well as my

department, as well as the Tourist department, as well as all the Premiers, as well as all the Transportation Ministers have all made these requests. I do not know what more can be done. As the Premier indicated in the House today, I think the lobby has been strong enough and wide enough in terms of getting the message to the federal Government. Whether they will accept that, we cannot indicate whether that will happen or not.

**Mr. Mandrake:** Mr. Chairman, it is quite evident that the communiques do not work. The Ministers, the western Transportation Ministers provided Mr. Bouchard with a communique. Obviously he was not being very attentive and did not listen. Let us go to the next step. No more communiques. The Premier of this province must now take the initiative. He must now take and show leadership in western Canada, and in fact all of Canada. Contact all of the Premiers of every province and go there as a joint force in demanding, not asking the Prime Minister, demanding that this Prime Minister listens to the Premiers of the provinces, because this idea of communiques is not going to work. I am very, very sorry that the Highways and Transportation Minister really got himself in a boondoggle here. He is going from one disaster to another but I would strongly suggest, as I had just stated before, that the Premier take the initiative role and contact all the Premiers in Canada, in the Northwest Territories, and lobby this obstinate Government that they are going to destroy a vital service such as VIA Rail in western Canada and eastern Canada.

\* (1500)

**Mr. Albert Driedger:** Mr. Chairman, I repeat again, all the Premiers of Canada jointly have indicated to the Prime Minister how they feel about the issue. It has been done at the Prime Minister level. It has been done at the Minister of Transportation level. I think the lobbying has been as extensive as could be hoped for. The information has all been put forward. It has been debated back and forth. If the federal Government wants be receptive to the requests that have been made and not appear to be arrogant and overbearing in their decision, it might be reflected in the decision that finally comes down.

My concern at the present time would be, if there is going to be cutbacks and layoffs, that our main concern should be with the employees involved to see whether there is going to be provision made to deal with them in such a way. I in my own mind can appreciate the uncertainty in people's minds with their jobs, people who have been there for many, many years, how they must feel when this kind of uncertainty happens, when the decision gets made at a much higher level, and they get subjected to loss of job and loss of income. It is a real trauma in people's lives and once the decision gets made and we know what the results of it are, we will do everything possible to make sure that the interests of the people affected will be looked after as best we can. I am trying to influence the federal Government as well as CN to make sure that they are dealt with as fairly as possible.

**Mr. Mandrake:** The Minister says, or tells this committee, that the Premier has been in touch. My

question to the Minister is this: has it been done by communique, has it been done by telephone, or has it been done by a personal visit? That is exactly what I am asking for, a personal visitation by all the Premiers of Canada. A communique does not work with this Government. They hold a majority and they do not care about western Canada.

I think it is time that we put it on the table. Obviously he will not listen to the Ministers of Highways. Well, then I am saying no more communiqués. Now the First Minister has to show the initiative and actually travel to Ottawa with the rest of the Premiers of Canada and say to this gentleman that enough is enough.

Let us not take such an autocratic role. Let us use a role that is going to have less impact upon eastern Canada and western Canada.

**Mr. Albert Driedger:** Mr. Chairman, I hate to belabour this even though it is a tremendously important issue. The fact is, I know our Premier has talked with the Prime Minister on a personal basis when he was attending the Conservative annual meeting out there. That was on a one-to-one basis. He has also raised it together, as I have indicated before, with the other Premiers. The lobbying has been intense. The information is all there.

The one thing that we cannot do, not any other provinces or combined even, is force the federal Government into making a decision the way we would want to. All we can do is relay the information that we have and extend or present our concerns as strongly as we can, and then hope that there is some rationale in terms of the decision that will be made.

**Mr. Mandrake:** Just one last comment. The Member from Dauphin (Mr. Plohman) wants to put something on record on VIA Rail, and I am quite sure he does. There is only one comment I have to make. By all the information that I have before me, what is going to happen next year I can pretty well see it and that is the destruction of the Churchill elevators. If the line from Winnipeg to Churchill is not protected, and from all the information I have, it is not going to be protected. I can just see the Port of Churchill going down the drain. I will wait, Mr. Chairman, to see whether or not my words will come to fruition. My gut feeling is it will happen. We have never seen any kind of positive action taken by this Government on the Port of Churchill. I raised that question last year. In fact, we had a little tête-à-tête with the Member for Dauphin on this, but it was an important issue, a very important issue, and at that time it sounded funny, I do admit. The Premier ridiculed me for raising the question. Last year we saw 55,000 bushels of grain—

**An Honourable Member:** Tonnes.

**Mr. Mandrake:** Okay, tonnes. If you want to call it tonnes, fine. This year in a letter to Willis Richford on May 31, 1989, the Chief Commissioner for the Canadian Wheat Board promised a little bit more grain going through Churchill.

The only people that have been doing a very successful job on lobbying for Churchill, Mr. Chairman,

happen to be the Hudson Bay Route Association. Those are the people that should be congratulated for their hard work, not this Government. This Government has had a laid-back attitude and believe me, next year, if what we see in front of us comes to fruition, we are not going to see one drop of grain going to Churchill.

**Mr. Albert Driedger:** Mr. Chairman, we have jumped from VIA Rail to Churchill. I think it is proper that we spend a fair amount of time on Churchill, but first of all I want to, out of hand, reject the comments by the Member for Assiniboia that this Government has not tried to play a very, very active role in the future of the Port of Churchill. In fact, it is documented, if he would care to check exactly what has all happened, all the correspondence that has taken place, the visits, one on one with the federal Minister, with the President of CN on a personal basis, with the Ports Canada people. We had a committee established which, unfortunately, the Member was not a Member of when we lobbied last year, when it looked very dim in terms of getting grain movement through the Port of Churchill.

Ultimately, and I still commend the approach that the committee did, the lobby that took place, at least helped in the movement of even though very limited, disgracefully limited amount of grain going through the Port of Churchill, but some of it did go through. We have an expanded program this year. However, the problems with Churchill and the Port of Churchill and the rail line are much bigger than the immediate situation we have at the present time.

I think, tomorrow, the last two ships are coming in for the part of the program that was announced. We are still hoping for an expanded program beyond that. That is only an interim thing at the present time. I think we have to spend time to discuss the long-term implications, what is the future of Churchill. I can go into details exactly how we are viewing it and what we are trying to do with it.

**Mr. Mandrake:** The Minister states that now we are going from VIA to Churchill. Well, may I bring it to the Minister's attention that the transportation of grain is part of VIA's responsibility also. It is a combined type of an effort. Am I wrong?

**Mr. Albert Driedger:** I am confused by that statement because the Port of Churchill and the CN line related to grain movement has no bearing to VIA Rail at all. We have two separate issues here. That is why we can talk about VIA Rail which provides passenger service to the communities in the North, and then we have the Port of Churchill and the grain movement aspect of it which is a separate problem again.

**Mr. Mandrake:** They go on the same line, Mr. Chairman. It goes on the same line. With the permission of the Chairman, I would like to be offered the opportunity to skip for now Rural Transportation Grants for the Mobility Disadvantaged and go into the Canada-Manitoba Churchill Agreement with the permission of the Minister, and of course, the critic for the third Party. I think this might be the appropriate time to be doing that.

\* (1510)

**Mr. Chairman:** Our Rules indicate we have to go line by line.

**Mr. Plohman:** Yes, Mr. Chairman, I think it would be better if we could complete an issue that we were discussing with the Minister so that we can delve into all aspects of it that we feel are appropriate and then move on to another issue. I would like to talk about Churchill, too, and rural transportation, and so on, but I would like to see us discuss further.

The critic for the Liberal Party started out with VIA Rail and I would like to follow up with some things in that angle. If the Chairman would recognize me for that purpose now, I would—

**Mr. Chairman:** The Member for Dauphin.

**Mr. Plohman:** Thank you, Mr. Chairman. I wanted to just follow up with some serious questions about the whole issue of VIA Rail. As we have seen now there is going to be, no doubt, devastating cuts and layoffs at VIA Rail. The information that we have now is that VIA Rail is booking a facility for Wednesday for 1,500 employees in Montreal to announce the layoffs. I wanted to ask the Minister whether he has any more definite information on that rumour as to whether in fact he has been notified by VIA Rail that Wednesday is the day the axe will fall?

**Mr. Albert Driedger:** Mr. Chairman, I might indicate to the Member that we have not been informed of this.

**Mr. Plohman:** So the Minister is only aware of this possibly through unofficial channels, or is he not even aware of it at all except for what we raised in the Legislature?

**Mr. Albert Driedger:** Mr. Chairman, neither my staff nor myself have been apprised of exactly what they plan to do. So I have to plead ignorance on exactly what the activities are going to be taking place on Wednesday.

**Mr. Plohman:** Well, Mr. Chairman, the Minister should use that term advisedly, in terms of pleading ignorance, because there is a lot of the answers that he has provided with us in terms of the Legislature, the Question Period, and so on, that seemed to indicate that there is just no communication with the federal Minister. There are letters going out, as the Liberal critic has identified earlier, but there seems to be no communication coming back from federal officials, either at the civil servant officials level or at the ministerial level. Would that be a fair summation of the situation right now with the federal Government as it applies to VIA Rail?

**Mr. Albert Driedger:** Most certainly not, Mr. Chairman, because I had indicated and I have put it on the record a few times that when I was at the Ministers' Conference in Calgary that we met head-on with the federal Minister. We put our position forward to him very bluntly. In fact

it got rather heated at certain points of the discussion. The federal Minister put his position forward indicating that he had guidelines set before him that he had to meet in terms of the subsidy that was going to be paid to VIA Rail, and that he had to make decisions along that line. He indicated that, as one of his broader statements, he had difficulty justifying the continued subsidization of VIA Rail when that was not a preferred mode of travel for the private sector any more, and that to subsidize anywhere from \$140 to over \$400 per individual riding on the VIA Rail, that he could not justify that and he had his guidelines set before him that he had to work towards. So the federal Minister put his position on the record very bluntly and plainly, we did not like what he was saying but that is the way he put it. So if the Member for Dauphin (Mr. Plohman) is trying to say that we have no communication, then he is wrong.

**Mr. Plohman:** Well, Mr. Chairman, the Minister has now brought up this issue of communication with the federal Minister and saying that I am wrong in suggesting that there is very little or no two-way communication, that it is mostly communications, letters going out and fax perhaps, and telexes or whatever to the federal Minister, but there is very little coming back. As evidence of this, he references a ministerial meeting. That is over and done with already and the Minister knows already that he has reported to this House that it was unsatisfactory because the Minister did not endeavour to consider any of the concerns that were raised by the Ministers at the meeting. He simply said, look I have got my job to do and I am going to do it and that is it. That is basically what the Minister has told us, the federal Minister advised the provincial Ministers.

So I cannot see how he can use that as any kind of solace, any kind of reference as to good communication. I think he would be better off if he just said, yes, there really is a problem here. They are not answering because if there is not, then why is the Minister not getting through to the federal Minister more effectively? Has he called the federal Minister and talked with him on the phone? Is he able to get through to him since the last ministerial conference to confirm these rumours or to have them rejected out of hand by the federal Minister?

**An Honourable Member:** Table your telephone calls.

**Mr. Plohman:** No, I do not want them tabled. I will trust him if he just said that.

**Mr. Albert Driedger:** Mr. Chairman, I have indicated, as well as my Premier (Mr. Filmon) has indicated in the House, that there is a problem. I mean the message is getting there, but it is not getting the results. I have indicated all along that I am not happy, and I do not think that anybody is happy with the position that the federal Government is taking. I mean, that does not mean that we have not put our position forward very strongly. I do not agree with the decision that is coming down based on the rumours that are there. As I indicated before, obviously in my view and I think in many others', a decision will be coming down very shortly. Obviously we will not like it, and we want to

make sure that when that happens that we can see whether we can make sure that the employees who are going to be involved that they will be treated as fairly as possible.

**Mr. Plohman:** Mr. Chairman, if the Minister is going to ensure that the employees are treated as fairly as possible, he has to do advance work. He cannot just wait till they are out in the streets and then say he is going to ensure that they are treated as fairly as possible. For example, and I raised the question in the House and there was no answer, we found out about CN employees, same kind of massive layoff some six months ago, and yet there was no indication that the provincial Government had done anything to assist those workers during that period of time.

I do not want that to be repeated in this case. We do not want history to repeat itself. They had advance notice with regard to CN till October 1; October 1 now has come and gone. In the question I asked in the Legislature today, no evidence that the Government assisted those employees, either through retraining or any other transitional programs for them.

I also want to point out to the Minister, he seems to be at his wit's end. What more can be done with regard to lobbying? Here is the Minister asking that so Manitobans should feel pretty comfortable I am sure about this. I think the Minister has thrown in the towel, he has capitulated. He said, I cannot do anything more, I cannot really do anything more and so what can be done?

Well, I say to the Minister, has he endeavoured to mobilize opposition to this in this province? For example, has he got together with the municipalities, with the Chambers of Commerce, with labour, with other groups, to form a united front and ask, as a delegation, to ask for a meeting with the Prime Minister and the federal Minister of Transport on this issue so that they can put the case face to face there with them; or does he just say, well, if the Ministers of Transportation for the provinces in this country could not get anywhere, and if the Premiers could not get anywhere because they sent a communique and it was not answered, then it is no use, all of these groups. Does the Minister not agree that it is the grassroots movement that really makes a difference when it comes to these, not just the politicians making statements, but those people who are affected, those communities that are affected, those workers who are affected, I have not seen any evidence that the Minister has tried to mobilize that opposition at a grass-roots level so that these people would come forward under the leadership of this Minister to Ottawa, and this Premier, to raise supreme heck about what is going on with their lives here.

\* (1520)

**Mr. Albert Driedger:** Mr. Chairman, it was my supposition that the elected people are the ones who are representing the chambers and the communities. People, like my office, at the Premier's Office—I cannot imagine a stronger lobby than all Premiers of Canada laying their case before the Prime Minister, or all the

Ministers of Canada laying their case before the Minister of Transportation.

The Member is, I think, grasping at straws in terms of saying, you know, have you done this, have you mobilized everything? I think the case has been built as strong as it possibly could be before the federal Government. I do not know what he is alluding to. I would just like to indicate, though, that in terms of what I am doing for the people who are affected, my staff is going to be meeting with—and I mentioned this last time already—Mr. Cerelli from the union. We will be having a meeting slated tomorrow or the day after in terms of trying to join forces to see exactly what kind of further action we could precipitate, and maybe for the federal Government.

I have not thrown in the towel. I do not intend to throw in the towel. We will continue to work as best we can. If the Member for Dauphin (Mr. Plohman) is suggesting that we take and get all the chambers and communities involved and we all jump on a train and ride down to Ottawa, we have looked at that kind of scenario before. I certainly think that at this stage of the game it would be financially futile as well as futile in terms of making an impact on the federal Minister.

We will continue to build our case, as indicated, together with the union people, who are the ones who are looking after the interests of the labourers, as well as myself, or the workers involved. We will continue to push and see whether we can devise some kind of joint plan of action, further plan of action from the one that has been taken. So let the Member not indicate that I have thrown in the towel and that it is all fait accompli.

We will continue to do the best we can in terms of making our impact known, but I have quite realistically put on the table what I view will happen, based on the conversation that the federal Minister put before the Ministers, as indicated by my Premier today. We can lobby and yell all we like and we are not happy with what is happening, and we will continue to do so, but the decision is a very short ways away and the cases are very strong. It is not precise as to what the rumours were, but we expect, I indicated, apprehension about the decision that will come down. We have not thrown in the towel and will continue to see what we can do.

**Mr. Plohman:** Well, Mr. Chairman, the Minister has indicated quite clearly what the problem is when he says that the Premier says that they can yell and scream all they want, but there is really little impact that they can do if the federal Government wants to go ahead.

The fact is the power is in the people, and all politicians should know that. I know that. The fact is that if you bring the people with you, you are going to have a lot more clout than if you are just a number of politicians standing around. I think the Minister can ask his colleague, the Minister of Family Services (Mrs. Oleson), whether it makes a difference to have 100 nursery children in her office, or just the workers, or just the director. Does it make a difference? I think it has a bigger impact. -(interjection)-

Well, the Minister now is gloating over the fact that she resisted it and did not make a change in her decision. The fact is . . . .

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**Mr. Albert Driedger:** Mr. Chairman, just a minute. Just a minute.

**Mr. Plohman:** Well, is it a point of order?

**Mr. Albert Driedger:** It is a point of order now.

**Mr. Chairman:** On a point of order, the Honourable Minister.

**Mr. Albert Driedger:** I mean, let us not start getting carried away and trying to put all kinds of innuendoes on the table here.

What I indicated to him, he started to say that children under the Minister's office regarding day care had an impact. That is a ludicrous statement to make. I mean, if that is the approach that he is promoting, then that is fine, but I do not think that is pertinent to the issue that we are dealing with right here.

**Mr. Chairman:** A dispute over the facts is not a point of order. The Member for Dauphin.

**Mr. Plohman:** Well, Mr. Chairman, I think you are right, obviously, that a dispute over the facts is not a point of order.

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**Mr. Plohman:** The analogy that I was trying to draw here and I think it is very clear, is that if you get people who are directly affected in that case with child care, the children, and you get the workers, and you get the parents, we can take it beyond the children. We can take it to the parents that are involved and the workers, rather than say just the association meeting. So that if you meet with the representatives of the Chamber, for example, one person or two or three, or maybe their executive or whatever, it is a lot less than all of those communities that are represented. I think the Minister understands that is what I was saying, that it is those people that really make a difference. It is the grass-roots involvement of people that tell a stronger tale.

For example, when the Premier, the former Premier Howard Pawley went with a delegation to protest the CF-18 cuts, I believe that the delegation because of its broad base had a tremendous impact even though it did not change the decision in Ottawa. It had a tremendous impact, and there was a chance of changing it, and maybe it resulted in some other things happening in Manitoba that offset some of those losses. If no one had said anything, it would have been much more unlikely that Manitoba perhaps would have got any other benefits along the way, even though I do not think that we do get a lot of it. What I am saying then to the Minister is that the more grass-roots involvement the better.

When the CN was moving its headquarters from Winnipeg to Edmonton, we got a committee of people together. Now, we did not in the final analysis need a

delegation because there was a halt put to that. Perhaps they quietly did many of the things they intended to do anyway, but they were caught in the act with it, and through the kicking and screaming and protests and the formation of that committee, I believe from labour and municipalities, the City of Winnipeg, and Chambers of Commerce and so on, we had a broad base from which to work to make a strong case against what the federal Government was doing with its Crown corporation.

So I believe that the Minister could do more if he wanted to really mobilize people to oppose these cuts in this province, and show the kind of leadership in this province that Manitoba has historically been able to do.

In the centre of this country, we have often held east and west together and shown the unfairness of policies. I think that the Minister should realize that Manitoba is in that unique position and should be taking a very strong position when they realize that there is an unfairness taking place. Canada is being slowly destroyed by actions of this federal Government, which is of the same political stripe, I might add, as his own.

The fact is that there are no hearings. Is that not enough of a reason for him to take the people to Ottawa, at least representatives in a strong delegation? That in itself is a tremendous injustice to the people of this province, that they have no say in what is happening. It is all going to be done secretly by Order-in-Council and then simply implemented.

I think the Minister, while he is taking several steps and writing letters and everything, should be outraged with this and should be demonstrating that outrage by activating the natural opposition that is there within this province to this measure. It is there, but the people do not have any way of bringing it forward unless the Premier (Mr. Filmon), urged on by his Minister, would do that. That is what we are trying to do in the House, and we would hope that the Minister would take those steps.

I wanted to ask the Minister whether he supports the federal policy position that seems to be the position that privatization of certain profitable sections of VIA Rail is an acceptable way to go with VIA Rail, and has he received any indication, has he communicated with the federal Government on that issue at all?

**Mr. Albert Driedger:** Mr. Chairman, first of all, I would like to indicate that this problem with VIA Rail did not develop in the last six months. This is a problem that developed over a period of 10 years. I do not know what previous administrations—what they did to start correcting a thing that was starting to go down the slippery slope a long time ago.

Now, as we had indicated before we are at death's door, so to speak, with VIA Rail and now the hue and cry is supposed to try and save VIA Rail. I certainly will try and do that, but I think responsibly corrective measures should have been taken a long time ago in terms of upgrading the equipment, upgrading the service to such a degree that we would not be in a dilemma where we have major subsidies that have to

take place, where the federal Government now has an opportunity, in their view, to take and cut back on the subsidy and cut back some of the services. This should have been addressed a long time before we came to this point here, and now start the hue and cry and say unfair. The unfairness started some time ago. There should have been work undertaken and should have been planning done by VIA Rail, by CN, by the federal Government, by provincial Governments at that stage of the game. That could reflect to some degree on the lack of maybe action by even the previous administration federally and provincially in terms of not having addressed it. I am just indicating we are doing what we can at this stage of the game at a time when the death knell is rung, so to speak.

\* (1530)

I would just like to indicate before I answer the last question the Member put on, that we have information here, and this information comes from VIA, not from anybody else regarding the layoffs. The official statement from VIA Montreal, they are still awaiting a decision. They do not know when it is to come. Information that 3,500 layoffs are anticipated next Wednesday are premature and unfounded. It is not possible to effect layoffs of this magnitude on short notice. In debates in Ottawa two hours ago the federal Minister announced no decision has been made although the issue was discussed with his Cabinet this a.m.

I have a further memo here, just to indicate that we are in constant communique and trying to keep on top of these things to know what is happening. This is another memo that arrived. CN advised that layoffs of track maintenance staff planned for October 1, 1989, have been delayed to October 30, 1989. This is at the request of the union in order to sort out their seniority list. We will be meeting with the union people as indicated in this next few days to work together with them to see whether we can help sort some of these things out and do the best we can in terms of looking after the interests of the people that are going to be affected by layoffs.

I had not answered the last question which was basically what my position was in terms of the privatization of certain lines. We have not looked at that option at this stage of the game until we know exactly what the effect is going to be. For example, how can we talk of privatization from—we call the northern route from Winnipeg to Churchill. If the federal Minister feels that what he classifies the northern route would be from Thompson or from The Pas, that throws a different light on it. Looking at the privatization would not be an option that I would be considering at this time until we know the effect of what is going to happen. At that stage of the game, then we will look at all options available.

**Mr. Plozman:** Mr. Chairman, I hope that the Minister is not indicating that he would actively support the privatization of certain lines of VIA Rail while others are being cut and eliminated by the federal Government.

In other words, he would be accepting the premise of the federal Government that there is no responsibility

to provide passenger service to all Canadians right across this country. Those areas that are profitable or potentially profitable and can be used to cross-subsidize those that are less profitable would be turned over to private interests that could make a profit on them while the others do without, the other areas of the country. If the Minister supports that kind of position or if he does not, I would like him to clarify that.

Insofar as the layoffs at CN, I wish the Minister would have advised the House during Question Period that they had another 30 days before they were out of a job. I would hope that the Minister would have been working all along to attempt to provide some assistance for these workers over the last five or six months, since he was aware that they were going to be laid off, not now just making some contacts in the last 30 days that he finds that the layoff notice has been extended by 30 days. Although the fact is that if there are still 28 days, or four weeks or so before the layoffs actually take effect, then of course it would be beneficial that his colleague, the Minister of Labour (Mrs. Hammond) and himself would indeed meet with the workers, VIA Rail and with the federal Government, to try to work out a package that would assist them in training and so on and getting into new avenues of employment, and I hope the Minister would do that.

The Minister also made a point about this being the 12th hour, or near the end when the crisis and the axe is falling on VIA, but the fact is he makes a very good point that I have been making, that is, the federal Liberals were negligent, and the Liberal Critic has admitted this in the House, that he would not have done it that way and he wished they would not have done it the way they did. The fact is the federal Liberals over the years, even in the mandate that they used to set up VIA, doomed it to failure with antiquated equipment and improper funding, no Act of Parliament to provide them with rules that were binding, and certainly charges that they allowed CN and CP to impose on VIA, which made it almost impossible, prohibitive for them to operate. Those kinds of things demonstrate, yes, that the previous federal Government was negligent.

What I find from the Minister's statement, that provincial Governments should have done something, that confuses me a little bit here. The fact is there was law, being there were lots of meetings, but the federal Government and the Tories in 1984-85 said, yes, we are going to rejuvenate VIA, we are going to buy new equipment. They promised Canadians they were going to do that. So we had every hope at that point in time that the federal Government was going to undertake its responsibilities and ensure that VIA could be viable.

So the crisis has come since, and it is certainly unfortunate for this present Minister, but the crisis has come since this Minister has come into office in this province. That is why we are faced now with this closure because the fact is the Conservative Government under Mulroney -(interjection)- the Member for Pembina (Mr. Orchard) says it is balderdash. The Prime Minister had indicated in his campaigns that VIA would be renewed and provided with new equipment so that it could be viable. That promise they have reneged on.

So there is the answer for the Minister, and in terms of the previous Government, in terms of action that they could have taken specifically, certainly I do not think the Minister wants to leave the impression that the provinces should have taken over, or offered to bail out VIA Rail. This is a federal responsibility and they have to live up to their responsibilities under the jurisdictions in this country and they had given every indication they intended to.

So I hope that the Minister now would become more aggressive in his approach by mobilizing greater opposition to this cut and taking specific action that would result in some demands for further hearings, and demands from all sections so that the people of the province have an avenue, a voice, an avenue to approach the federal Government on this through the provincial Premier and Minister.

**Mr. Albert Driedger:** Mr. Chairman, I would like to indicate to the Members of the committee that I feel very, very confident in the ability of my staff and my director, who has been involved with dealing with the federal Government over many, many years, who probably knows the issues better than most of the federal bureaucrats do, and most certainly I rely very strongly on advice that I am getting from my staffpeople, specifically my director. We look at all the various options and the best way that we can do in terms of making our concerns known and will continue to do it along those lines.

**Mr. Plozman:** Mr. Chairman, I wanted to ask the Minister, although he has not got the results overall with regard to VIA, he is taking some credit for saving the Churchill line, which I just do not know how he can do that when they went on one—

**Mr. Albert Driedger:** How can you say that? I never said that.

**Mr. Plozman:** Well, the Minister said the other day that perhaps it was due to his assertions that the northern line should remain, that in fact it seems like it might remain, but he cannot give any specific assurances to the Liberal Critic because he says there has been nothing in writing. It is probably doomed down the way, too. Even if it does not go the first step it may go the second step. I know that we all have to be very concerned about that.

The fact is that he did write a letter to the federal Minister regarding bookings that were being closed off as of the end of December '89 in that letter that was written September 8. That means that tourism operators are in an awful position because they just cannot book anything beyond that for next season. Today there was a report that it is the end of October. I was wondering whether the Minister could advise whether in fact that moratorium on bookings is in effect as of now and that there are no bookings being taken as of the end of this month.

\* (1540)

**Mr. Albert Driedger:** Mr. Chairman, I do not have it specifically, but as far as we know the moratorium is already in effect.

**Mr. Plozman:** So, Mr. Chairman, that adds to the gravity of this situation and the tremendous crisis that we have here, because it does in fact affect the service and could, as a matter of fact, result in the de facto abandonment of the service to the north. No bookings can be made so how can there be a viable service there? Has the Minister expressed this concern further to the federal Minister so that this be clarified immediately and this intolerable situation does not continue to exist, which automatically dooms that line to being cut?

**Mr. Albert Driedger:** Mr. Chairman, it is for that reason that I wrote and my officials are in touch with the hydro officials as well. In fact we are fighting on a day-to-day basis to protect the rail line, so I resent the fact that the Member is trying to leave the impression that we have thrown up our hands and we are saying it is a fait accompli. I have indicated our greatest fears. I have been very forthright with that indicating I have apprehensions about the magnitude of the layoffs but most certainly we have not given up. We are doing the best we can, based on what is within our power to be done. We are doing that and attacking the problem in what we call the best strategy that we can devise and are expanding on that.

We believe that we are doing the things that we will maybe get some recognition or some favourable response. To date we have not had that. I am very forthright when I indicate that. I have said that from Day One and so did the Premier today in the House when he indicated that the case has been made but we are not happy with what is happening. I am certainly not going to defend the federal Government or the federal Minister in terms of what he is doing. We are trying to influence him like all the other provinces are doing. Everybody has major concern if we accept the fact that the rumours are going to be the actual decision that comes down. Every province is affected dramatically and they are all going through the same thing trying to raise the case that there should be reconsideration given.

**Mr. Plozman:** Mr. Chairman, I realize and I accept that the Minister is—not in a derogatory way—in over his head on this one, and his staff is too. This is colossal, this is devastating. I mean it is not their fault. They have limited resources and I have never cast aspersions on the staff. They are excellent and they do a tremendous job with the hours that there are in a day and the number of people they have to work with. There is no denying that. The Minister has basically said here today that he is putting together his case but they are not listening and he just does not know that he can get any results. That is the way I sum it up.

I then make the case one more time to the Minister that he has to get help, and he has to get help through his Premier, through his colleagues, like the Member for Pembina who is saying balderdash and making comments such as that off the record while we are talking about this serious issue, his Cabinet, to put forward a plan that will include all Manitobans to the extent possible, to put pressure, and then say to his colleagues in other provinces, do the same. Please do

the same so that we can put tremendous grass roots, a ground swell of opposition together, and that is what I am asking the Minister. He needs help, it is obvious.

**Mr. Mandrake:** Mr. Chairman, the questions that the Member for Dauphin had posed on the table, I would like to at this time raise a point he brought to the forum whereby the previous administration, that being the Liberal administration, had faltered.

Well, let me say this, Mr. Chairman. In 1987 when the Member was a Member of the Party in power, the maintenance depot was brought to their attention because it was not going to be built. Again, this year I think—or was it last year?—I brought again the maintenance depot to the attention of this Minister. So let us not say that this is just an overnight thing. This happened years and years ago.

The Member for Dauphin (Mr. Plohman) says, yes. He was in power from 1984 to 1988 provincially. What kind of lobbying efforts did he do? So now let us not go jumping on somebody's back—

**An Honourable Member:** What about Trudeau?

**Mr. Plohman:** Well, now he is still talking about Trudeau. This is all well and good. This is all well and good, Mr. Chairman, but let us not go—

**Mr. Chairman:** Order, please.

**Mr. Mandrake:** Let us not go and throw aspersions on the Minister because of his inability to lobby. We obviously have a Government in power that is a majority Government. This is obvious, and they are going to tell us what they want, how they are going to do it, and there is nothing we can do about it. I think again, Mr. Chairman, no matter how hard we try to lobby in this forum here to get it through to this Minister how concerned we are, I am sure he is too.

The fact is, again, what the Member for Dauphin said, and I am going to repeat it, is that now the time has come maybe for the Premier of this province to show initiative and go with the other Premiers of Canada to this Prime Minister—I called him gentleman before, I am debating that—but this Prime Minister is just not willing to listen. Look at what happened at CFB closure. He told the Premier of this province, go see the Minister of National Defence. I mean, how ridiculous and how ludicrous can this be?

This Premier is not in control. Something is wrong. Something has gone amiss. Well, maybe with the assurance of the other Premiers in Canada he could show some leadership and put his best foot forward, go to Ottawa—no more communiques—go to Ottawa and see what you can do for VIA Rail. Maybe it is too late, I do not know. I hope not.

With that, Mr. Chairman, I have no more questions on VIA Rail.

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

**Mr. Mandrake:** I have another question, not on VIA Rail, Mr. Chairman, but on a different point.

We are going to go back to last year when I asked the Minister about the Swan River airport. Now I am going back to the beginning of this year to do the same thing.

Just very recently, Mr. Chairman, the Highways Department had asked for a change in the law regarding the Swan River airport and something to do with no construction of high buildings or garbage dumps within a certain perimeter of the airport. Has this been secured? It is a variance, Mr. Chairman.

**Mr. Albert Driedger:** Mr. Chairman, we are well aware of the problems that the Swan River airport was experiencing. I believe an application was made. I think it is under federal jurisdiction in terms of the zoning aspect of it. As far as we know, we believe it has been resolved because I just know that we had requests that were made from the communities around Swan River, including Swan River, regarding the legal costs that they had run up during the period of time that they had this conflict with an individual out there and the various court cases that were involved.

\* (1550)

I would want to indicate that we increased the grant to the community to help cover some of the costs for this so that the airport at Swan River, which is a vital link to them just like many communities in the North, could continue to operate. As far as my understanding is, Mr. Chairman, the situation has been resolved.

**Mr. Mandrake:** Well, the Minister makes mention of additional funding to the Swan River airport. That was not my question. My question was, I am not sure that I have the file right in front of me here, Transport Canada was asked for an airport zoning regulation, and this was sent to the people on April 3. This rezoning, did it take place, did they receive it, and what did that rezoning really entail?

**Mr. Albert Driedger:** Mr. Chairman, we do not have that specific information as to whether it has been rezoned or not rezoned. We will try and get that information, get an update exactly what has happened.

**Mr. Mandrake:** From all the information I have, it has been done. What it really does in that it restricts birds and garbage dumps within 400 metres of the airport. It has been done so that the Minister knows it, and also the same thing goes for the waste disposal area.

The reason why I am building this scenario, Mr. Chairman, and that is there are two lagoons right by that airport. Here we have asked restriction for the following, so that you do not have any birds because of the garbage dumps and a waste disposal area within 400 metres of the airport; and yet we have two lagoons which are not more than 150 feet, maybe 200 feet away from that airport. So it does not make any sense to me. What is going on? I mean, let us all just ask the Minister to answer that question before I go on to the next question.

**Mr. Albert Driedger:** Well, Mr. Chairman, this has not been brought to my attention about the lagoons. What

we discussed last time when we were in our Estimates was about the problem with erecting. Well, first of all there was a ditch involved I think that the Member raised, and also we had the concerns that the committee raised with myself about the individual who raised a tower at the end of the runway, or in a close proximity, which has basically led to that court case. These issues have been dealt with.

This one about the lagoons, it is the first time it has been brought to my attention. I do not know, is the Member indicating maybe he can give me more information whether these lagoons were just built in the last little while or when did this problem arise? I have had communication with the communities at various times, and this has not been an issue that they have raised with me.

**Mr. Mandrake:** Well, Mr. Chairman, this is going to be hilarious. I am sure the Minister by now must have a scrapbook about a mile long and a mile deep from all I . . .

**An Honourable Member:** Pictorial evidence.

**Mr. Mandrake:** And these pictures were taken at the same time as I was there, about the excavation of the airport, and these were there then. All I am asking, Mr. Chairman, is that in this letter we have asked for a 400 metre buffer zone, and yet we are allowing these two lagoons which are attracting wild birds to settle there, particularly in the spring and the fall. What will happen, we just might have a disaster.

**Mr. Albert Driedger:** Mr. Chairman, I wonder if the Member could indicate when these lagoons were established there?

**Mr. Mandrake:** I am sorry, Mr. Chairman, to the Minister, unfortunately I was not here when it was established, but from all of the information that I have before me, it is quite a few years, even prior to the extension of that runway.

**Mr. Albert Driedger:** Mr. Chairman, unfortunately this is not the area where—we will have to get that information. We will try and get specific information on this and see whether we have anything on the record at all and get back to the Member on this.

**Mr. Mandrake:** This is the last question on this particular airport, Mr. Chairman. Has the Swan River airport, or the provincial Government, whomever, secured all of the air rights surrounding that airport?

**Mr. Albert Driedger:** It is my understanding from staff, Mr. Chairman, that unless there is something that we are not aware of, the last court case that came forward should have cleared up the problems in terms of air space around that area.

**Mr. Mandrake:** From all the information that I have, the air space surrounding—Mr. Campbell has not ever received any communique from the Government or the Swan River airport with regard to any kind of a settlement as to the air space over his property.

**Mr. Albert Driedger:** Mr. Chairman, I cannot confirm or deny the correspondence that has taken place in that regard because it has not been drawn to our attention per se, but we have given the undertaking to the Member that I will try and get all the detailed information we have on that, especially as it pertains to our responsibility in this particular case.

**Mr. Mandrake:** Just one last question. I am sorry, Mr. Chairman. Could the Minister tell this committee what total amount of dollars has been expended, even from the previous administration until today, on the Swan River airport, and that means everything from building the new airstrip to all of the other work that they have done, expropriation of land for roads? We would like a total budget that has gone to the Swan River airport from Day One until today.

**Mr. Albert Driedger:** Mr. Chairman, we will have to gather that information because it is in another portion of my department. We will get that information and supply it to the Member.

\* (1600)

**Mr. Chairman:** Shall the item pass—the Member for Dauphin.

**Mr. Plohman:** Mr. Chairman, a few moments ago we had an opportunity to reference Churchill and it was done in the context of the discussion over VIA Rail and the cuts that are taking place there. There is very much of a relationship because of, in fact, the federal Government determines, that is their policy, that there will be no passenger service anywhere in Canada through VIA Rail, then there is no longer that argument to support the maintenance of the rail line to Churchill which makes it possible for other sectors of the federal Government to make the case for abandonment of the rail line and of the Port of Churchill, as was pointed out earlier.

In that context, the Minister will have to consider the impacts for Churchill as these reductions take place, particularly if the protection for the remote routes, the northern routes, is not worth the paper it is written on, which seems to be the case because of the booking moratorium for one, and for the other cuts that will take place as a result of the loss of other trains through interconnecting with the Churchill run. For example, the Canadian and the Continental that are going through Winnipeg, if we are down to 10 trains in Winnipeg from 40 leaving and arriving in Winnipeg per week, that is going to have an impact on the northern run as well.

So it is literally abandoning the service by neglect and by taking out all of the other support systems that will no doubt result in the loss of that service. I ask the Minister then whether he has considered this scenario insofar as the Churchill context and its impact on the future of the port and the rail line to Churchill, and has made representation on that particular point with the officials involved or with the federal Minister or the officials involved through his staff.

**Mr. Albert Driedger:** Dealing with the whole Churchill issue which has been for myself a very challenging and

frustrating experience, as I think it has possibly been with the Ministers previous to myself, if we want to look at the—I am doing an assessment of all the components of Churchill over a period of years, the same situation has developed to some degree and is developing right now, in that we have been moving in the wrong direction with Churchill for many, many years. I am not quite sure. I was trying to get the information as to how long ago it was when the population in Churchill was around 7,000 people. I believe we had it at 7,000. In the 1950s we had a population of around 7,000 people in Churchill.

Today we are looking at a population of anywhere from 800 to 1,000 people and it has been a ongoing slide that has taken place to the point where one service and one aspect of involvement, whether it was the American air force in there at a time when one of the biggest and best runways was built in the North, I believe, the activity that was taking place at that time, that whole Churchill area was thriving and humming. In fact, in my discussions with my director he indicated that sometimes you had to wait for hours before you could take off because of the congestion of the airport at that time.

Now we are here and in the last year and five months all of a sudden we have a situation that has—well it has not developed in the last, I was going to be facetious that it just developed—been there for a long time. I do not know how we could have stopped that kind of activity taking place, but it has been an ongoing thing, like one thing after another gradually in a deletion of activities up north to a point where we have virtually a skeleton of what was there before. This is the thing that I find very frustrating, starting with last year, when supposedly because of the drought situation, for a while it looked like no ships going through the port, you know, no grain moving through the Port of Churchill to ultimately with very strenuous lobbying. I believe that had a major factor in terms of at least getting two ships through there, indications that this year that there would not be maybe any grain moving and subsequently a program has been established.

However, you know, things are still not moving right for Churchill, because, for example, two years ago Saskatchewan and Alberta withdrew their funding from the Port of Churchill Development Board and I have lobbied extensively with the two provinces. I thought I had verbal commitments to that effect and subsequently received communication that they would not be participating financially. Subsequent to that, what we have done and we are moving ahead with, instead of having a port of—the province funded the continued operations of the Port of Churchill Development Board last year. What we are doing right now, we are going to change it and not call it the Port of Churchill Development Board, we will call it the Churchill Development Board, which would be more encompassing in terms of not just the port, and it is our intention to take and establish members on this advisory board from Manitoba who have keen interests for Churchill. So I am just saying this is just another step again where the other provinces which basically it is their grain that moves through there to a large extent are not participating.

We went through this scenario before about all the opponents of grain moving through the Port of Churchill. Everybody is well aware that the St. Lawrence Seaway component has a very strong lobby. They would like to see Churchill shut down. As indicated in my conversations, starting earlier in the year already when I went to see first of all the federal Minister, I have talked with him. I indicated then to Members of this House that I thought I had an understanding with the federal Minister that we, my staff and his staff, would start working together to looking at options on that. My understanding was, and possibly the error could have been mine, though I doubt it, that these discussions would take place during the course of the summer and then we would meet in the fall as Minister to Minister to see what options there are. This did not take place to date. We are just in the initial throws of trying to arrange meetings. We made reference to it when we met some of the federal Minister's people in Calgary, that these meetings should take place, and that ultimately we have to develop something on a more long-range basis, because what I feel is sort of like a knee-jerk reaction. Every year when we, this is the second year that I am exposed to it, or it has been a year and four months, five months, it seems that if we are going to continue on the course of action that we are on now that ultimately Churchill will be doomed, because we have to strategize it from a different point of view.

Mr. Chairman, I just want to lay some of this on the table here and we can have all the discussion we want on it, but I just want to sort of indicate what my concerns are. The Canadian Manitoba Churchill Agreement, the—what do you call it?—subagreements, have not been completed. We have the undertaking that the air terminal will be built somewhere along the line, but now they are trying to prioritize it through other apportionments, et cetera. I have grave concerns.

I will tell you something. In my discussion with Ron Lawless, the president of CN, he indicated that—and we had a very frank and blunt discussion about it—it would take many, many millions of dollars to take and upgrade that line, a line that is going to serve for the future. In my nightmares, Mr. Chairman, I visualize two things happening this year. One, that somewhere along the line, because the trestles are getting downgraded, they are not being maintained as we would like to see them, that one of these days a locomotive is going to go through one of them giving CN then the excuse to say, well, the line is shot, we cannot move grain on there. The other terrible apprehension that we have was during the course of the fires this summer that we had a situation on one of the bridges where we thought that all efforts were made to try and keep the bridge from burning up because that would have certainly put a kibosh on any grain movement for this year. Who knows for how long?

\* (1610)

I do not have a comfort level at all when I talk at this stage of the game with the federal Minister or CN or Ports Canada. Ports Canada had indicated to myself earlier that they had no intentions of opening their port. Fortunately we have that program on and they did open

the Port of Churchill but they are not keen. They are not keen because they feel they are losing money.

We have said all along that in order to have a viable operation we have to move anywhere from 500,000 to 600,000 tonnes or we have used the figure that we have lobbied for extensively at 3 percent of the total export market, then it would be viable. That commitment has not been able to be obtained in the past. We have not got it at this stage of the game, and we are sort of at the whim, in the terms of decision making of the federal Government together with CN, with Ports Canada, the two Crown corporations that are there plus the Wheat board, the role that they play in this thing.

I do not think it is adequate to continue going on the way we are right now. I am hoping that by the establishment of the Churchill Development Board together with—we have an interdepartmental committee that is looking at the various options between various departments. I would like to further continue that activity by hopefully maybe, Mr. Chairman—I might be talking prematurely but I would like to see somebody, a capable individual who could co-ordinate the Government aspects of it as well as the outside interests, to see whether we can synchronize somebody to pull this whole thing together.

I think we are on the verge in my view of major changes taking place regarding Churchill. I do not want to raise unnecessary fears, but I think we have to move soon in terms of developing a longer-term scenario in terms of what happens. Because if we leave the situation continue on the basis that it is now, even if we would move 500,000 tonnes this year or next year or something like that, that is still not the long-term answer. We will be going through this whole challenging aspect of it on a regular basis, because as I indicated before when I started off, when you look at the history of what has happened in Churchill, it has been a continuous slide down and it has not stopped yet.

I and my Government are committed, as committed as anybody has been in the past in terms of Government, to try to see whether we can save Churchill—if I could put it that way—to see whether we can get things turned around and moving forward.

I think it is a unique situation that we have an ocean port in the middle of Canada. I think that in spite of certain drawbacks that it has by not being a year-round port that I would like to see that we can develop a program in such a way that we can get maximum use for the area, for northern Manitoba, as well as for Manitobans generally in terms of having that as I think a very unique type of situation.

Mr. Chairman, I have rambled on a little bit here, but I just want to lay on the record some of the concerns that I have, and that we are trying to develop a scenario that we can deal with where we can get a positive response from the federal Government, from CN, from Ports Canada, from the Wheat Board, and that is hopefully in the consultation that will take place between my department and the federal Minister's department. Hopefully, we can look at some options, I do not know. I am very committed to seeing that we explore every

avenue of what we can do for Churchill, but I think we have to devise a long-term plan, an objective, so that we do not have to go through this agony each year of seeing, is there going to be grain, and how much?

Mr. Chairman, those are just sort of some of the general comments that I want to make.

Added to that we have the problem where the federal Government, on the assessment end of it, challenged the assessment of the port and some of the buildings out there, withheld some of their funding to the point where the local government district was in financial difficulty and our Government was prepared to intervene. It is a tough, tough, uphill battle and I think there are bright spots on the horizon, certainly in terms of the tourism aspect of it, the potential of a national park. I think we have to look at all avenues in terms of seeing whether we can come forward with a long-term viable plan.

**Mr. Chairman:** On a point of order, the Member for Assiniboia.

**Mr. Mandrake:** Mr. Chairman, just a little while ago I had asked the committee to postpone discussing Rural Transport Grants for Mobility Disadvantaged so we could go from VIA because there is a connection there. I have listened to the Minister go on in time, it sounded like almost eternity, going into Churchill. I thought you had made a ruling on this, Mr. Chairman, that we were going to go line by line, and it was agreed that it was going to go line by line.

So if we are going to go jump from VIA Rail into the Manitoba-Churchill Agreement, so be it, but I would hope that we would have the approval of the committee to perform this way because just prior to this you had agreed that we would not do that, but the Minister did go into that area.

**Mr. Chairman:** On the same point of order, the Member for Dauphin.

**Mr. Plohman:** Yes, the Member for Assiniboia (Mr. Mandrake) should remember that he asked for the discussion on Churchill in the context of postponing the next line, which was Rural Transportation Grants for the Mobility Disadvantaged, and he did not have to ask it in that context because the fact is that the initial policy and research covers all those areas, and he could have gone into that discussion.

Mr. Chairman, what I asked the Member to do was simply, could we finish one area of discussion before moving into the next, and the Member went ahead with that—the Chairman. So I do not think there is any need to change the procedures. We are now into discussion on Churchill and then when we finish all of the issues under Transportation we will move onto the others.

**Mr. Chairman:** Order, please. I would like to thank all Honourable Members for their comments, and what I indicated was that we must proceed in passing them line by line.

On the question of Salaries then, shall the item pass—the Member for Dauphin.

**Mr. Plohman:** Mr. Chairman, when we had started this discussion I had raised some questions with the Minister and he went into his dissertation about Churchill. So I would like to respond to some of the things he said and ask some questions of the Minister on this and then give the Member for Assiniboia (Mr. Mandrake) an opportunity to raise questions on Churchill as well.

(Mr. Edward Helwer, Acting Chairman, in the Chair)

I want to point out to the Minister it is ironic that he mentions the future of Churchill being perhaps in tourism, a national park, and so on, some bright spots on the horizon which perhaps are—but it is ironic that we may end up with the link, the land link, which is the rail link, being one of the avenues not available any longer because of the VIA decisions that are being made now just when we would have a chance to exploit those opportunities, the national park and tourism. So that is what is so ironic about the Minister mentioning that, and one of the things that obviously he is going to have to deal with in making a case to the federal Government for a long-term strategy with regard to Churchill. It is inconsistent for them to abandon VIA service while including Tourism and National Park Development in the North as part of the strategy for Churchill.

I know that the Minister has said the agreements were extended by one year, I believe, and that the final phases of them are now being implemented, and I believe they will be expired in March 31, 1990, I believe would be the expiry.

\* (1620)

Now the original expiry time was 1989. However, I believe they got a one-year extension. If they did not, could the Minister clarify if they did not, and then are we actually now operating with no agreement in place at the present time? Just that question of the Minister.

**Mr. Albert Driedger:** Mr. Acting Chairman, I have to indicate that the agreement has not been extended. However, there has been an agreement that would extend it for one year to allow the completion of the items that were approved prior in the agreement.

**Mr. Plohman:** Mr. Acting Chairman, that is what I meant by saying the agreement had been extended. In other words, the implementation of the original agreement had been extended to six years from five, for implementation purposes, is what I take it the Minister has said, or whatever, it is tantamount to that. It is the same as extending that agreement to six years for implementation from five. No new points in it, no new programs or projects in it, but the existing projects.

Then I understand from the Minister—he is shaking his head—that that is true. So what we have then, is bought an extra year. Otherwise there truly would be a vacuum. It is precisely what the Minister was talking about in terms of developing a long-term strategy instead of having to deal this year-by-year, that the federal and provincial Governments got together in 1982-83 and then signed the culmination in '84 of the agreement, which was to try to avoid this scatterbrain

approach, or this helter-skelter approach which resulted in each year the uncertainty arising. So for a few years there was no uncertainty as to whether the port would open.

Basically there was the agreement in place, \$93 million, \$58 million from the province, \$35 million from the federal Government for a new transmission line which gave some future to that community, a secure power supply. The Minister would agree that that is absolutely essential to the long-term future, dredging of the port, the berth there so that the ships could get in, at least the ones that want to use the port now will be able to do so, and even larger ones; new cars or else the rehabilitation of old cars so that CN could not say we have no cars left to service Churchill, and then some dust improvements there and some other major studies to see whether we could stabilize that line. Coming out of that was to be action that I thought would result in a subsequent agreement.

The Minister's colleagues have now indicated that—and other sources such as the Conservative Member of Parliament for Dauphin-Swan River—that all of those agreements are history, that they are not going to be renewing those ERDA agreements.

I have never heard from the Minister that he believes this is the federal position, that the ERDA agreements—they do not have to be called ERDA—but those agreements will not be renewed and that they do not intend to renew that agreement because we had five years of planning there in a block. Now the Minister is faced with the year-by-year type of thing which is just totally unacceptable. So then, is he pressing for another agreement of five years duration or 10 or whatever, with a number of expenditures both by provincial and federal Governments, to follow that agreement? Is that what he is saying in terms of a long-term plan, or how would he do it? What is he proposing to be the vehicle to do that?

**Mr. Albert Driedger:** Mr. Acting Chairman, it will be the intention of, as I indicated in my conversation with the federal Minister in June, I believe it was, when I met with them, when we had agreed that his staff and my staff would start working, getting together to develop a scenario with a variety of options, hopefully, that we could then sit down and see whether we could hammer out a deal. That is the way we have it in place right now in terms of my staff meeting with the federal Minister's staff in terms of developing various options.

The fact that this has not moved forward faster makes me—and I am very honest, I am not happy with that—nervous about this. I hope there is not a scenario developing out there in the federal Government's mind in terms of—how should I put this. I want to be relatively fair but, at the same time, I have major concern that they do not develop a scenario where, ultimately, they will say, well it is not viable, as they do with VIA Rail and say, well for that reason Ports Canada says it is not viable to run the port. C.N. says that they are losing money on the line. They are not happy with it, that we all of a sudden end up with a scenario where they say, well, we will shut the port down. I have grave concerns. I think we have to get on top of this thing now and we

are trying to do that. Once staff has met and developed sort of a program, then I certainly want to proceed because I want my colleagues to meet with the federal Government in terms of seeing whether we can come up with a long-term strategy for Churchill.

When the Member indicated, and I compliment him for that, I think there was a good agreement that was set up there, five-, six-year agreement, which was at a good stage, but it was really not a long-term thing. Five, six years does not the future for Churchill make, and that is what I would like to see develop somewhere along the line that once and for all there is some assurance in the people's minds that there is a future for Churchill.

For example, the supply for the Northwest Territories, there are many things that hinge on all of these things. As long as we have this uncertainty around all the time, I think it makes for poor decision-making for the people in the community, a lot of anxiety, and there is really not a positive position.

**The Acting Chairman (Mr. Helwer):** The Member for Dauphin, do you have another question?

**Mr. Plohan:** Thank you, Mr. Acting Chairman, yes, I do. The Minister mentions that five or six years is not a long term, but that bought five or six years, where the port would remain open while studies were being undertaken which would identify future opportunities, the Minister now has the benefit of those studies. They do not provide all the answers, but they do provide a lot of answers insofar as the opportunities in tourism and re-supplies. The Minister mentioned maximizing the use of the current season and extending the season which is important for this year. For example, there is no reason why they should not be able to book more ships through that right at the present time for end of October, and through middle to the end of November, with proper support services there.

I would like to ask the Minister whether he knows of any plans to do that this year, or whether in fact they have basically said, no, insofar as extending the season this year, which would add to the very small amount that has been shipped.

I would also want to ask the Minister to consider the fact that he is facing perhaps a greater crisis, certainly of the same magnitude as the VIA one right at the present time, and how hard he kicks and screams on the VIA one, will have an impact on how they think they can get away with doing away with Churchill here, and so they are all interconnected.

Doug Campbell was one of the senior people for CN here in Manitoba. He has constantly been lobbying against the Churchill line being operated by CN for years and he earned his stripes, I guess, for CN, partly on the back of Churchill by going out and making his speeches, constantly condemning the operation there without considering the other impacts, the regional development impacts, and the impacts of fairness and equity in this country, you know, the responsibilities of Crown corporations.

What he did, in fact, was run that down. He actually was part of the study, the Government of Manitoba

and the federal Government as well, on the stabilization of the line. The Minister now, I believe, is involved with the latter parts of that study. I would like him to clarify for the committee what the status of that study is.

He was always painting a picture of \$200 million or more. Now it seems Ron Lawless is using those figures. It is misleading because the rail line has all been upgraded with heavy steel, as the Minister knows.

\* (1630)

So we are only dealing here with stabilization which is the cryo-anchors, or whatever system comes out of this study, if it is feasible. They tried to undermine that study and say it is not going to be feasible. It looked very promising a few years ago, and the estimates were somewhere in the neighbourhood of \$50 million to provide cryo-anchors to stabilize those sinkholes. Then there was another \$50 million or so to provide additional material for construction of bridges, structures, and ballast and so on, for other parts of the line. They were talking \$100 million for the line.

I was wondering whether the Minister was—since he mentioned Ron Lawless talking about this tremendous cost, it could indicate whether there was anything more definitive in the dollars they are using and whether he has put forward the cost, in argument, the fact that the St. Lawrence Seaway was costing hundreds of millions, and lines through the Rockies and so on and that this is something that a country like Canada has to bear in mind and bear the costs for it, if they are going to have regional economic development.

I raised a number of issues with the Minister there, and I hope he can respond to some of those. Then I will turn it over to the Opposition Critic to also ask some questions.

**Mr. Albert Driedger:** Mr. Acting Chairman, I will try and address—I have been trying to make some notes—the Member when he goes on that way and raises various issues, I will try and address them. I try and keep a bit of running notes here so if I miss some of them he can repeat them again.

I would just like to indicate that at the present time the program itself—I will make reference to that first. We have seven ships and I think we had 240,000 tonnes or 250,000 tonnes. Our contact with the—I think the last two ships are coming in tomorrow.

In our contact with the players involved they continue to tell us that the program is still ongoing. It is not completed. We have seven ships confirmed, we have two more that are not necessarily confirmed. The Member well knows how the game goes. We are optimistic that we will have some more coming through there. To me that is saving grace and buying time for the interim. That is all it basically does for myself, at least the way I view it, but—(interjection)—yes, it is barley.

I would like to indicate, the Member makes reference to the study that was undertaken. We are under the impression that it will be released somewhere in October, November or so. The final report on that—we are looking forward to seeing exactly what that report will be indicating.

I would have to indicate that, together with my staff, and I have made reference before to Mr. Wallace and his knowledge and involvement with the Port of Churchill, our approach has not changed at all from the approach that was used by the previous administration in terms of trying to build our case for the federal Government. In spite of us maybe not agreeing on many things, critic versus Government, et cetera, I think in this particular case we have the same attitude, have the same concerns and are trying to move in the same direction in terms of trying to make things happen. That does not make it any easier than it was previously, possibly under the circumstances even a little bit more difficult. However, we are moving in that direction and hopefully I am very dedicated to see—than to see that we can get some kind of agreement with the Government still pressing for the same things that have been pressed for before. Three percent of the export market, regardless if you have a bad year, then naturally we could accept it if it was less. Then in a better year, if we could have that 3 percent commitment, then we could also have the benefits to the point where it would then be a money-making project.

I have some concerns about the figures that are being bandied about, whether the CN uses them, in terms of what it would cost to bring that line up to snuff. You know we would want to, in our discussion with them, find out exactly—after we have the report—what are they talking about in terms of the tremendous expenditure. Is it just a figure that is being used, exaggerated to build their case in terms of building their case to make it more difficult for Churchill? These are things—I think it is very important.

The Member well knows that what it costs to ship grain through Churchill. You have one group using one set of figures and another group using another set of figures, so everybody uses it to their own advantage. I think we have to be cognizant and careful so that when these figures come about that we can take and either refute or confirm whatever they bring forward and make sure that they are accurate and something that can be relied on.

**Mr. Plozman:** Just on the question that I raised, I made reference to Mr. Campbell talking about \$200 million, for example. There was a seminar in Churchill, he walked out of the room, went for an interview and used this figure of \$200 million on local television. It just infuriated me at the time because there is no way that anyone had ever raised those figures for the rail line, and yet he talked about the port requiring \$200 million—the port. So I asked the Minister whether they have continued to use those figures with him, Mr. Lawless, or whether they were just talking millions and they just kind of leave it in that nebulous term.

**Mr. Albert Driedger:** Mr. Acting Chairman, I would have to say that they are using sort of a very nebulous plan. I mean, that is one thing that I think we are looking at when we get down to the crunch where we have the report and we start doing some dealing with it. We would be able to substantiate the figures, that we do not have to use figures that are a figment of the imagination or pulled out from somewhere.

I will tell you something. We have a new Member here in the committee. That is refreshing.

CN is using the following cost figures. I just want to use this here: line stabilization, \$50.5 million; heat pipe maintenance, \$7.5 million; line restoration bridges, \$20.4 million; track structure, \$27.2 million; car fleet new 60-ton boxcars, \$150 million; prototype hoppers which would be \$170 million.—(interjection)— So, no, no, but I mean what I am doing is using the figures that they are laying out and we have to take and get into these things. These figures ignore the fact that stabilization was intended as an alternate to new type cars not an addition, you see. So we have to be very careful how we interpret the figures that they use even here, so that we do not add up a big price tag and then say, well, the price tag is too high, and I just use this as an example here.

**Mr. Plozman:** Mr. Acting Chairman, this is just to clarify. On that, the cars would be either required, the prototype cars, or the stabilization, not both. Is that what the Minister is saying, that they are actually double counting the costs and clearly the Minister would be pointing out to them that it is either one or the other, not both of those? Because it was stabilized. There are some engineers that were in making this discussion or providing us with answers and the preliminary studies that were done on stabilization indicated that they thought, even though CN would not admit it, that if they could stabilize this line enough so that actual normal hopper cars could be used and no special cars would be required. So there would be no cost, we could take that off. We write then that their figures would be about \$100 million without that, without the cars?

**Mr. Albert Driedger:** Mr. Acting Chairman, probably in excess of \$100 million, but again we have to sort this out to make sure that we do not do double counting here. For example, you have these figures that are used—I want to use them in the right perspective—that include \$47.6 million needed to restore the line because of neglected maintenance. Well, CN's neglect should be a separate issue. You should not tie them in, you see. So what I am saying is that we have to sort out these figures and get down and start crunching some actual figures and then try and establish whether we can get to some agreement with the federal Government.

As I indicated before—no disrespect for the Member for Assiniboia (Mr. Mandrake)—but the Member for Dauphin (Mr. Plozman) has had that fight, ongoing fight, for a long time. Nothing has changed other than the box seems to be getting a little tighter sometimes, but we hope that we can come up with something that is going to give us some comfort and give the people in Churchill some comfort.

**Mr. Mandrake:** The Minister has put a lot of information on the record. I have been trying to jot down various things that I would like to ask the Minister. When did the Minister receive assurance of grain shipments out of Churchill for this year, this last year, 1989?

**Mr. Albert Driedger:** Mr. Acting Chairman, I do not know, I will have to check. We got verbal indications

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in July or somewhere along the line. Initially the first indications at the beginning of the year were very negative using the aspect of the fact that we had a drought and there was not grain available. Subsequent to that a program was developed. I am just trying to figure out roughly when we became aware of it because our first indication, our first round of discussion as I indicated before, was with Ports Canada, with CN, with the Wheat Board. We went to see them. We raised the issue and then actually the first indication was at first they said, no, then the federal Minister responsible for the Wheat Board, as well as the federal Minister of Transportation, indicated that there could be a possible program coming forward.

**Mr. Mandrake:** When was this, Mr. Minister?

**Mr. Albert Driedger:** Mr. Acting Chairman, somewhere in July, I can try and be more specific. I will have to check to see exactly when we had some notification on that.

\* (1640)

**Mr. Mandrake:** Would the Minister then please table that letter that he received from the Minister of Transport, Mr. Bouchard, with regard to the shipment of grain through Churchill?

**Mr. Albert Driedger:** Mr. Acting Chairman, there was no written correspondence indicating that. It is the Wheat Board that basically makes the announcements when they have a sale, and they do not make us privy to information, other than we can dialogue with them and keep on lobbying them. When they have a program that they have completed, they make the announcement in terms of there will be so and so many tonnes going through there and so many ships coming, so we do not have written correspondence from the federal Minister saying that there is a program going.

**Mr. Mandrake:** Just a minute, please, Mr. Acting Chairman. I am sorry for the interruption, I am just going to make some coffee.

On a very important issue of this nature, Mr. Acting Chairman, I would have hoped that this Minister would have secured a letter. When I said Mr. Bouchard, that was a misstatement on my part. Obviously it has to go through the board first and then Mr. Bouchard. I think when we have an important issue such as the Port of Churchill and all we have is confirmation by verbatim that there will be grain shipped through Churchill, it is in my opinion a very shoddy way of operating a department. If I have a confirmation from a particular department saying the Member from Assiniboia will be assured that this and this is going to happen, the first thing I will say to them, put it in writing. The Minister says to me, well it was verbally, it was not in letter form. I am sorry, that is not acceptable to me. I would think that is not the way he operates his department. Am I wrong or am I right?

**Mr. Albert Driedger:** Mr. Acting Chairman, first of all the decision in terms of moving grain through the Port

of Churchill, you have federal players, you have two Crown corporations in there, three really, you have the Wheat Board who ultimately develops the program. They then instruct CN in terms of getting the cars ready to develop the shipping program. At the same time Ports Canada gets informed that they are supposed to start getting the thing in operation. That has to be done well in advance. Once it looked as if there was a possible program developing, Ports Canada was informed to take and start getting the port activities in motion, the same thing with CN. Once actually the program was announced, things moved relatively rapidly in terms of getting the grain down there.

The sources of information that we get is through CN. We do not get an official notice. I do not know, maybe the previous Minister received official notice. We certainly have not received official notice in terms of what is happening. We get it through the various sources, through the Wheat Board, through CN, through Ports Canada. This is how the information comes down because we are not the decision-making body. If that was the case, Mr. Acting Chairman, that would solve the problems. Then we would establish a 3 percent of the export market for shipment through the Port of Churchill. It would solve my problems. We would develop a program in terms of rail upgrading and maintenance on it and we would be in business.

Our role is, and I have indicated this many times, is one to lobby, which we did last year extensively. We continue as a group. We have continued to do that through my department who have gone through this scenario I do not know how many years, but it is an ongoing thing. Our role here again is one of trying to influence the federal Government and the players involved because you could have everybody wanting to do it and if the Wheat Board did not develop a shipping program through there you would still have nothing. You have players, you have Ports Canada, you have CN and you have the Wheat Board that are basically the main players in it. If it does not gel with all of them then you have no program.

**Mr. Mandrake:** We have gone through this before, Mr. Acting Chairman. I appreciate what the Minister said. He said this countless times to me and I would never dispute that. All I am asking is when the final decision was made that grain is going and all bases were covered and the decision was made that some grain was going to go through Churchill, when did he in actual fact receive notification, or did he ask for clarification via letter that grain was going to be shipped through Churchill.

**Mr. Albert Driedger:** Mr. Acting Chairman, I repeat again. The process has never been one where you officially get a letter saying that there is going to be so and so much grain movement through there. To this point I cannot tell the Member exactly how much grain is going to be going through there because the program is still an ongoing program. We have a commitment of seven ships that is confirmed. We have two more unconfirmed. We hope that the program keeps on developing. The Wheat Board is an independent body that sells the wheat on behalf of the farmers of Canada.

They go out and make deals and they do it on a very—how should I say?—not secretive basis, a very confidential basis, because when they are out negotiating with other countries, especially with the competitive world market you have where the Americans and Australians, everybody is into this thing, that it is done on a very confidential basis. They do not run around and tell us well, listen, we are close to a deal or something like that. They say we have an ongoing program and as they complete a stage of it then we become aware of it. So they do not write us and say, hey Manitoba, or Minister of Highways, we now have so and so much grain going through. We find that out as the program develops. That is not an unusual thing and has been done that way, I think, for years.

(Mr. Chairman in the Chair)

**Mr. Mandrake:** Mr. Chairman, I would never question the Minister's integrity but I would like to recite a letter that was written by the chief commissioner for the Canadian Wheat Board dated May 31, 1989, and this was to a Mr. Richford: thank you very much for yours of May 24. As usual, you have given the subject a very thorough analysis. I shared your letter with my colleagues as well as those in our marketing section. We expect to do some business through Churchill this year. There may not be as large a quantity as we would all like, but maybe more than some seem to expect, all of this, of course, depending on a number of factors.

Here is the chief commissioner writing to an individual saying at least something might be going through the Port of Churchill. That is exactly what my point was previously to my asking those questions. I am not asking for a definitive thing but some indication that there was something going to be happening in Churchill.

**Mr. Albert Driedger:** Mr. Chairman, that letter is vague enough to mean nothing. I have a copy of that letter. Well, that is vague. That is not a commitment if you are looking at developing some program. If that is what the Member was looking for, I would have gotten him a copy of that.

**Mr. Mandrake:** Mr. Chairman, at least it is some indication, okay. So I am not going to dwell on that anymore. If the Minister thinks that is vague, by my opinion at least it is some indication that something might be happening.

My question then, Mr. Chairman, to the same Minister is: now that we are between the rock and a hard place, could the Minister tell us how much grain could be, or how much grain is he lobbying for to go through Churchill for the next season?

\* (1650)

**Mr. Albert Driedger:** Mr. Chairman, I think we have been consistent over the years. The Government has been consistent in terms of trying to lobby for 3 percent of the export market. Three percent is very minute when you consider the total export activities, but 3 percent because we thought it would be unrealistic to

say well, give us 600,000 every year, because if you would have years where you had drought and you had a decrease in export, like the case has been, that is why I think there is an agreement to ask for 3 percent of the export market, which over a period of long year average would actually be more than 600,000, I think. That is why we have consistently lobbied for that 3 percent. However, I have not had a commitment on that.

**Mr. Mandrake:** The Minister makes mention of the Churchill board. Could the Minister tell me how many people are going to sit on this board, and what is the mandate going to be of this particular board?

**Mr. Albert Driedger:** Mr. Chairman, we are in the throes of establishing that right now because we have some legal problems in terms of terminating the Port of Churchill Development Board and setting it up with a broader criteria as the Churchill Development Board, which we feel would encompass more things than just the port itself.

The other thing is the composition of the committee itself. At one time there was under the Port of Churchill Development Board criteria and provisions to include representation from Saskatchewan and Alberta which, because they are not funding, we are removing that end of it. We are going to have people on there from Manitoba, specifically from Manitoba. So we are just in the legal throes of trying to get the legalities cleaned up in terms of terminating one and setting up the criteria for the other. Once I have that finalized, we will then be bringing forward names that we will be recommending of people to serve on that board, hoping that we have a good cross section of representation from the northern community, possibly the northwest community, as well as professional people, so that we can have an objective group working with this board.

**Mr. Mandrake:** I can appreciate that the Minister is looking at the legal aspect of it.

At the present time you do have, I think he is the chairman of the Churchill Board right now stationed here in Winnipeg. Am I right?

**Mr. Albert Driedger:** Mr. Chairman, I am not sure exactly what the Member is referring to, but we have a fellow by the name of Don Ferguski, who was acting executive director for the Port of Churchill Development Board. I suppose he still would be serving in that capacity until we officially terminate that board and have the new one in place. I have to indicate that Mr. Ferguski was port manager at the Port of Churchill for quite a number of years. He is very dedicated and has been a supporter of Churchill, and has a good understanding of all the implications of everything that happens in Churchill. He certainly has done a commendable job along with people like Mr. Jobin and a few others who have been long time friends of the Port of Churchill, who have been sort of carrying the ball after the difficulty with the other provinces withdrawing their funding. Hopefully this will clarify it instead of more precise terms of reference on a broader scale. When we can get all this done, I think we have capable people that we can put on.

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**Mr. Mandrake:** That answer leads to the next the question, then.

First of all, this new board that the Minister is going to be structuring, would he be entertaining the thought of retaining Mr. Ferguski because of his, I will call it, expertise in the field of the Port of Churchill for a period of time, or is Mr. Ferguski going to be asked to resign, and you will be placing a new board into place with your own particular people?

**Mr. Albert Driedger:** I requested Mr. Ferguski to serve in the capacity of acting executive director of the Port of Churchill Board, and I felt very comfortable and pleased with his activities and would see no reason why he would not be able to continue in that role somewhere on that board.

**Mr. Mandrake:** I would also like to offer a suggestion to the Honourable Minister. Would he consider probably placing somebody from the Hudson Bay Route Association—they play such a vital role for the Port of Churchill—on this board? Then you will have a far better continuity with the shippers end of it with Mr. Ferguski. It could be a board set up whereby it would really prove to be a benefit to Churchill.

**Mr. Albert Driedger:** I would want to indicate to you that by making this change itself, it would be vitally important to me that we take and have the best people on that board whether it is somebody from the Hudson Bay Route Association, as I indicated before, certainly people from the community of Churchill, from the Northwest Territories. I would want to, without being specific about who would be on there, look around and have hopefully the best group and energetic planning group that I could have on there. So if in our deliberations, when we are discussing who should be on there, it is felt that the representative from the Hudson Bay Route Association should be on there, I have no difficulty with that. I am just going to be looking to put together a team of people with dedication and capable in terms of getting the best benefits for the community of Churchill.

**Mr. Mandrake:** Mr. Chairman, as I said, the reason why I brought up the Hudson Bay Route Association is because I attended the meeting last April in Saskatchewan. They are extremely knowledgeable, they have such knowledge behind the Port of Churchill that I think that not to have somebody from that organization on this board would be a travesty.

The other question, Mr. Chairman, is that the Minister some time ago had produced 48 initiatives on Churchill. Now, could the Minister please tell me, and the critic for the third Party, how many of the 48 initiatives has he started on and which ones have been completed?

**An Honourable Member:** I think that was a wish list?

**Mr. Mandrake:** That is not even a wish list.

**Mr. Albert Driedger:** Mr. Chairman, I would have hoped that all 48 would have been initiated, however, that is not quite the case. Mr. Chairman, we have an

interdepartmental committee from the various Government departments that are addressing these things. I personally feel that, as I indicated before, I would like to see instead of the departments working individually on this, that we sort of amalgamate or synchronize the activities of these things so that we have a co-ordinated approach with many of these things so we do not operate, or each department, for example, part of it comes under the Department of Industry, Trade and Tourism. The rocket base, for example, or the tourism aspect comes under there; the discussions about a national park comes under the Department of Natural Resources; certain aspects come under my department. So we have this interdepartmental committee that is working on these things.

What I will try and do is get an updated list as to how many have been done—I might be short—but at what stage they are at. In fact, Mr. Chairman, I have to indicate that the interdepartmental committee was supposed to meet today, but the chairman of that committee, Mr. Wallace, is tied up in his Estimates today.

**Mr. Plohman:** You are holding things up, Ed.

\* (1701)

**Mr. Mandrake:** Mr. Chairman, the Member for Dauphin says I am holding things up, but if this means that is how we are going to operate in the Highways and Transportation, doing things at the last minute, now I see the reason why VIA Rail is going to be derailed. I see the reason why we are having problems with C.N., et cetera, et cetera.

**Mr. Albert Driedger:** Ah, huh, ah, huh.

**Mr. Mandrake:** No, no, no, the Honourable Minister is yawning, thinking this is, well, well, so what. Mr. Chairman, out of the 48 initiatives, 20 come under his department. Out of the 20, show me one that he has taken any kind of initiative on; 20, you have all kinds of space to take, choose anyone of these. What initiatives have you taken?

**Mr. Albert Driedger:** Mr. Chairman, I do not have my sheet here, but I have indicated before, I have just discussed it with my director here that we will take and go through that and give him an update as to what is happening with these projects, unless the Member wants to sit here while we go through item by item. I guess it is preferred, like you have done in the past, to bring him updated information on that. I have lots of time, Mr. Chairman. I am prepared to go through item by item and actually get a bit of feedback too from Members. Maybe that is what we should be doing this evening.

**An Honourable Member:** Now, now, Albert. Do not get nasty.

**Mr. Albert Driedger:** No, I am not getting nasty—

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

**Mr. Mandrake:** The Minister made a very important statement in answering my question. I think maybe this is what we should probably return to doing, having a tripartite with all three Parties involved. I know it has gone by the wayside, to the Member from Dauphin (Mr. Plohman), but the thing is that maybe if we start to learn to communicate in a small committee, I think it would be far more beneficial, because the Minister might know the initiatives he has taken, but he certainly has not called the committee to tell us. I would be the first one there, Mr. Chairman, absolutely. I would offer the Minister as much as I could help. Two more seconds? Question: could the Minister table the long-term strategy for Churchill?

**Mr. Albert Driedger:** Mr. Chairman, I think he got me. That is basically what we have been talking about here for the last hour, I believe, in terms of saying that we have to develop a long-term strategy, because we do not have that and that is precisely what this whole conversation is about.

**Mr. Chairman:** The hour is now 5 p.m. I am interrupting the proceedings for Private Members' Hour. The committee will return at 8 p.m. this evening.

### SUPPLY—AGRICULTURE

**The Acting Chairman (Mr. Parker Burrell):** Committee, come to order. We are now considering Agriculture Estimates III Continued, Policy and Economics Division—the Honourable Member for Fort Garry.

**Mr. Laurie Evans (Fort Garry):** Mr. Acting Chairperson, I would be quite prepared to pass 6.(a) and move on to 6.(b) which is the Economics Branch.

**The Acting Chairman (Mr. Burrell):** Item 6.(a)—pass.  
The Honourable Member for Fort Garry.

**Mr. Laurie Evans:** One of the major functions of the Economics Branch is to provide advice to the department on the Manitoba impact of federal and provincial policies. I would ask the Minister whether he has, through his department, done a study specific to Manitoba on the Free Trade Agreement and on the goods and services tax as it relates to agriculture.

**Hon. Glen Findlay (Minister of Agriculture):** Mr. Acting Chairman, the goods and services tax—we have been, in conjunction with the Department of Finance, having some internal discussions on potential impacts that might occur, but there is nothing that we can say or release publicly yet. In fact we just do not know enough information to be able to make definitive statements on some of the technically critical areas.

I think the Member well knows that my position on this tax is, as I mentioned the last day or the day before, that if farmers are not to be paying the tax, which is the basic intent, we have been told that they will not be paying it on their inputs and they will not be paying it on the product they are selling, that there is no way that it should be deducted by any process through the course of the year. If they are not to be paying it in

the final analysis, then they should not be deducted because that 9 percent will increase the cost of farmers doing business because they will be paying interest on it for a period of time. It will be an additional operating loan they will have to take out, and there will be the natural slippage that will occur because some farmers just will not get around to filing for the claim. They will forget about it, forget about certain bills, and it is just an unnecessary bit of paperwork the farmers will be forced to do. The slippage will cost the farmers money and it will require the engagement of and maintaining of a number of bureaucrats to administer it at the other end. So the simplest way is never collect it. That is the position I have taken with the federal Ministers of Agriculture and Finance, and I would hope that they would eventually do that if the tax ever comes into being in 1991.

**Mr. Laurie Evans:** Well, there are a few specific questions in the same vein that I would like to put to the Minister. The first of them is related to his communique with his federal counterpart regarding the cash advances on grain. Now I commend him on making that representation, but obviously his impact was minimal, because what they have done is they have now put in place legislation to permit the advances to be made, but they are not permitting the advances to be made on an interest-free basis. My question to the Minister is: is this not another case of the federal Government identifying something that is potentially countervailable and identified as a subsidy and taking it away in order to further harmonize the Canadian grain industry with that in the United States? It is a subsidy and their . . . .

\* (1500)

**Mr. Findlay:** . . . and the reason why they did it or not, my own feeling is the way they announced it in the budget. It was simply a cost-cutting measure of the Department of Finance who ordered the Department of Agriculture to institute. The complete reluctance to give in any fashion on it because of my request to go for a six-month interest free, or KAP's request to institute the program as it was, would indicate to me the Department of Finance says no, that program must stop because it is costing the Treasury of Canada \$27 million a year.

That would be my understanding of why they did it. I am highly disappointed that they would not back off a bit, at least for an intervening period of time, so that farmers could receive the value of that interest-free component because let us face it, thousands and thousands of farmers normally drew that interest free, money for a period of two, three, six, eight months, money that they did not have to pay interest on at the bank, which they are going to now have to pay interest on, at the tune of approximately 15 percent. It just increases our cost of doing business, and it does not handle the situation of an uneven quotas that do exist across the Prairies at different times of the year.

It is an extremely unfortunate situation that they will not back off from the complete institution of the entire removal. I guess to say we made the attempt, I am

disappointed that other provinces did not see fit to do the same thing.

**Mr. Laurie Evans:** Mr. Acting Chairperson, I would like the Minister to comment on the recent announcement that there is at least serious consideration being given to discontinuing the early announcement of initial grain prices. Does the Minister feel that the early announcement of grain prices does at least give the farmer some idea of what is occurring in the market and therefore have at least some minimal impact on his decisions as far as spring planting is concerned?

**Mr. Findlay:** Mr. Acting Chairman, I will have to tell the Member that technically, I do not disagree with the concept of a later announcement. I will tell you why, primarily, from a farmer's point of view.

Years ago, we used to use that as a very significant guidepost and conditions were relatively static and predictable because the wheat board was making sales months in advance of delivery. In more recent years, options will come to the wheat board and delivery in six weeks or two months, short-term requests and the so-called prices then are very volatile to move; and ability to predict in March or April as to what the price will be in August, September, October, is an imprecise science and has become more imprecise in the past. I feel as a farmer I do not need to know a price in April in order to make my decisions. I just want an indication of market potential of wheat, oats, barley, canola, flax or any crop that I am interested in.

So I think if the wheat board puts out a monthly market conditions' report, here is the status of the industry, here is stock in store, here is potential acres around the world, here is potential whatever with regard to what price might be six months down the road, I think that would be a good guide for the farmer to make his decision on. That comes out every month, starting I would say January or February, and go month by month. If a farmer really wants to follow the markets, he could follow that step by step wheat board analysis of what they see in the marketplace. If the wheat board wanted to draw in the private sector into that newsletter, it would probably increase the amount of information. But I think it is the information support, up-to-date information, that the wheat board should give to the farmer because the price itself is not the complete answer.

You want the price, plus you want to know what the delivery opportunity is because what really determines your cashflow is the delivery opportunity, especially if you do not have a cash free, or interest-free cash advance. So I think an announcement of price in July will be more accurate than the way we are doing it right now. You see, right now we really have an initial price in place that is below what the market is. It was put too low because they were scared of the problems of the past where they had it too high, so now they overacted by putting it too low. I guess on Friday they announced an increase in the initial price for barley, and I think it was soft white wheat, but clearly the wheat board initial price is underpriced relative to the world market and the prospects. I think a situation like this being proposed for the future might have allowed them

to give a higher initial price right now for this year if it was done in July rather than in March-April.

**Mr. Laurie Evans:** Mr. Acting Chairman, I do not disagree with the comments that the Minister has made but he has missed I think one important reason why the federal Government wants to discontinue it. The reason they want to discontinue it is if they announce an initial price which is too high and is not the same or is even more than what they realize from the sales, then obviously the federal Government has to make up the difference and that difference would obviously be identified as a subsidy to the farmer and once again an issue that could be countervailable.

I guess I am just putting it straight to the Minister, is he not convinced at this point that a lot of the actions that the federal Government are taking are simply a means of doing away with things that have been identified as subsidies by the Americans, and in other words trying to harmonize our operation with that of the Americans in order to fit in better with the free trade which is detrimental to the farmer in many cases as far as these two issues that we brought up this afternoon are concerned?

**Mr. Findlay:** I think another factor that the Members missed entirely and this is really one of the major elements of the Free Trade Agreement is that grain cannot move from the United States to Canada until the level of subsidy to the wheat farmer in the United States is down to the level of Canada. Just to refresh his memory of the kind of differences that exist, in the United States last year 107 a ton subsidy to the wheat farmer; in Canada including the billion dollar special grains program, the level of subsidy was \$48 a ton. We are way below the Americans, so I do not think we have any worry about what they are going to countervail on us because they are way above us in the subsidy game, have been for some time, and show no inclination of ever backing off. We have lots of room to play games in that respect.

**Mr. Laurie Evans:** I would like to move into a slightly different area and ask the Minister whether the department has taken a look at the implications of the recent GATT decision to not permit ice cream and yogurt to be included on the import control list, and what impact that is going to have on the long-term viability of the dairy industry in this province.

**Mr. Findlay:** Mr. Acting Chairman, the GATT panel has made that recommendation and brought it forward that we should not extend ice cream and yogurt. We should not add them to our import control list because they are not part of, I guess what they consider, identifiable commodities under Chapter II of GATT where supply and management is set up. That is a recommendation that is going to the entire GATT panel right now.

I understand there are still negotiations going on between Canada and the United States to maybe come to some level of agreement, but really I guess the Canadian position at this time is yes, we may well accept the recommendation of the GATT panel but do not intend to implement it at this time, at least not until

this entire round GATT negotiations is completed. I gather there is a precedent in the sugar industry between Australia and the United States where a GATT recommendation is accepted but not implemented, and that is really what Canada is at right now.

**Mr. Laurie Evans:** I think the Minister is well aware that in that particular article in GATT they make a clear distinction between processed and unprocessed. This would indicate to me that if they are going to be curtailing or restricting the inclusion of yogurt and ice cream, then they are obviously going to include such things as the mozzarella cheese that is a big component of prepared pizzas and all the rest of it. So this is going to have a very serious impact in that it is a way of circumventing the quotas of dairy products into Canada and could well be devastating to the dairy industry. Could the Minister indicate whether there has in fact been a study done by the department on the impact, specifically in Manitoba, of the countervail on pork and on hogs as to what is the monetary impact on Manitoba's hog industry?

\* (1510)

**Mr. Findlay:** Yes, we have done some work internally but there has been some more work done by the Canadian Pork Council and the Canadian Meat Council of recently trying to find a way to prevent the maximum impact on the value of live hogs and the ability of processors to export from this country. The Canadian Pork Council is running a recommendation by all its various pork boards across this country saying, let us set up a trust fund, and we will take a checkoff on every live hog that is sold to pay for that countervail when it is charged against whoever is exporting either the—particularly the processed product, because the processor is going to be very scared to process and sell into the American market if he believes he will have to pay some unknown countervail down the road, which he was not able to account for in the mechanism of setting price on his product.

The Canadian Pork Council has used criteria of roughly 30 percent of the production in Canada going—or I guess we should say Manitoba in this case—into the United States and figure that a checkoff of \$2 to \$3 cwt. will create a trust fund that will pay for the present countervail, and the projected countervail that may be charged against the pork industry by the United States in the coming months. That proposal is being considered and—\$2 to \$3 a pig, not cwt., so I was twice what I should be, \$2 to \$3 a pig. I think the requirement is that in order to institute that they have to have unanimous consent from all 10 provinces, from the pork boards. So I am not clear at this moment whether that has passed, or where it is at. It has just been the past few days that they have been attempting to get that recommendation out, discussed and accepted.

The Pork Council thinks that if they do that it will cost each producer \$2 to \$3 a pig and they will still market the live pigs, or the fresh chilled and frozen pork into the United States and pay the countervail. It would be cheaper to do that than to let the market

establish itself and maybe lose some sales down there, and the market adjusts to maybe three or four times that amount in terms of market suppression of the value of hogs. So it is the preventing the reduction in the value of hogs in the marketplace that they are trying to solve by having this trust fund or set aside accepted by all pork boards across the country.

I hope that is a resolution to that problem for the time being, and there is no question that we have a major problem on our hands in dealing with the attitude of trade by some people in the United States. It just boggles my mind that less than 3 percent of the American consumption that comes from Canada, either live or in processed pork, is in any way affecting their market price. It is just inconceivable and if that is the attitude that exists down there, we have a major problem on our hands and how we are going to resolve it is a challenge for everybody in the industry right now.

Whether that thinking extends over to other commodities is something we are going to have to be prepared to deal with on a commodity-by-commodity basis. The presence or absence of the Free Trade Agreement, that attitude was still down there and is still there now. I will say that the Free Trade Agreement at least gives us one more opportunity to address it in a dispute-settling mechanism where you use two plus two from each side and one independent. We would hope that will be a method of resolving it because decisions of that dispute-settling panel are final.

If we did not have the FTA we would not have that option open to us, that option does exist and it is obviously going to be challenged. It is being challenged right now and being put in place for dealing with the pork countervail question. My understanding is that two and two have been selected and the independent chairman I am not sure if he has been decided on yet at this point in time. It is not an issue that we can take lightly or whether we should I guess make political, because it is too serious a question for the pork industry, for the Durham industry, for the oats industry in this country because we are exporters and that is a major market that we want to maintain.

**Mr. Laurie Evans:** I am certainly not going to get into a lengthy discussion or argument regarding free trade because obviously the Minister and I differ in some of our views on free trade. But I think the thing that is critical here is that it would appear to me, and I hope the Minister would agree, that the Americans, while they may be adhering to the details of the Free Trade Agreement, are not adhering to what we thought was the spirit in terms of guaranteed access to that particular market.

I would ask whether his department has actually looked at, first of all, the factors that were taken into consideration by the Americans when they established the countervail, and has his department looked at the situation as it exists today on the 2nd of October, and what would they anticipate would be the countervail if the figures that are available today had been used in making the decision? Would it be relative to the 3.5 cents per pound that we are now looking at, would it be double, or the same?

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**Mr. Findlay:** The Member asks what calculations we have done to determine what the countervail will be in the future. Is that what he is really getting at? Yes, the calculation of the 3.6 cents a pound was done on the period up and including the third quarter of 1988, and that is where the impact of Quebec was so substantial because they were not in tripartite and they had the provincial programs in place, and they accounted for 54 percent of the countervail that was assessed against Canada. We, in Manitoba, are paying a countervail because of programs primarily in place in that province. The tripartite portion of the calculation, I believe, is 11 percent. But projecting from after the third quarter of 1988, for the next year, next period, it would look like the countervail calculation is going to come in around the 12 cents and maybe a touch higher, and those are the figures that the Pork Council is using in coming up with the \$2 to \$3 a hog.

\* (1520)

**Mr. Laurie Evans:** Did I understand the Minister correctly then that on the basis of the calculations to date the \$2 or \$3 per hog put into this fund by the members of the Pork Council would be adequate to pay for the retroactivity? Because my understanding is that this will be retroactive, but that fund would not provide a surplus that would then be usable for the upcoming months or years assuming that countervail continues. It is obvious if the producers are going to put \$2 or \$3 into this fund that, in terms of the money they put in their pocket, is just the same as having a lower price for pork to the same extent. There is not a big difference there as far as the money that the producer has to take home, if one assumes that the countervail is going to be continuous.

**Mr. Findlay:** I did say this in the past but the reason the Pork Council believes they should set the trust fund up is because the uncertainty in the market place because of the retroactivity they believe there will be a tremendous overreaction. They say the price in the marketplace may drop 10 or 12 or 15 a hog if they do not do something. They figure setting up this trust fund of \$2 or \$3 a hog will stabilize things and the retroactivity will be looked after because the fund will be there and they will pay whatever countervail is assessed. They think this is a responsible way to minimize the market impact by taking the uncertainty out of the retroactivity of that countervail that will be put against particularly the processing sector and it will be of substantial benefit to a place like Neepawa who right now are exporting in a very uncertain environment not knowing what they will be assessed in the future in a retroactive sense.

That is the thinking of the Pork Council. There are no assurances, as I said, that all 10 will go along with it, or that it will be accepted by everybody in the system as being a foolproof mechanism. The Pork Council have said to me that they will take total responsibility for countervail once this fund is set up. They are taking a lot of responsibility on their shoulder in order to predict what might happen down the road.

**Mr. Laurie Evans:** Well, Mr. Acting Chairperson, I appreciate the concept but I am not convinced that the theory is totally sensible.

The other concern I would like to ask the Minister to address is, obviously there is a tremendous difference in the percentage of the hogs that are produced in each province as to what percentage goes south for export. It would seem unlikely that those provinces who are producing only roughly enough to satisfy their own demand are going to be prepared to charge \$2 or \$3 per hog on all of those hogs. Is it not more likely that the Pork Council is going to be confronted with the concept that the only hogs that are going to be charged the \$2 or \$3 are those that are actually exported and then you would end up with a disproportionate charge to those provinces that are primarily exporters?

**Mr. Findlay:** There is no question that Manitoba, in terms of percentage of production, we have the highest level of export to the United States. I can comment on this because I read it publicly, so it is not any private information.

The Province of Ontario voted against participating in this. The directors voted against it, no the producers—anyway, there was a vote held and they voted against it. The executive of the Ontario Pork Council has said no, we will go along with it because it is in the long-term best interest of the pork industry that we participate in this. Ontario producers would vote against it because, exactly what you said, they do not export a lot so why should they get involved in this? Their executive has taken the very responsible position of saying no, it is in the long-term best interests of the pork industry that we participate in this and reduce the market impact. Sooner or later that market impact will affect the domestic price of pigs in Ontario.

That is where it is at. That is the knowledge that I have on it and all the information I have. I think within the next few days there will probably be some announcements of some magnitude as to participation or whether the concept will be accepted at all.

**Mr. Laurie Evans:** I appreciate the Minister's comments but I think he would agree with me that when you have the membership voting one way and the executive voting another way this tends to lead to a pretty serious situation in the long-term continuity of that particular province's—

**An Honourable Member:** . . . about 60-40.

**Mr. Laurie Evans:** Yes. Moving on, has the Minister had a significant number of calls regarding the decision that he made earlier not to include the hog producers in the feed grain supplement?

**Mr. Findlay:** My position in that was exactly what we just talked about. If we can get this issue resolved, I feel we could include them. We could look at including them because it would be money well spent, and it would not just go out of the province in countervail.- (interjection)- How many phone calls have I had? Not a one. I was home all weekend, not a one.

**An Honourable Member:** You were out on the combine.

**Mr. Findlay:** No, I was not. I am finished combining.

There have been calls to the department and to my executive assistant, but I expected to get a barrage of it on the weekend and I did not. We are certainly in the process of discussing this issue with the pork industry and I have said very clearly, I said we did not include them at this time. We wanted to get this other question sorted out, and once it is sorted out I think we will be prepared to act in a responsible fashion.

**Mr. Laurie Evans:** I ask the Minister then, from the questioning that I have asked, it does not seem that the topics I have identified as ones that I would think would be particularly important to the department have really been studied in detail. Perhaps with the—and I want to be fair, I think the exception obviously is the pork countervail.

Could the Minister indicate what other federal initiatives are being monitored and are being studied by the Economics Branch, with a view to providing him with good or solid recommendations as to the impact of those federal initiatives on Manitoba?

**Mr. Findlay:** Yes, we are involved in quite a number of studies, generally studies that involve other provinces relating with a lot of federal matters.

Certainly in an overall sense, the national policy review that the Department of Agriculture in Ottawa is involved in, we are deeply involved in that, and under that we certainly, as we have talked about it before, have a considerable amount of work going on in terms of looking at the methods of payment of the Crow benefit, looking at safety nets for farmers, looking at the overall question of farm finance, looking at sustainable agriculture.

Certainly, last but not least, one of the areas that is of major concern to me and that is interprovincial trade barriers which tend to hurt us quite a bit, particularly moving products, processed meat products, into Saskatchewan.

I was surprised at the National Ministers' Conference, 169 interprovincial trade barriers were identified and the former Dean of Guelph, Clay Switzer is heading up a national task force on trying to identify in finding ways and means of resolving them.

So we are involved on all those fronts. Basically, we are spread fairly thin in some of them because they are all major issues and method of payment is probably one of the more important ones, although the farm finance question may become a major issue here not too far down the road.

**Mr. Laurie Evans:** Mr. Acting Chairperson, rather than pursue the individual specific areas which I suppose one could continue on all day, could the Minister tell us of the 11 professional technical people that are in the Economics Branch, how many of them are doing what I might call, you may not but I would call, the more or less routine preparation of the numerous reports that come out and how many of them are, what might be termed, free to do the studies of the impact of the policies in other jurisdictions on Manitoba and is, as he said, that department spread so thin that they

really have not the flexibility of doing the type of studies that he may wish?

\* (1530)

**Mr. Findlay:** Yes, I guess we would identify about four and a half staff years as doing the routine reports, and maybe just in that context I would ask the Member if he has comments on whether all the reports that are put out are deemed to be doing the job that they are intended to do, or whether he has had comment that they are or are not doing that kind of job?

**Mr. Laurie Evans:** Well, in response I think generally speaking the reporting, as I am aware of it, serves a useful purpose. I thought it was a good initiative to note recently that there was a request being made for everyone to indicate whether or not they wanted to be retained on the mailing list. I assume from that there probably could be hopefully a reduction, but I suspect you might be opening yourself up to even an expansion of the number there. Thank you, Mr. Acting Chairperson.

**Mr. Bill Uruski (Interlake):** Mr. Acting Chairperson, I would like to ask the Minister, there was some discussion this afternoon on studies and work being done by the Economics Branch as to the impact of the April federal budget on the farm community, primarily questions of the fuel tax, questions of the initial payments. What does that mean to Manitoba farmers in terms of additional interest costs? We know that more than half a billion dollars across western Canada was advanced in the 1988-89 crop year. I think it was \$580 million of initial cash advances, not on the initial payments, cash advances that were made available to farmers. Was any work done there on the impact on farm costs because clearly, as everyone knows, the phenomena has not changed from the early '80s. Farmers are in a cost-price squeeze and the recent changes of increasing farmers' costs by lowering the availability of lower fuel prices for farmers by cutting the rebate down at the federal level and farm cash advances are just two major costs that farmers will face, and can the Minister tell me what the impact of those changes, how his department views those changes in the light of the federal budget?

As well, Mr. Acting Chairman, I may as well put all three issues on the table with respect to what we see occurring this year. It is unlikely that there will be any further payments out of the Western Grain Stabilization Fund. It is unlikely, I think those estimates are there and whether some work analysis is being done, because the staff know the formulas and whether there is funding there. The overall impact on farm incomes as a result of Governmental support will be fairly substantial. What does his department see as we move into 1990 in terms of farm incomes with these budgetary changes, the changes in income support? How does his department see farm incomes being impacted by these changes?

**Mr. Findlay:** Mr. Acting Chairman, certainly the various things that are happening give a reasonably complex picture and sometimes predictions are only that, but certainly the impact of fuel tax is going to be incorporated in the figures that I am going to give in

a minute. The interest-free cash advance, well, I know in the federal budget when it was brought down they said they would save \$27 million across the country, so probably \$4 million or \$5 million would be saving on behalf of Manitoba farmers, or saving at the expense of Manitoba farmers.

Clearly WGSA potential payouts projection of the department is that the likelihood of a payout in November of this year is just not good, and the probability of payout in the following year is also not particularly good, as good as projections are at this time.

I think you have to also keep in mind that probably we have one of the best possible projections right now of final payments from the 1988 crop which will be paid out to farmers in January of 1990. The department projection would be somewhere in the vicinity of \$25 a tonne, and that is clearly a guesstimation or projection on wheat. It is 60 cents or 75 cents a bushel, which would give a substantial boost to farm income at that time. I will say that it has become, over the 1980s and the early 1980s, one of the better income periods of the year with the final payments came in on board grains. The last two or three years it has not been very good. In fact only last year was there any significant final payment at all. Two years prior to that there had been virtually nothing. That is a bit of good news down the road for January of this year.

\* (1540)

Looking at the 1988 versus the projection for 1989, we look at realized net income. In '88 it was \$428 million. For 1989 as projected it would be \$280 million. It is a reduction in projected realized net income, but the total net income in 1988 was \$195 million and projected in 1989 to be \$470 million. The reason for the much higher projection in '89 for total net income is that farmers are expected to be building inventory because of a bigger crop, particularly in some parts of the province this year in terms of particularly board grains.

So inventory buildup will be occurring in '89, whereas in '88 there was significant inventory sell off. So if you look at realized net income you say, '89 is bad compared to '88. If you look at total net income '89 does not look anywhere near so bad, but it is all a matter of building up and selling of inventory.

**Mr. Uruski:** Mr. Acting Chairman, the Minister did not indicate to me—although he said it included in the total projections the fuel tax—what is the impact of the federal fuel tax changes on Manitoba farmers based on the fuel that is consumed, from the statistics that they have? Have we done any projections there, and what are the increased costs to Manitoba farmers?

**Mr. Findlay:** Yes, we will have to get that figure for you. We just do not have it right now. We cannot just calculate it off the top of our head, but the impact of that is not until next year when the amount of rebate is reduced. We will do a calculation based on projected total consumption of fuel as to what impact it will have on the province in total and maybe then divide it on a farm basis.

**Mr. Uruski:** Mr. Acting Chairman, the Minister provided me some interesting statistics as to realized net income and total net income for '88 and '89 and fairly substantial changes in the two years. The total net income takes into account the inventory on farm inventory, and as a result the inventory change boosts farm incomes. The realized net income in fact is the cash flow on the farm, is it not? That is what I understood it to be. So that really the impact of Government support in fact during these difficult times, during income instability, is clearly the period following the extensive payments out of WGSA which will no longer be there other than final payments. I am assuming that final payments have been calculated into the realized net income figure that he has provided, and if they have not then he will correct me.

Clearly the impact on the farm community will be and is viewed to be very substantial for '89 versus the previous years. Notwithstanding the inventory buildup, 1990 may show a considerable upturn. However, it will depend—and I am assuming that delivery opportunities will be there on the basis of total world stocks being down of major grains and that income will substantially change, but cash-flow wise that tells me that farmers are in a precarious cash flow position this year, and maybe the Minister may want to provide some commentary there.

**Mr. Findlay:** Yes, my first comment would be on the final payment, and no, it is not factored into the figures that I gave you because I gave you on calendar year and that will not be paid out until January of 1990. So it will show up in the 1990 calculations.

Clearly what we are talking about is whether we can draw real parallels with these figures in terms of what you are trying to say, that there is a very major cash flow problem out there. There is a possibility you can do that because these figures fluctuate considerably from year to year. You know, it has been down as low as 190, as high as 470. It has been all over the place, and there is no doubt that farmers in 1989 did not get a special grains program payment and are probably not going to have a WGSA payment, a significant reduction in Government payments into the farm community.

The lack of the interest-free cash advance is another problem. They are relying more and more on the production, either production or crop insurance, and production then. If you are going to have an income from production, then it comes down to what is the commodity price, the price of wheat, the price of barley, the initial payment on board grains or the market value of the non-board grains.

I would have to say that right now, the commodity prices are a little bit lower than many people thought they would be at this time. I figured the market fundamentals were such that commodity prices should be moving up. We have just gone through—this is the third year in a row where production world-wide is less than consumption. In the 1972-73 period, when we had sort of scares about food scarcity, the market shot up. Certainly the projection right now is that there may be a concern for ability to supply food worldwide.

There has not been the response in the marketplace, and many people are bewildered as to why that has not occurred. If the commodity prices were to recover, some of the the potential cash flow problems that the Member alludes to would be offset, but there is no question right now that all things considered, with what we see in front of us there could well be and may well be some cash flow tightness in rural Manitoba.

I guess I would have to say that if we can have a nine-bushel quota on wheat before Christmas this year the same as we did last year, it will go a long ways to helping that problem. We have no guarantee of that right now. In fact, I guess we will be looking for the second wheat quota just any day now. So farmers in general through the 1980s have learned to become very cash flow conscious and very cautious on the expense side, much more than they were in the 70s. Whether that sort of hard-knocks education that we have learnt over the past few years is going to be enough to help us through this next period of time when we have to gauge our expenditures relative to our income will be sufficient or not remains to be seen, but one can project a cash flow tightness in the next few months before the final payments come out and before a commodity price rise occurs.

\* (1550)

I guess we have been of the feeling that there is room for a commodity price increase, but it has not materialized yet. Right now, the initial price on wheat is about \$155 a ton, number one, and the export asking price is about \$225. So there is a spread there of \$70 a ton, and really, you know, the cost of doing business by the board is probably half of that, so I think there is room there for a significant increase on the initial price of wheat.

**Mr. Uruski:** Mr. Acting Chairman, I am not pleased that the Minister has confirmed my suspicions, but at least there is a clear understanding that the situation is tight. I recognize that the province, as one player in this whole picture, cannot in any way offset the farm income decline that is occurring as a result of what is occurring nationally.

The one area that I would like the Minister to comment on is his discussions regarding the interest-free cash advances. The budget was in April and at the end of April of '89 and not until two weeks ago—and maybe I am wrong let, the Minister correct me if I am wrong—that the Minister raised publicly the assertion that, look, something has got to be done on cash advances. In fact right now I am not sure that there is no cash advance program in place at all, and farmers who are strapped for cash are sitting there with no mechanism to get a cash advance to pay off some of the lines of credit that MACC may have guaranteed and other financial institutions. They are in a real bind. We have this Minister months, after the actual announcement, finally saying there is something wrong here, the cash advance is missing.

I want to ask this Minister, is this the extent of the communication and movement on behalf of Manitoba farmers in particular that he be speaking out for the

rest of western Canada, since I have not seen any major statements from his colleagues to the west that this program is one that certainly supports the underpinnings of the orderly marketing system? I say that, in this way, what you are finding now is that you have the cash advance program, or you had up until the spring of this year, now you do not have the cash advance program and the one that will come, farmers will be charged full interest.

What will occur, and here is what I see happening, and the rumblings are there already where farmers are not happy with the initial prices and they are saying hey, some of the signals in the market place are that we can get more out of the private market place. So they are now saying look, initial prices are not going up, we can get more out of the market place, why do we need the Canadian Wheat Board? -(interjection)- No, well, the Minister is saying I am projecting way too far.

Mr. Acting Chairman, I hope that I am totally out on this one. I hope that I am totally out on my thinking in this whole area, but I can tell you right now that if the initial price does not change over the next number of months to bring it more in line with what really the international market is saying, then there will be increased pressure to open up the doors so farmers can deal on the open market. Quite frankly, I hope I am wrong but I see those kinds of moves as being part and parcel of what has occurred over the last number of months.

I want to tell the Minister, we were in negotiations—Canada was in negotiations with the U.S. on the Free Trade Agreement. Even before we signed the Free Trade Agreement, we bargained away and gave up the two-price system for wheat. Western Canadian farmers basically lost approximately \$200 million annually in terms of the two-price system for wheat. That was given up.

Even though there were statements made by the Minister responsible for the Wheat Board that the federal Government will make up that cash shortfall, I do not think that there is anything that this Minister can tell me. That is what I would like to hear from the Minister, if that is what has occurred from the federal Government that it went into the pool, I would like to know that the federal Government is kicking in that kind of income to western farmers.

What I really have been saying has been confirmed by the Minister that we are kind of sitting quiet here and finding it very difficult to strike out because we may be saddled with even more costs than we have been blackmailed into on supporting federal off-loading.

I do not know where this Minister is really heading. I would believe that many farmers in Manitoba particularly, and those especially who voted Conservative are saying to myself, gee, what is going on here? We are getting hosed left, right, and centre by the federal Conservatives because even if you read some of the reports of the national Conservative convention and maybe some of you were there, many Conservative farmers got up during that convention and lambasted their federal representatives for basically selling out the farm sector.

I am sure that there are many Manitoba farmers who voted Conservative who are amongst those who are saying, my God, what is happening here? We are ending up paying additional costs, we are losing cash advances, we are paying more for our fuels. That has been taken away. Now we are looking at the general sales tax. What else are they going to do to us with 12 percent interest rates coming out of the federal Government, reductions and foreclosures being moved in by FCC? We have a Minister, some four months after they announced the end of the program finally writing a letter and urging Ottawa to get on with putting the cash advance payments back on the road. What is going on here? Is there anyone speaking out for Manitoba farmers within this Government?

**Mr. Findlay:** The Member rambled on to about six different issues. I may have to go back and correct some of the statements here that he made.

Let us start first with two priced wheat. The Member's memory is awfully short of what happened with two priced wheat. It was set up as a mechanism to have an income for western farmers for domestically consumed wheat. It was not long until the farmers in Ontario figured that one out, and they found that they could buy seed wheat particularly in western Canada, take it down east, grow the wheat, and sell it directly to the mills at the domestic price of roughly \$7 a bushel or \$2 to \$3 more of what we are getting in western Canada. So Ontario took the lion's share of advantage out of that program.

To the best of my knowledge that money that was calculated at roughly \$200 million in the '88-89 crop year has gone into the Wheat Pool, into the Canadian Wheat Board Wheat Pool. That was my last information as to where it was to go and whether it was in last crop year or this crop year, I just do not know for sure. We will find that out. That is where it was to go, and it is my understanding that it went there. I want to be sure that it did.

\* (1600)

With regard to initial prices, I am sorry, interest-free cash advances, I can tell the Member, I can ask the Member, has he heard any other Minister in western Canada stand up and make a statement to the federal Government about whether it was right or wrong? There was only one and it was in Manitoba. Manitoba was the first one to speak up and the only one. I spoke to the federal Minister at Prince Albert at the end of July, beginning of August, and told him of my dissatisfaction with the intent that they seem to be following through on, and that was to remove the interest-free component. I said at that time that I could understand a need to bring grain into the market place, but for the first part of the year, we needed to have the interest-free component of the cash advance system.

So that is why I wrote the letter, having not had any further communication back from him, I wrote the letter reasserting my position that I had given to him verbally because it was time that there was some information coming back to us on where we stood on the issue. I thought that I should put my point to him again, hoping

that he would listen to it and respond at least with a six month interest-free period.

To the best of my knowledge, the only other organization that I have seen that have spoken up in that respect has been KAP. Nobody else has made any formal presentation or statement on it. The Manitoba Government, with me as Minister, and KAP were the only two to speak up. The two provinces to the west of us have gone quiet, and that I am disappointed in.

So I do not think that we need to take criticism for having not acted. We did verbally and have in terms of a written letter most recently. I still hope that there is some room for negotiating that for subsequent periods of time.

I guess the Member also commented on the low initial prices. This may cause farmers to look at, well do we really need the Canadian Wheat Board? I think I have already put on the record my feeling about where the initial price is at relative to the export asking price. If the export asking price is anywhere near representative of what the Wheat Board is selling at right now, there is room there for a \$35 a ton increase, or roughly 80 cents a bushel, right now. I should say, \$30 a tonne or 80 cents a bushel right now.

I guess I am disappointed that last Friday, in the announced increase in barley and soft white wheat, that wheat was not included. So I do not think that is going to drive farmers away from the Canadian Wheat Board. It has been an institution that has been around for a long time. Over the past six or seven years, I can say that many times the farmers have sold barley, particularly barley, or wheat to the Wheat Board at less than what they could get in a non-board market. Sometimes that is made up and exceeded by the final payment that comes out in the subsequent January, but not always.

Certainly in barley there is the real non-board avenue for feed barley, but for No. 1 and No. 2 and No. 3 red wheat, there is really only one place to sell it if you want true value for your wheat, and that is through the Canadian Wheat Board which exports that wheat.

Really, these are a number of issues we are talking about that affect the farm community that we see and are quite visible, but to me the real No. 1 problem for agriculture in Western Canada, particularly the grain and meat sector that is exporting, is the value of the Canadian dollar. That is our No. 1 problem. It is too high for export. At 85 cents it is way too high for us. When we were down at 72 cents to 75 cents we - (interjection)- yes, but that is where our real problem is. If we were down to that level again we would be in a much better position than that income was, much better position. Of course, the associated high interest rates are another cost problem that is right through our industry that is very negative to us right now.

So to me those are two major issues that also have to be addressed in light of all the other areas that have been touched on this afternoon.

**Mr. Uruski:** Mr. Acting Chairman, I am pleased that the Minister is finally acknowledging that in the question

of trade, it is not the Free Trade Agreement that in fact will move product which has historically been moving. It has been the exchange rates that really effectively dictated whether product and commodities have moved southward to the U.S. primarily. It has not been a matter of whether the Free Trade Agreement is in place in terms of those commodities that have been relatively moving free. I am talking about beef. The difficulties of hogs, of course, are another matter.

I want to tell the Minister that while I accept his assertion that farmers will not abandon the Canadian Wheat Board, in the main that is correct, but what I see happening, especially with the cash advance program, and the holding the line at this present time on the initial prices, I see—and it is occurring—an opener for the critics. There are critics, historic critics of orderly marketing, farm organizations, such as the Western Canadian Wheat Growers, who have been opposed to the monopoly powers of the Canadian Wheat Board, many of whose members are now starting to agitate and say, hey, we probably could do better, the marketplace should be bringing out better signals. We need the cash flow because there are no cash advances. We are going to have to pay our loans off. We have borrowed money because we cannot get cash advances, so that kind of discontent is starting to rumble in the countryside. I, for one, am not comfortable with that, and I do not know whether the Minister is catching that sentiment at all, but clearly I believe that is out there.

I want to ask the Minister with respect to his recent announcement dealing with what I would call the feed subsidy or the Crow offset, as Alberta has called it, I am under the impression and I believe I am correct, Alberta and Saskatchewan's support of Saskatchewan at \$13 a tonne of grain feed, and Alberta is at \$10 now, that support does go to the pork industry, does it not? It includes cattle and hogs in those two provinces.

**Mr. Findlay:** Well, I have to comment on the Member's preamble before I get to his question. With regard to Canadian Wheat Board, western Canadian wheat growers, he says, are against the Canadian Wheat Board. I would have to say that one of the initial reasons for their forming was a discontent with the performance of the Wheat Board back in the '69 to '70 period, when the board chose to sit on grain rather than sell it at what was world price at that time, and it caused a four-bushel quota which farmers just could not live on. I do not care if it was '69, or '49, or '89 you cannot live on a four-bushel quota. That is what caused their formation, and they were vocal critics of the Canadian Wheat Board.

Through the early '70s there was a reasonable level of discontent with the board and some of the ways they operated. I would say that it was a healthy debate because it caused the board to improve its practices considerably. Such that in more recent years, say in the '80s, I think there has been a much higher level of acceptance of the activities of the board. Clearly in the 1986-87 period when the price of grain was quite low, it might have been time to think, well, let us hold our grain back again and not sell it, let farmers wait two or three years for their income. They chose not to do it because of the criticism of the '70s.

So the board has been responsive, and I think that it is fair to say that the present directors of Western Canada Wheat Growers are supporters of the Canadian Wheat Board, albeit critics, but supporters. I think that is a fair comment of any element of supply management. You cannot be totally right all the time without having somebody draw your attention to areas where you are either not doing your job completely or you need to do a better job.

The Member's question was to do with Saskatchewan and Alberta, whether they pay the Crow offset payment to pork producers, and the answer is, yes, they do.

\* (1610)

**Mr. Uruski:** Well, Mr. Acting Chairman, in light of that, and I thought that was the case in those two provinces. I am just not understanding the Minister's assertion over the last week or so since his announcement that he does not want to exacerbate the whole discussion dealing with the countervail that is being proposed. The hearings that are going on, and the impact on the hog industry when in fact two other major actors and exporters as well, Alberta may not be quite as far but very close if not as much as Manitoba.

The Minister of Agriculture (Mr. Findlay) says, we are No. 1. We probably are, but there is no doubt in my mind that in terms of percentage of production export, Alberta is not far behind us other than of course they have the greater market of British Columbia that they would ship into in terms of much of their processed product.

I am not understanding, at this point in time, why the Minister would hold back in not providing support to the hog industry in the province when he knows full well that the other provinces have announced and have been providing, in the case of Alberta for the last number of years, the Crow offset. I think the Alberta one was at four years and the initial one was what, is it \$16 a tonne or \$21 a tonne, and then it moved back. Now it has moved even further down to \$10 a tonne and, that being the case, I would like to hear the Minister's rationale as to why we are saying no to our hog producers at this time.

**Mr. Findlay:** I am glad the Member, at the very end of his comments, added at this time because that is exactly where we are at. We are analyzing the impact of putting the subsidy in place in terms of both the cattle and the hog section.

For the cattle sector, he well knows that over the last three years the amount of animals fed in this province has been declining substantially from roughly well over 200,000 down to 100,000.

The slaughter industry in this province has declined substantially at the same time, whereas in the hog industry our production has continually risen, particularly over the last three years up 1.5, 1.6, 1.7 million a year and the slaughter industry is handling all those hogs so there is a certain element of health in the hog industry and not in the cattle industry.

Plus, the other factor is that in terms of major decision-making the cattle industry needed to know

right now whether that was going to be in place this year or not because guys that are in the feedlot business, farmers, there are roughly a thousand of them out there who buy or may buy calves and feed them through, are making their decision right now and a month from now it will be too late to make the announcement for them. Between the industry position and the urgency, it was time to make the announcement for cattle right now.

With regard to the hogs, I do not want to be seen to be an advocate of subsidies nor does the hog industry, and the hog board has made the comment that they do not care to see subsidies in place. They have seen the down side of being perceived to have had too many subsidies.

As I said to the Member for Fort Garry (Mr. Laurie Evans), I asked him when we can resolve this method of setting up the trust fund for handling the countervail. If you can get that resolved, then we will be in a better position to look at whether what we will do will actually help your industry, or just be part of a further calculation for countervail that may hurt your industry more than we can help you.

In the context of trying to be fair and up front and get the urgent question answered for the cattle industry, we have made the announcement for them and that the hog industry—if they can get that whole issue resolved and they may do so in the next few days—we will be in a much better position to analyze their situation and respond positively.

We are trying to be responsible and trying to hold back subsidies and the potential countervail that they may draw and still keep the industry on level playing field with the other provinces. Also bear in mind that in Saskatchewan, when they brought in their I3-a-ton program effective October 1, they were terminating tax credit programs both for animals fed and for facilities. They were terminating those and switching them into this program which they felt in dollar figures would be about 75 percent of total dollars that they put in the industry, 75 percent of what they had been putting in under other programs. The situation is, we are analyzing it in conjunction with the hog industry and at this time we have chosen to announce the cattle one and the hog one is still in a state of discussion.

**Mr. Uruski:** Mr. Acting Chairman, there is nothing that the Minister has said in his remarks that has led me to believe that he should in fact have left the hog industry out at all, other than the time frame in terms of giving them a time frame to sort out the question of the fund to deal with countervail.

I am not certain that it will make any difference to the hog industry, and his assertion that the hog industries production has been climbing, which is true, but we should not look at the hog industry and say that because your production is climbing that you are doing quite well.

It is also true that they have received substantial returns or income from tripartite. That is essentially what tripartite was all about. When market prices collapse, and in this case they have collapsed, the fund

has to pay and so it is working as it should work, but the impression that the Minister left the other day in our debate, in our discussion when I raised these questions with him was that look, they really do not need the support, they have been getting good governmental support out of tripartite, and at the present time they really do not need it.

Let us not penalize one sector within our own economy and say to them well, you will hang on for a little while, once you sort your problems out we will see if we need to help you. Here is the other side of the coin. I believe his program on feed subsidy to the cattle industry is about 1.2 million, something like that over the year?

**An Honourable Member:** 1.7 million.

**Mr. Uruski:** 1.7 million? Mr. Acting Chairman, really what has occurred, had he set up the Manitoba stabilization plan for the feedlot industry the year that they took over, a year ago, the expenditures over these two years probably would not have been far different because the funding was put in place for '88. Now that Saskatchewan moved to change their formula and their method of support to their industry, we were really caught, so we had to do something. We sat in the bush because one of the major issues in the '88 election was that somehow we let, the NDP let the finishing industry diminish and we ruined it and we were going to solve the problem. The money was put into place in the '88 budget, the budget that was defeated, for a stabilization plan, so we could have had a year's finishing back on the books. Last fall's calves could have been supported. We did not have anything, we did not have a thing in place.

Now the moment that Saskatchewan made their announcement, we have to do something, and he is right, but let us not then go out and say well, you guys ruined the industry and we are going to be the salvation but we sit on our laurels for basically a year and a half. That essentially is what has happened, Mr. Acting Chairman.

So the Minister cannot come here to this House and tell us that we are doing great things when in fact the plans were there at the time and the sincerity or the desire really was not, because his Minister of Finance (Mr. Manness) said to his colleagues we are going to hold back, so let us sit tight because we can still use the first envelope and blame the former administration for the woes of the industry. That is essentially what they did.

\* (1620)

Mr. Acting Chairman, I do not want this Minister to say well, not at this time. I want the Minister to tell me when will there be support for the hog industry and, because of their increased production and successes of maintaining a stable production base in the Province of Manitoba, they should not be penalized. I want to know of the Minister, when will be the right time for an announcement of support?

**Mr. Findlay:** Mr. Acting Chairman, I find the Member's comments most interesting because as I sat her listening

to him comment now, I reflected back very nicely to Estimates a year ago when he said, when I commented on a level playing field was my objective in the beef industry, you cannot do it, it cannot be done, you will never make it, but he did say as he sat down if you ever achieve it I will congratulate it, and I am still waiting for that congratulations, because we obtained a level playing field in the beef industry.

We have tripartite in all three provinces and a beef development, a Crow offset program in all three provinces, so our purchases of feedlot cattle this fall are for the first time in this decade on a level playing field with their counterparts in Saskatchewan and Alberta, and if he says I have not done enough in a year and a half, in six and a half years when he was in Government they never achieved that level playing field. In fact they got further and further away from it because in the Manitoba beef plan, which is good for the cow calf producer, totally ignored the feedlot sector, left them hung out there to dry and says go get it yourselves, guys, and I hope you die in the process, and they were doing that.

We came around with the concept that there was no sense of getting into a subsidy war between provinces because that would be counterproductive to our producers. Let us go for a level playing field. We have achieved it through a process that he knows very well is not very easy to do with the attitudes of the various provinces in trying to attract the meat industry.

We are in the same process with the hog industry trying to deal with the criticism that could easily come if we had put in a livestock development program for the hog industry a week ago which would have worked out to \$3 a hog, and then a week later the Canadian Pork Council were going to have a checkoff of \$3 a hog. It would look like we were just putting the money straight into the checkoff. I want to look more responsible than that when the appropriate times comes to make the announcement of that nature.

**Mr. Uruski:** Mr. Acting Chairman, I appreciate the Minister's comments. I am not sure that the end result will be any different or will be viewed any different vis-a-vis the hog industry. I am not sure.- (interjection)- The Minister says that this week versus last week makes a big difference. I am not certain that it will make any big difference in the final outcome. What the hog industry needs to know is that there is a Government that is prepared to support them and not leave them hanging.

Whether the assurances the Minister has given us will satisfy the industry that there is something there remains to be seen, but the Minister cannot tell me that he has achieved a level playing field. This week's announcement was a knee-jerk reaction to some continued interprovincial actions that have plagued the Canadian agricultural industry over the last number of decades. Saskatchewan, basically, did not do a thing. They basically said, okay, now we are on the throes of an election, and there may be some better way of packaging the money we are putting into the industry, so we will move and shift it from tax credits to a direct payment for cows and therefore the money will go to

more people because that is essentially what will occur, because those farmers who are finishing their cattle on farm will now be more eligible for the financial assistance, because in many instances tax credits to many of those farmers were not a big boon. So quite frankly the money will be better used.

So what do we do in Manitoba? Well, it is true, you had to act. I do not deny that at all, but I say to the Minister, you have not achieved the level playing field that you said you sought because we had to react in a knee-jerk way very quickly because of the impact that the Saskatchewan change in policy will have on us. In terms of signing the national beef plan, time will tell as to the wisdom of that decision, because right now the Minister can only—maybe he has two quarter payouts of the federal plan which would have been higher than the provincial plan. Three-quarters? - (interjection)- No, no, I know he has given one, but if you took that plan and you matched the two plans that were in place over a period of years, Mr. Acting Chairman, there is no doubt that the level of support to Manitoba cow-calf operators will in fact be far less than the federal plan, as it is envisaged, far less.

The new plan that you have gone into, the support will be far less out of that plan than the original Manitoba plan. The difference of course was the whole question of the finishing sector and we acknowledged that two years ago, in 1988. So I want to say to the Minister, while he has one statistic that he used to say, well here is one period of time when the federal plan would have paid out and had paid out more than the provincial plan at that one, he will have to admit that if you take it over a three- to five-year period there is no doubt in my mind, looking back at the statistics, that the Manitoba plan provided far more stability to Manitoba's cow-calf industry. He will find himself down the road in some difficulty should there be a slump in the marketplace after market prices start declining over a period of time because that is, in essence, what will occur. If the curve is gentle, then the support, the level of support under the federal plan will be such that over a number of years it will decline and the payouts will be nullified by the decreasing amount of support under the plan. If there is a major downward shift in prices for a period to time, the federal plan will kick in, as it has done.

(Mr. Darren Praznik, Acting Chairman, in the Chair)

If the decline in market prices is gradual over a number of quarters producers will in fact be caught in stabilizing their income, basically stabilizing themselves into poverty, because that, in essence, is the sense of the federal tripartite plan.

Only time will tell as to whether that decision the Minister has made will in fact be felt by the cow-calf industry.

**Mr. Findlay:** Mr. Acting Chairman, this debate could go on forever as to what is better down the road or what will not be better down the road. I think the Member needs to be reminded that he talked about the cow-calf sector. In the Manitoba Beef Plan, the cow-calf sector never really had any net payout and

in fact those were the people with the surplus in the plan at the end of June. They had put more money in than they had ever received. You cannot say that you have a better plan for them. In fact, you might have had a poorer plan because they are paying money in and getting no so-called dollar benefits back directly.

\* (1630)

The other thing that the Member must remember is that when we came in the Government some 16 months ago the premium on the Manitoba Beef Plan was 6 percent premium. The tripartite premium is around 1.5 percent. When the producer is looking at what he is paying for his protection, 6 percent is a lot different than 1.5 percent, and one of the first actions that I took was to reduce the premium on the Manitoba Beef Plan from 6 percent to 4.5 percent, so that all three sectors were at the same level of premiums, so no one was jockeying around between categories which was a non-productive thing to do. You know how producers are motivated by trying to save costs, and when they look at the premiums it causes them to do things that are not totally, completely responsive to the marketplace.

Whether the tripartite will work or not remains to the management committee that is in place, whose jobs it is to make it work down the road. I would say that if there is going to be problems in it, it is going to be the same in every province. We are not going to be left out to dry because we do not have as strong a Treasury as Alberta to jump in, in the short-term periods.

In that context, I think we are in a winning position that we have everybody in the same level of stabilization across the country. I think we have the kind of producers and certain other certain circumstances that give us a comparative advantage. Certainly with regard to most provinces, with a possible exception of Alberta, we have a comparative advantage in a general sense, and if we give our producers relatively equal opportunity to compete, that comparative advantage will allow them to increase the production of, I hope, in the calf sector and in the finishing sector of this province and ultimately in the slaughter side too down the road.

We could argue forever the merits of this and that and argue figures, but I think it has clearly been my initiative throughout the '86 and '88 elections to achieve a level playing field. We have attempted to do that and I am proud of the fact that we have everybody enrolled in tripartite, and now that we have Saskatchewan to back off their program, their provincial plan and their tax incentives, and get into a program which we can counter with what we have done here in the province.

**The Acting Chairman (Mr. Praznik):** Shall the item pass—pass. We now move on to 6.(c) Manitoba Natural Products Marketing Council, (1) Salaries \$167,000—pass.

**Mr. Laurie Evans:** Well, I would just like to continue on more or less where we left off in the previous section, Mr. Acting Chairperson, because of course we got into the Manitoba Beef Commission essentially under the previous discussion, and I do not want to re-enter the

debate as to the pros and cons. I think my colleague from the Interlake and the Minister debated essentially the same thing last year in terms of the philosophical differences in their point of view, but now that the provincial plan has been wound down as of the end of June, I would like the Minister to give us a sort of closing scenario in terms of what was the actual deficit, how many producers were actually in default, and what sort of success has the Minister had in finalizing that in terms of those who were in default paying up to wind up their individual contracts?

**Mr. Findlay:** Mr. Acting Chairman, we have joining us now Gord MacKenzie, the Secretary of the Natural Products Marketing Council. We are still looking up one of the figures, but actual amount of the deficit was around \$16.5 million at the end, 4,112 contract holders, and there was at one time not too long ago about 300 accounts that were being pursued that were not in good standing at the end of June. I believe the number has been reduced a little bit in more recent time but would say 200 to 300 contracts not in good standing at the end of June.

**Mr. Laurie Evans:** In that same vein, looking at the repeal order that was I believe dated the 12th of August if I am not mistaken, the clause in there that has me a little puzzled is simply the one that under application, item no. 2, it says this regulation applies to all producers notwithstanding the provisions of the plan and notwithstanding the terms of the contracts entered into under the plan.

Has the Minister actually looked at this from truly a legal standpoint, and does he have the power to try to get the payments on the contracts that are in default subject to this particular clause? It would seem to me that there is a contradiction in terms here in terms of being able to go back and pursue those who are in default based on the wording that is in this repeal mechanism.

**Mr. Findlay:** Just for the Member's knowledge, I am sure he is aware that the original contract signed by beef producers which was believed to be for an eight-year period did contain an option that allowed the provincial Government to terminate the plan in favour of a federal plan should one be available. There was legal room in the contract to do what we did. The order that you are reading from there was drawn up by the AG's office so we have to abide by their judgement that what is written there is consistent with the plan and our ability to collect on people whose accounts are not in good standing. It has been an ongoing practice of the commission that accounts should be kept in good standing year in and year out in terms of producing calves and marketing those calves under the commission and paying the appropriate premiums on those calves at whatever stage the producer sold them at.

There were people that were marketing at some times and not at others and it was an ongoing pursuit to keep the contracts in good standing. This is just a continuation of that pursuit of having contracts in good standing.

\* (1640)

**Mr. Laurie Evans:** Do I infer from that then, Mr. Acting Chairperson, that to date there has not been a legal case launched against the Government in attempting to finalize contracts that were in default?

**Mr. Findlay:** No.

**Mr. Laurie Evans:** Carry on then into the new program, the national tripartite scheme. Can the Minister indicate what level of participation there is in the new plan?

**Mr. Findlay:** I will just wait for another staff first.

**The Acting Chairman (Mr. Praznik):** The committee shall wait.

**Mr. Findlay:** While we were waiting for another staff person to join us, what the Member has asked is really way over in item 8 under the Incomes Insurance Fund. I have no problem with that as long as while this staff member is here we can deal with all the income insurance questions. We can jump back and forth but try to do all the income insurance now that Neil Hamilton has joined us.

You had a question that participation in the . . . there would be about 1,300 producers in the cow-calf and 2,400 producers in the feeder-slaughter program.

**Mr. Laurie Evans:** Mr. Acting Chairperson, I appreciate what the Minister has said about maybe the more appropriate place would be later on as far as the beef tripartite is concerned. I would like to touch on two or three of these that are not identified in the income stabilization programs later, and the first of these of course is the broiler hatching egg issue. Is the Minister satisfied that the quota established for the import of broiler hatching eggs is satisfactory to Manitoba? I know there was some controversy that particularly Ontario and Quebec felt there were far too many of these broiler hatching eggs coming in from the U.S. and were attempting to get a much tighter control on that. Can the Minister indicate what percentage of the broiler hatching eggs are actually coming in from the U.S. into Manitoba, and has that had a negative impact on the reduction by those producers here in Manitoba?

**Mr. Findlay:** Yes, Mr. Acting Chairman, there was some two- to three-year delay in getting import controls in place for broiler hatching eggs. Eggs and chicks were coming into Ontario in reasonably large numbers from the United States, but not into Manitoba such that the Manitoba producers are upset with the level that came into Manitoba. So it seemed to be primarily Ontario that was the problem area. There is no question there was a delay in putting in the import control.

**Mr. Laurie Evans:** The point I am trying to make there, Mr. Acting Chairperson, is: is there an opportunity for Manitoba producers to actually cover the shortfall that was occurring in the eastern provinces, or is there some logistical reason why it does not make sense to bring in either the eggs or the chicks from Manitoba as

opposed to bringing them from the U.S., or is this something that the Minister is looking at in attempting to reduce the interprovincial trade barriers, or did not a barrier exist in this case?

**Mr. Findlay:** I guess if there was any reason why we were not putting our eggs into Ontario it was that the Ontario hatcheries were preferring to buy their eggs from American sources, so it was not that maybe we could not have done it, we just were not the place that they wanted to buy them from. We are not aware of some of the economics of it. It might have been an economic question too, but they were buying from the American sources and that was their preference.

**Mr. Laurie Evans:** I would like to move on to another one then. Can the Minister bring us up to date on exactly the financial status of the Canadian Egg Marketing Agency and where we stand as far as the Manitoba component of this is concerned?

**Mr. Findlay:** Certainly CEMA was not one of the financial pictures I really care to talk about. The figures I will give to the Member that we have is that they had a \$7 million line of credit and have been required to get their line of credit down to \$7 million. It was at \$15 million. They paid off a half million in August, they paid another million in September. That got them down to a \$13.5 million line of credit. They are projecting to make another \$1 million payment in October, a million in November and a million in December, which would get them to \$10.5 million but, as I said initially, they are required by March of '90 to get it down to 7 million. They are presently renegotiating with their creditor, probably because they have some concern about their ability to get to the 7 million by the target date.

They were at a level of \$15 million with their line of credit and now they have it down to 13.5. Hopefully they will have it 10.5 in the next three months, but still will not have met their target that was required by March of '90.

**Mr. Laurie Evans:** Can the Minister tell us what the comparable price is for a dozen grade A large eggs south of the border as compared with here in Manitoba today?

**Mr. Findlay:** I will give you a figure, but it just happens to be somebody who has travelled to Minot recently and we figure about \$1.32 for grade A large here and \$1.09 in Minot.

**Mr. Laurie Evans:** A subsequent question then is what is the consumer paying for what is essentially a Canadian production of surplus eggs? In other words, we are paying a fairly heavy premium on the purchase of table eggs because of the necessity of subsidizing the so-called industrial eggs. Can the Minister indicate as to whether or not this is in the long-term advantage of the industry? I suppose a follow-up question is what is his view of the survival of supply management in this particular industry when there must be tremendous pressure being exerted south of the border for an increase in the movement of eggs back and forth across the border?

\* (1650)

**Mr. Findlay:** The consumer is paying seven cents a dozen for funding the surplus removal.

Then the other question the Member asked is the future of supply management because of some of the economic problems that CEMA has got into in terms of handling supply and being able to get rid of the over-production. I guess there is no question that the consumer may put more and more pressure on the egg industry if they look at the comparative differences of price north and south of the border. It is imperative that CEMA makes some tough management decisions in terms of reducing production to get their production in line with the kind of volume of table eggs that can be sold in Canada. I guess it is fair to say that the consumption of eggs is declining, the table egg consumption is declining. The processed egg market is increasing but not, to my understanding, fast enough to offset the reduction in table consumption.

They have a major challenge in front of them. When you sit around the management table, it is probably very difficult to make that decision to cut back production to all your producers, all your members, including yourself. I think it is imperative that they do make the reductions in production to keep in line with the level of consumption because if they do not, this financial situation that I just mentioned will not get better. In fact it could well get worse, and then that 7 cents could become a higher figure, or may need to become a higher figure.

I look upon the supply-management sector as being an important and integral part of Canadian agriculture. It is the way the dairy industry has been set up, the way the feather industry has been set up. I do not really see any threat to the industry other than maybe some management problems that they have that they must overcome if they are going to avoid the criticism. I have often contended that if supply management is to run into rough water in Canada the pressures may come from within the organization rather than from without, because there is always tremendous pressure internally to be able to produce more when there is a margin of profit in it. Their own members may be their own undoing unless they realize that they have a lot of responsibility in their lap in terms of making proper decisions to be able to produce high quality produce for the Canadian consumer at a reasonable comparative price. I think that basically the Canadian consumer is prepared to pay a bit of a premium for the product because of the assurance of supply and the perishability of the product and the quality of the product that we produce in this country.

So I do not see a threat right now other than the internal management, and the ability of the players in the game and in the various sectors to be able to manage their commodity, their production and the pricing such that the consumer remains in a very contented state that I think they are in right now.

**Mr. Laurie Evans:** I think the Minister in some respects is circumventing the issue here. I mean, what is being expected now is the consumer of table eggs to pick

up for the fact that there is a surplus of eggs being produced, and the pressure is being put on primarily by people like the grocery manufacturers who say that they cannot purchase Canadian eggs for industrial purposes unless they are priced the same as the American eggs in order to maintain the competition and, essentially, what you already have in Canada are the recommendations that were made by the Grande Prairie Report.

So here we have a two-price system in place, essentially a price for the table eggs and a price for the industrial eggs, and the price for the industrial eggs is not a Canadian-made price. It is based on what the competitors in the United States are paying for industrial eggs that they are competing with our people with.

Now my question is to the Minister, is he satisfied that this is a fair procedure where the Canadian consumer of table eggs are expected to come up with what is now approximately \$15 million, because that is still what CEMA is in debt is \$15 million, plus the accumulated interest? Would it not make just as much sense for that debt to be written off by the federal Government, and the federal Government to say, get your act in order because we are not going to do this again? -(interjection)- Well, once you are in trouble, but we seem to be doing this. I mean, we have other places where obviously either one of two things have happened. Either the program was not actuarially sound in the first place, or you have got a situation where the federal Government has stepped in for political reasons and covered off a debt. But this is one that, to me, could well be the test case that kills supply management in this country because you have a situation where producers want to be in control of their own destiny, but they do not want to fess-up to the fact that they are in a problem and admit that there has to be modifications in the quota in order to bring this thing back in line.

So, to me, you have got a real contradiction. Supply management is established on the basis that there will not be a surplus that cannot be effectively handled. In my view, CEMA has a surplus production of eggs that is creating an unjust cost to the consumer of table eggs because it does not matter to somebody in Winnipeg whether they are eating Canadian eggs, or whether they are eating eggs that are produced in North Dakota, but we are paying an unfair amount. I guess, personally, I find myself in a conundrum here as a Member representing an urban constituency attempting to be supportive of the programs that are supportive to western Canadian farmers. I sincerely am in support of western Canadian farmers, but I have tremendous difficulty justifying why consumers should be paying for what is really a lack of discipline within the industry as far as the egg producers are concerned.

\* (1700)

**Mr. Findlay:** I guess I would have to say that I cannot dispute what the Member said. He has a fairly valid point. I go back to my comments from before. I said that CEMA is in charge of managing their own destiny. They have instituted quota reductions of 2 percent in January of this year, August of this year, and another 2 percent reduction again in May of '90.

Given the kind of financial situation they are in, they did not do any of this soon enough and probably have not had a high enough cutback in production yet to get supply and consumption totally in line. They took on a responsibility, and I do not think that they have managed themselves as well as they might have, given hindsight today. Hindsight is always a good way to determine whether you did something right or wrong.

There is no question that the consumer has a legitimate complaint paying seven cents to offset problems created because of lack of sufficient management control in the domestic production that should have happened maybe two and three years ago. There is no question there is a challenge there. There is no question that CEMA and the egg producers of this country have to be more accountable for what they are doing, because the consumer eventually will raise issues that will challenge the very establishment of supply and management.

With regard to the surplus eggs, CEMA puts them up for tender so they are bought by the industry at so-called competitive pricing with alternative sources in the United States.

Going back to our discussion on the ice cream and yogurt, that has shown that supply management is only for the primary production and direct consumption of that primary product. It does not apply to the processed products down the road. We cannot close the border on processed egg products. If we want to have some of those processed products produced in Canada, the processor has to access eggs at a comparative price relative to what the American processor can get them for.

It is a complex issue. I would hope that the management at CEMA is able to work themselves through this process, reduce that debt, and get the production more in line with what Canadian consumption is.

I think they also have to do a bit of work on the promotion side, maybe find the ways and means of offsetting some of the—I would say—negative concepts at the consumer level about the food value of eggs. They need to address that to get the consumption back up to where it was three or four years ago.

**Mr. Laurie Evans:** I think what the Minister is telling me is that as far as the consumer of table eggs is concerned, he or she would be better off if we could get to the point where our production was essentially only that which is required for the fresh market. The other question that I would like to ask the Minister is that supply management obviously is based on the cost of production. Now we have CEMA bringing in a proposal which I personally disagree with. That is one where they are contemplating raising the price of eggs when the demand is high, and dropping the price of eggs when the demand is low, staying within the parameters of the price that is set through the cost of production on an annual basis, on an average, but playing around with it at different seasons of the year. To me, this is a contravention of the intent of supply management.

**Mr. Findlay:** Really what the Member has identified is really a proposal that they have been talking about, but to the best of our knowledge they are not in the process of implementing any pricing scheme of that nature. In the process of working their way through the difficulties it is probably not unfair of them to look at a number of proposals, look at the pros and cons. Just because they look at the pros and cons does not mean that they are apt to do that one or any other proposal that they might have in front of them.

**The Acting Chairman (Mr. Praznik):** The hour is now 5 p.m. I am interrupting the proceedings for Private Members' Hour. The committee will return at 8 p.m. this evening.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

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

### PROPOSED RESOLUTIONS RES. NO. 2—RESTAURANT ALLERGY MENUS

**Mr. Speaker:** On the proposed resolution of the Honourable Member for Sturgeon Creek (Mrs. Yeo), Resolution No. 2, Restaurant Allergy Menus.

**Mrs. Iva Yeo (Sturgeon Creek):** Mr. Speaker, I move, seconded by the Member for Niakwa (Mr. Driedger),

WHEREAS there are Manitobans who suffer from severe allergic reactions to certain foods, food groups or food additives and preservatives; and

WHEREAS it is difficult and frequently impossible for restaurant patrons to determine the ingredients and additives used in meal preparation; and

WHEREAS even chefs and cooks may not be aware of all the ingredients used in menu items, particularly where commercial preparations and pre-packaged foods are used; and

WHEREAS measures to assure that Manitobans are protected against severe allergic reactions to foods and additives require amendments of the Food and Drug Act which is within the jurisdiction of the Government of Canada.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba recommend that the Minister of Health consult with the Minister of National Health and Welfare to develop a system whereby persons who are at risk due to food-related allergic reactions will be able to ascertain meal ingredients with reasonable certainty; and

BE IT FURTHER RESOLVED that the Minister of Health, in his discussions with the Minister of National Health and Welfare, consider the feasibility of promoting allergy menus in Manitoba as an alternative to standard menus.

**MOTION presented.**

\* (1710)

**Mrs. Yeo:** Mr. Speaker, this a resolution that was designed with a great deal of thought. Its content is something that is very near and dear to me, and I am sure that as I look around the Assembly, that each Member here is likely to be able to relate stories of their own families, their own friends, of in fact, of themselves, with regard to food allergies.

When I believed that this resolution was going to be presented last spring and had a press conference with regard to this particular resolution, I called upon a constituent of mine, who in fact lost a son, a 25-year-old son who was allergic to nuts. He was a young man who was very, very careful, very, very cautious. He would ask what ingredients were in certain foods. He would look on the labels of certain containers. This young man was at a convention in Chicago, circulating with a group of friends at this convention, checked with the waiter about a certain hors d'oeuvre that he was to eat, and was told that this was a suitable food for him to eat. In 15 minutes after having consumed the food, this 25-year-old healthy young man was no longer living.

Since Mrs. Morrison and I presented the press conference, I have received many, many phone calls and letters and various news clippings with stories of similar types of tragedies or very near tragedies that individuals have had. I, myself, am a subscriber to a newsletter that I receive called Allergy Information. It is published by the Allergy Information Association of Canada and is a very valuable resource for people who suffer from various types of food allergies. In this particular document, various companies are listed and the ingredients of the foods, their food preparations are listed. For individuals who are diabetics, they are told to avoid certain products; for individuals who are celiacs, they are told to avoid certain products. It is a very helpful document for individuals who have difficulties with a wide variety of foods.

Only in the 1960s did the Canadian Food and Drug Act change to require the labelling of cans and packaged materials. I, personally, do not know how an individual who suffers from a food allergy or idiosyncrasy could do their weekly, biweekly, whatever grocery shopping without having the labelling of canned and packaged foods. How would they know what was in a can of chicken soup for instance, other than obviously, hopefully, chicken, if they could not look at the label and see the ingredients?

If you were to put yourself in the shoes of an individual with an allergy, it is a very logical assumption to realize that they have a difficult time going to fast food places, to restaurants, without being able to know the ingredients in foods.

I have a very dear young friend of mine who is a chef. He is the chef right now at the Faculty Club at the University of Manitoba. I have checked with him frequently about how difficult it would be for him as the chief chef to prepare an allergy menu, an ingredient menu if you will, not to have the ingredients listed on

all menus, but if there was an individual who came to his particular location and said, I am allergic to wheat, can you tell me what is in this particular item on the menu? I am assured by this young man that for the most part, most certainly larger restaurants have a computerized system whereby they can just plug into the computer, and they know what the majority of ingredients are in the majority of their food preparatory ingredients. There are some prepackaged things that present difficulty, so this might limit an individual to his or her choice on a particular menu, but it could certainly be done.

When Sheila Copps introduced Bill C-289, An Act to Amend the Food and Drugs Act, it received first reading on April 22, 1988. She was good enough to send me the documents, the presentations that were made in the House of Commons. I have read through them. I have been appalled at some of the comments that were made and the lack of understanding that some of the Members of Parliament had as far as the problems of people with food allergies.

One MP said, if you are allergic to sesame seeds obviously you would not select a roll that had sesame seeds on it—how simplistic, Mr. Speaker. Obviously one would not, but what happens if somebody is allergic to eggs, let us say, or somebody is allergic to nuts, or somebody is allergic to seafood, well you would not order shrimp.

Nowadays there are many of these funny little pastes that are used that are made up of shrimp, crab, or whatever, that is ground up so that one would not know whether in fact a certain ingredient were found in a certain dish.

I was also rather distressed by the then Minister of Health, Mr. Jake Epp, who said it is up to the individual with an allergy to take that responsibility. Wash your hands of the whole thing. It is the individual with the allergy, him or herself, who must take that responsibility. It is very obvious to me in reading that statement that Mr. Epp himself has no allergy whatsoever and nobody he knows does, or he would not make such a statement.

I have talked to some of the people from the Canadian Food and Restaurant Association in Toronto. I am aware that they have some apprehension about this particular resolution and about Bill C-289. I do not blame them, because it certainly will put a little more pressure on them.

To me, it is a responsible type of pressure. I would like to commend the Canadian Restaurant and Food Services Association for taking the initiative to publish a brochure, which they have sent to their 72,000 members, with many recommendations and many suggestions, so that they can prepare such things as allergy charts, which they say should be displayed where they can designate a certain employee on each particular shift who will be responsible if a consumer comes in and makes a certain request.

\* (1720)

I can also tell you as an individual who has a fairly difficult food allergy to live with—I am allergic to

wheat—it is an embarrassment. It is rather humiliating to go into a restaurant and have to say to a waiter or waitress, does this have wheat in it? They look at you as though you were somewhat insane or a bit of a freak, and I do not think I am either.

It would be so much easier to know that a particular restaurant had an allergy chart that one could look at, an ingredient chart that one could look at, not divulging the chef's secret formula. It is not necessary to say a half a cup of something and a teaspoon of something else. What you want to be able to see is what ingredients are found in particular foods on a particular menu.

I think the employees should be trained, and the Canadian Restaurant and Food Services Association has also said that there must be better training of their employees. I think there are many things that we as elected representatives can do. One of them I believe is to urge the federal Government to take a better look at Bill C-289, to speak to it, to urge passage of this particular Bill, which should be presented again in this Session federally. When the president of the Canadian Restaurant and Food Services Association said to me on the phone, we are apprehensive, but we are doing everything we can, and when Jane Nicholson who is the manager of General Mills Company, said we are supportive, very supportive of the Copps Bill and we certainly urge the Manitoba Government to notify the federal Government and give their support, I think that it is a responsible action on our part. I am sure that many of you people have constituents with whom you have spoken who have said they have difficulties.

When we realize that in 1968 the statistic was that 18 percent, there was an 18 percent usage of food consumed away from home and that had risen by 1987 to almost 37 percent, it becomes very aware that we Canadians and I think we in Manitoba, and Winnipeg even more so, certainly like to eat out. We like to go to fast food places, we like to go to nice restaurants on occasion and I think that is probably increasing.

I would urge that we, in this House, consider this resolution very seriously and that without too much debate that we would pass this resolution fairly swiftly. Thank you, Mr. Speaker.

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, I was actually waiting for some comment from the Minister of Health (Mr. Orchard). I would have assumed that he would have been on his feet to support this resolution, perhaps provide us with some information on the perspective of the Department of Health, and perhaps provide us with some information about what steps the Department of Health is currently taking to ensure that Manitobans who suffer from allergies are protected, that their quality of life might be improved by different measures the Government might undertake, both with respect to food products that are purchased from our grocery stores, meals that are eaten in restaurants and meals that are taken out.

Perhaps even looking at broadening the scope of the legislation which governs the labelling of products, food products, including candies and confectionaries of all sorts, because this is increasingly becoming a

problem and my colleague from Sturgeon Creek—no, are you from Sturgeon Creek? St. James? Sturgeon Creek. She has been gone so long, Mr. Speaker, I had forgotten where she was from.

Mr. Speaker, my colleague from Sturgeon Creek (Mrs. Yeo), referenced the fact that eating out is no longer a luxury reserved for the few. The fact of the matter is that the restaurant association has estimated that by the year 2000, two out of every three meals will actually be eaten out of the home.

So it is no longer the case that eating in a restaurant, eating food that is not prepared in the home is a luxury, it is a fact of modern life. The pressures on the average family require or dictate that many, many meals, breakfast, lunch, and supper are eaten outside of the home. So the time certainly has come to make sure that those who suffer from potentially fatal allergies are protected.

The Member for Sturgeon Creek (Mrs. Yeo) referenced an incident which led to the death of a young person simply because he could not get the information he needed to save his own life. Some of the Members may recall an incident which occurred last New Year's Eve in Nova Scotia. A young person, again, attended a reception and for his entire life had dealt with the fact that he had a serious allergy to fish, allergic reaction to fish and fish products. At a reception he asked the right question and was assured by the personnel serving these particular hors d'oeuvres that there was no fish in this product. He ate it and before he could utter a word, he was virtually in a coma and of course subsequently died.

The severity of these allergies should not be downplayed. It is disturbing to hear that individual parliamentarians, supposedly knowledgeable individuals in our society, want to downplay the seriousness of allergic reactions. They are not only fatal, they can be almost immediately fatal. The only way that one can protect oneself is if one has or can get information, can have access to some information about that which is being ingested.

We certainly know that there are many loopholes. The question of putting the responsibility on the person with the allergy is fine. That is something we assume that people with allergies accept. They do take responsibility. The problem comes when, either through lack of courtesy or lack of information, people doing the serving are not familiar with what is in the product. I have been at eating establishments with people with allergies when they have requested the information about the contents of a certain dish, and were met with a shrug, "Well, I do not know," and not an apparent eagerness to find out. It is inconvenient.

As my colleague from Sturgeon Creek said, there is a certain reluctance on the part of people with allergies or those who are with them to ask those questions, because you are met with a certain incredulity. People cannot believe you are asking that question. Is there wheat in this product? Is there fish in that product? Is there coconut oil or whatever in a product? Quite often the personnel serving do not know.

I think that the problem that we are trying to address, and I assume my colleague is trying to address in this

resolution is not only to broaden the awareness of the problem but to make sure that, along with the availability of allergy menus or menus that list extensively, exhaustively the ingredients of a given product, there is some onus on those who provide the public with meals and food that their serving personnel, in fact their personnel throughout the business, are knowledgeable about what is in the products they are serving. It does not seem to be an unrealistic requirement.

I am sure that the federal Government and Mr. Epp, perhaps when he was reacting cautiously to the suggestion that restaurants be required to do this, was no doubt hearing from some in the industry, in the food service industry, that said, oh, this is an onerous requirement and there are so few people who come to our restaurants with allergies that severe, it would be a financial burden, a hardship that we should not have to bear.

Mr. Speaker, one only has to recall that some 15 or 20 years ago there was no requirement that food products be labelled to show their ingredient. We at one time did not think that was necessary. The fact is that we did not include ingredients on products necessarily for health reasons, but to assure the consumer that what they were buying, what they were getting, was actually the product that was advertised. It has subsequently turned into a benefit to those with allergies, because now they can know that not only are they getting actually whole wheat in a product that says whole wheat, but they can find out whether the ingredients contain those substances which they might be allergic to.

\* (1730)

We should not accept the argument that this is somehow a tremendous burden on those who serve meals or produce food. It is not. It is only a realistic requirement. As we see the number of deaths and close calls and trauma that allergic reactions create increase, I think we will begin to understand how important this is. The onus needs to be on the individual. Individuals with allergies, I think, from my experience are extremely cautious. Unfortunately, they tend to be caught not by their own lack of knowledge or their own lack of responsibility, but by a lack of responsibility and knowledge on the part of others. That is doubly tragic because they tried to do what was best for them and tried to do what was correct, and ended up paying the ultimate price because of a lack of available knowledge.

So Mr. Speaker, this resolution should be put forward. I again would ask the Minister of Health (Mr. Orchard) perhaps to comment on what the Department of Health is currently doing, because we know this resolution is not going to provide any immediate action on the part of the Government. It calls for a process of discussion with the federal Government to establish some national standards, but there may be things that the Department of Health is doing or the Department of Health can do more immediately to provide some additional support for those individuals who are struggling with allergic reactions of a serious nature.

Certainly if the federal Government, our national Government, will not respond to requests such as

resolutions from provincial legislatures, perhaps the onus will fall on the province to act alone. The Department of Health and our public health inspectors require some kind of information system be made available to the public in our eating establishments across the Province.

I would like to think that takeout restaurants and takeout eating establishments would also be required to have menus available, information available which would disclose all of the ingredients in their products. Certainly it would not be normal to attend many fried chicken places or pizza places and then have those ingredients listed, but it seems to me it would be equally as important as having them in what we consider standard restaurant menus.

Mr. Speaker, I think this resolution will have the support of the NDP Caucus and I think we should be moving quickly at the provincial level if there is no evidence that the federal Government will be coming onside and supporting some kind of a national policy when it comes to allergic reactions from food. Thank you.

**Hon. Donald Orchard (Minister of Health):** The resolution, I am pleased that we were able to debate it. I think evidence of the importance that the Government attaches to the resolution is evident from the standpoint that under normal rules of Private Members' Hour a resolution when not proceeded with moves to the back of the order. We agreed, because we believe this was an issue of importance, to leave it on the Order Paper in first position at the convenience of the proponent of the resolution so we could debate it. I think that speaks to the importance that we attach to the resolution on this side of the House.

Mr. Speaker, food allergies is becoming a growing difficulty for more and more individuals, Manitobans, Canadians and others. I think several things are at play in terms of the allergy difficulties faced by a number of people to substantially varying degrees.

We are as a society entering a very fast food and convenience food oriented stage. That is part of the difficulty because the good old days, if you will, of oatmeal porridge in the morning and maybe some bacon and eggs or whatever was the normal fare for breakfast, repeated at lunch, repeated at supper, with often the meals being prepared from basic foodstuffs, vegetables, meat products, fish products.

I think it is fair to say that the ingredients that went into meals 20, 30 years ago were rather straightforward and rather identified. That is not the case today. More and more Canadians are eating out in restaurant establishments, more and more Canadians are buying when they eat at home prepared foods from various supermarkets, and the whole food processing industry has essentially grown by leaps and bounds over the last several decades, and that is a trend that will continue.

One of the complexities of assuring that system works and is in place is, of course, growing amounts of food additives that are there for preservative purposes, indeed, colouration, aesthetics, and other purposes are

now fairly routine or standard parts of the food chain. That contrasts quite starkly and differently from the situation as, I say, 20 or 30 years ago. I think that is why we see an increasing number of allergies coming to light and, unfortunately, an increasing number of fatal allergies.

All of us, as has been related by the two previous speakers, can probably relate an incident of friends or even relatives who have had very unfortunate experiences with individuals, unknowingly being exposed to food products to which they are allergic and, from time to time, with very fatal results.

Mr. Speaker, the issue is a very complex one because of the background that I have indicated. I do not think there is any reluctance on behalf of the restaurant association, for instance, in terms of making more information available on their foodstuffs that they are serving.

The difficulty lies in that they often cannot completely inform an individual as to what is in some of the food products that they have bought, which have been prepared at some stage in the modern food chain with what line of additives or special ingredients that are part of a manufacturing process to which they have had no part.

There is responsibility at the federal Government level under the Food and Drug Act to assure adequate and proper labelling of consumables, whether that be pharmaceuticals, drugs, over-the-counter products or foodstuffs themselves.

I think there is a genuine effort on behalf of the federal Government, and certainly we are very supportive of this as a provincial administration. This is not new. This has gone on prior to May 9 where our Health Promotion Department has been quite actively involved with the federal food and drug administrators of the Act to attempt to come to grips with how we properly identify food products, and what is contained within packaged food products. That, of course, applies to restaurants as well.

As I say, the difficulty, and let me just share with you some of the more severe and frequent causative agents of allergic reaction. You have sulfites, commonly used as a preservative. You have tortrazene, which again is a preservative function. I note a smile from my honourable friend for Sturgeon Creek. Possibly I did not use the correct pronunciation. I may well be guilty of that and we will spell it for the Hansard if we have to. Wheat or gluten, which is a very narrow by-product of wheat, can cause severe allergic reaction. Corn is an individual product. Dairy products, lactose from dairy products, eggs, fats, animal fats in particular, oils, and this is where really in the fast food market, the oils are a very significant difficulty because there is very little of the fast food and, indeed, even the restaurant trade that does not rely quite heavily on quite a wide range in variety of cooking oils in the preparation and cooking of foods served, not only in fast food, but in regular restaurant menus.

\* (1740)

Fish and other seafood products have a very, very strong allergic reaction because of their unique protein

structures. A long time problem, the monosodium glutamate, again, as a preservative agent and then very severe reactions, Mr. Speaker, by some individuals of products like peanuts or soybeans and various nuts and seeds which are often used in various amounts to add consistency or specific flavour or texture or flavour to food products. Again very, very wide range of potential allergies and although the consumer, the old adage and I do not know what the Latin is, but basically "let the buyer beware" is simply often inadequate because people who have very severe allergic reactions have attempted to determine what is present in some food products that they eat and often are misinformed and with devastating results.

That misinformation is not deliberate. It is simply ignorance and that is what this resolution is attempting to come to grips with, this how do we establish a structure of full information? Now one of the difficulties here in terms of full information I think is holding back some of the process; and again it is not a willful delay, it is a logistical delay in terms of the magnitude of the problem. Who takes the ultimate responsibility that if we, for instance, had a complete disclosure law on the ingredients of foodstuffs and inadvertently there is a mistake made, where does the chain of command or responsibility for an adverse reaction lie?

Secondly, not that this is to be downplayed in any way, shape, or form, but if food ingredients are laid out to the best knowledge of the server in the restaurant or the food store, and the ingredients are specified to the best of that individual's knowledge and supplier's knowledge and errors from time-to-time are made, do we create a false sense of security for those with allergies that if they read the label, they simply assume that the information is correct and forego some of the normal precautions they often take as people suffering from allergies? It is a very complex issue, Mr. Speaker, but it is one that I think will challenge Governments to seek on the very pro-active and, hopefully short-term basis, some resolution because our society and our approach to food is changing and changing very rapidly.

The modern diet is not a simple meat and potatoes diet anymore as it was, as I said earlier, 20 or 30 years ago. More and more Canadians will not be preparing their meals or having their meals prepared from basic foodstuffs, the constituent of which they by-and-large know and know fairly well. I think that we will face more and more allergy problems and allergy reactions as we continue towards supermarket foods, prepared foods, and more and more as we seek a greater percentage of our meals out of the home and in the restaurant or fast food environment.

That leaves the incumbency on us as legislators to do two things, I think, in this Legislature. I have to tell you that both of them are ongoing right now and have been at least in one case for some time.

We have to work co-operatively with the federal Government because it is under their responsibility that we would establish nationally applied guidelines for the listing of components in food products.

It simply is not acceptable for provincial jurisdiction to undertake this on their own. First of all because of

the difficulties in making food products from out-of-provincial source comply, if we passed a law in Manitoba requiring Manitoba manufacturers to clearly list the components of their food products, that provincial law may well be ultra vires when it comes to food products brought in from other provinces. Secondly, the national Government has a very natural and long-standing role here for that very reason, to make sure that provincial jurisdictions comply, and secondly, and equally as important in terms of imported foods, because again only Canadian law would be able to be uniformly applied for imported food products. The second initiative is to form a partnership with the restaurant trade in Manitoba, to as much as possible, given today's knowledge base, to encourage them to incorporate within their menus the components to the best of their knowledge of food stuffs.

I know that many restaurants will assure customers, for instance, that there is monosodium glutamate free food stuffs at restaurants. Many restaurants are very, very careful in terms of fish products and peanut and other edible nut products, because those can cause very violent and fatal allergic reactions amongst individuals.

Lastly, Mr. Speaker, and I have been very supportive of the Allergic Association of Manitoba in terms of their public information campaign, which is very, very essential and very, very necessary, not for the individuals suffering allergic reaction, but rather to educate the general public into the seriousness of this nature, so that, as individuals inviting even friends over for a meal, to be cognizant and aware that we may be causing those people, if they have allergic reactions, indeed some substantial difficulties, if we ourselves do not know what is part and component of the hors d'oeuvres, for instance, that we may serve to our guests.

So, Mr. Speaker, as I say in closing, the Members of Government side of the House have no difficulty in working with the federal Government and the restaurant association in achieving the ends of this resolution and are pursuing those two avenues now.

I want to thank the Honourable Member for Sturgeon Creek (Mrs. Yeo) for bringing this resolution to the House and indeed for the House Leaders, the co-operation exhibited there in making sure it could be brought forward today, rather than fall to the back of the list. Thank you, Mr. Speaker.

**Mr. Speaker:** Is it the pleasure of the House to adopt—the Honourable Member for Niakwa.

**Mr. Herold Driedger (Niakwa):** Mr. Speaker, ask the question, please.  
-(interjection)- No?

Pardon me, I did not see the Member from Minnedosa (Mr. Gilleshammer) standing up to speak. I heard you say "was it the will of the House to adopt," and I did not let you finish the question. I take it, by having another Member speak, this will not be unanimous, and I thought I heard the Minister of Health (Mr. Orchard) though say that there seemed to be a willingness on the part of Government to sort of consider this

resolution favourably and to pass it through the House, because the resolution as it asks and the BE IT RESOLVED simply requests that a system be developed through consultation with the federal Government, and not necessarily calling on the provincial Government to do anything that would not work in consultation with the federal Government.

\* (1750)

In that respect, I am a little bit befuddled because I assumed by the comments of the Minister of Health (Mr. Orchard) that this was going to go through without anybody else putting their thoughts on record. If that is what we must do, then perhaps I will take a look at some of the last comments that the Minister of Health did put down.

It seems to me rather a kind of abstruse argument to put onto the record, actually a federal bias towards unfair subsidies in the Free Trade Agreement, because that is how I read the comment that essentially we have some kind of rules inside our restaurants, or inside our labelling that will prevent, or shall we say, will bias purchases against those from other provinces or those coming in from other countries, we may actually be talking about unfair subsidies and that to me, Mr. Speaker, is something that I do not accept, complete, either, any way at all. This is nonsense.

What I would like to comment on also is what the Minister of Health (Mr. Orchard) stated with respect to the English version of caveat emptor. Yes, we do want the buyer to beware, and you will find that most people who have violent allergic reactions are aware of things that will cause them great pain or great grief or perhaps even fatality. They will ask, and I think it is incumbent upon us to be able to deliver to them at least the security of the question when asking, or when going to a restaurant, or when they are going to make a purchase, that there is some reasonable expectation on their part that they can by-pass their allergic reaction to a foodstuff or to an additive.

We actually beg the question when we look at the complexity of the issue. We need to take a look rather at what we have to face. The Minister of Health (Mr. Orchard) referenced that, yes, in the past foodstuffs prepared for us were more basic in nature, there were fewer allergic reactions. If I can recall 20 years ago in university, discussion with some people from Europe over the coffee table looking at simply the list of ingredients that were being asked to be put onto tin cans or onto boxes saying this and that or the other thing is in this chemical or in this particular foodstuff, the comment to me was made that in Europe they only permitted eight or nine ingredients to be put into foodstuffs simply because people should have a right to determine whether or not they were allergic to something or that they knew what would be in it. On the other hand, we take a look at our cake boxes and tin cans and you see a list of ingredients that defies the reading ability of anybody at any kind of a dinner table. The list goes on and on and on.

The Minister of Health (Mr. Orchard) did reference at these things. Because of the complexity for

preservation, because we are living in a global village, we are bringing in foodstuffs from all over the world, we need to, for preservation purposes, be able to do these things and we do these chemically, we add chemicals. He also was correct when he said allergies and allergic reactions are becoming more common. They are becoming more common because we are putting ourselves increasingly at risk.— (interjection)— That comment by the Minister of Natural Resources (Mr. Enns) does not allow itself to be translated easily because it goes back to an old age and an old language.

Nevertheless, we are subjecting ourselves increasingly to more and more ingredients and more and more chemicals. If I may refer to what the Minister of Natural Resources (Mr. Enns) said, he was referring to an ethnic food. If we take another ethnic food which used to be fairly basic in ingredients, farmer sausage, if I take a look at the list of ingredients on that now if I purchase it from the Winkler factory, I will find a list of chemicals in there again which suggests to me that we are no longer eating the pure article. This simply further underscores the fact that we ingest chemicals which are added to foods for our benefit. We also ingest chemicals which are added to foods not for our benefit but for the benefit of the food to be grown to maturity with chemicals that are sprayed on them or particular chemicals that are applied in the growing phase through fertilizers. It is in this ingestion that we put ourselves at risk.

Now, we all can talk about examples of, as the Minister of Health (Mr. Orchard) referenced, people who have had violent allergic reactions. Some of us are not quite so fortunate. The reactions are mild, and because they are mild you sometimes do not understand that you are allergic.

Given a case and example, for the longest time we have had in this province mandated by some department by Government, that milks should be provided with vitamins to be enriched and it is only through a process of elimination, one step at a time that people can find out now that they suffer an allergic reaction not to the lactose, not to some of the natural ingredients in the milk, but actually to some of the chemicals that are added simply for our benefit. Reference for example, Vitamin D3, which is a synthetic vitamin which can cause a reaction in people which is similar to the attack of a hiatus hernia.

Other things that affect people unbeknownst to them, growth hormones which are applied to not only plants but also to animals which are then ingested within the body and we have seen cases in other parts of the world where —(interjection)— find in other parts of the world where these growth hormones cause physical changes in people, and again they have no control over what they have done, because this is not something that the country may necessarily be testing for.

We see people also complaining about some of the things that we do to try and avoid the chemical additives with respect to a new thing on the market, the irradiation of food because people fear that the irradiation of food will cause genetic harm, genetic harm which will then be subjected to reactions in humans, but we cannot avoid this genetic change.

People are becoming more allergic as we put ourselves more and more at risk with these chemicals. To give you a case in point, we have all heard of hyperactive children and we know that in some instances hyperactivity is treated with drugs—such as Ritalin—which actually speed up activity, but inside a hyperactive child the Ritalin will subdue the activity.

I have seen in lab tests children who are hyperactive to be turned off from their hyperactivity by not being fed some food and have them within a space of five or 10 minutes become the very child you would never, ever have as in your own family, in your grandparents' family, or ever again a child that you would willingly, probably, consider physical mayhem, but because it is your child you cannot do that, but as the child that will drive parents away from children, this child is created simply by giving them a small food, and in the testing to see whereby this food would cause this kind of a reaction in children, they tested the basic foodstuffs.

Finally they were able to determine in this one instance what was causing the reaction was not chemical or the other chemical but a combination of chemicals in a favourite child food, Jell-O. Sugar was okay, the gelatin was okay, the thing that made it absolutely deadly to the child was the food colouring, plus the sugar. This is what created the allergic reaction. Now we are becoming much more knowledgeable in our ability to determine allergies and I think that now we have to go the other way, we have to make it possible for those people who have such allergies, to with some degree of certainty, determine that they can avoid this.

Now, I call the Minister's attention again to the resolution which asks the co-operation to develop a system whereby people who are at risk can assist themselves and that is not a mandate, that is simply a request that you consult, that further BE IT RESOLVEDs again asks to consider the promotion of allergy menus.

Now that does not necessarily mean that you must list every single ingredient that you see in the restaurant's menu, but perhaps just as we have now seen in the development of hypo-allergenic makeup, because we now find that people are, women, many women are allergic to some of the make-ups that they apply and as we also find now that make-up and certain kinds of fragrances and other aspects of cosmeticry (sic), I suppose, are becoming more used also by the people of the male persuasion. We will find that hypo-allergenic cosmetics or hypo-allergenic materials need to be supplied for them as well.

Now, if you can do that for the fragrance industry or for the industry for people simply to look good and feel good about themselves, what about the industry for those people who need to eat to stay alive? I suggest that we take a look at developing something within the food industry which will permit people to take a look at what they are about to eat and feel safe that what they are eating is not going to lie in wait and attack them unawares. Thank you, Mr. Speaker.

**Mr. Harold Gilleshammer (Minnedosa):** Mr. Speaker, I appreciate the opportunity to put a few remarks on

the record on this proposed resolution on restaurant allergy menus.

I think it is important to discuss these things and raise the awareness of Members of the Legislature and Manitobans to this serious problem. I am a little concerned with the remarks about the Member from Niakwa (Mr. Herold Driedger). I had a feeling he was trying to suppress debate on this issue. I think it is important that we have the opportunity to discuss these things.

Members on this side of the House share the Honourable Member's concerns with regard to the problems facing Manitobans who suffer severe allergic reactions to certain foods, food additives and food preservatives. One cannot underestimate the seriousness and the gravity of this problem, nor can one deny the fact that many suffer from these severe reactions and this whole issue certainly merits our concern.

Indeed, they deserve every protection that we can reasonably provide for them, and I think therein lies

the problem that we have to be reasonable and concerned and try and work out a system whereby we can help these individuals and, at the same time, not put onerous demands on the food industry.

I would like to express my sympathy for the broad intention of this resolution. Certainly these allergy sufferers should receive some reasonable protection. How this protection is best provided is a question, of course, which warrants further consideration. In particular is the provision of separate allergy menus, as recommended in the resolution, the most reasonable solution to the problem of better protection for Manitobans who suffer from these allergies.

This is a complex issue.

**Mr. Speaker:** Order, please. When this matter is again before the House, the Honourable Member will have 12 minutes remaining.

The hour being 6 p.m., I am leaving the Chair with the understanding that the House will reconvene at 8 p.m., in Committee of Supply.