



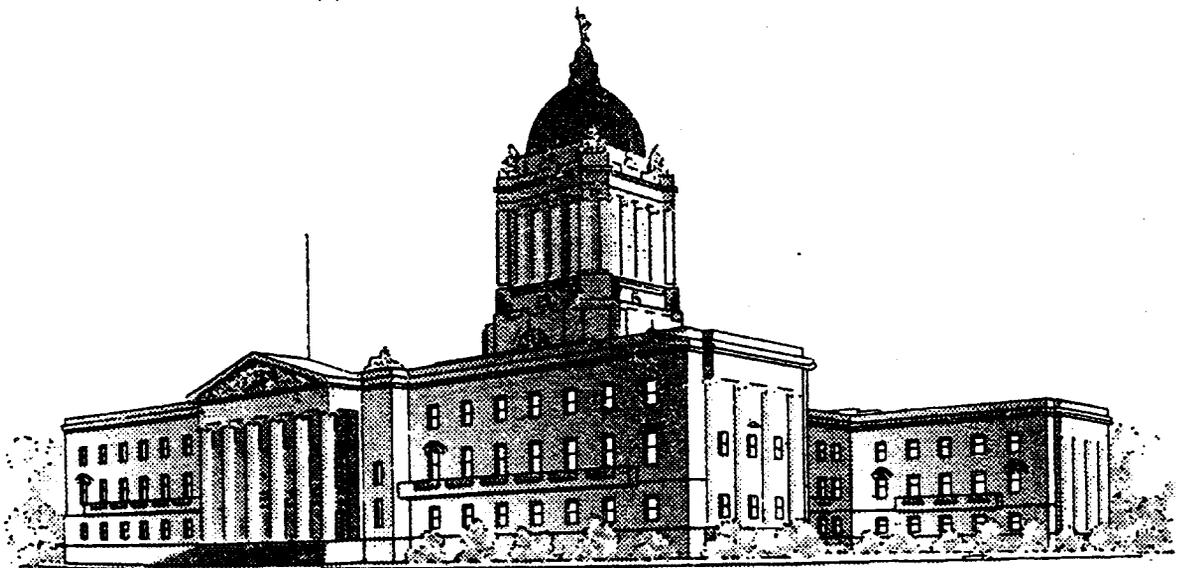
First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

*Published under the
authority of
The Honourable Louise M. Dacquay
Speaker*



Vol. XLV No. 22B - 10 a.m., Thursday, June 22, 1995

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 22, 1995

The House met at 10 a.m.

ORDERS OF THE DAY (continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

HIGHWAYS AND TRANSPORTATION

Mr. Deputy Chairperson (Ben Sveinsson): Order, please. Will the Committee of Supply please come to order.

This morning this section of the Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Highways and Transportation.

When the Committee last sat, it had been considering item 2. Highways and Transportation Programs (n) Policy, Planning and Development (1) Salaries and Employee Benefits on page 90 of the Estimates book and on page 65 of the yellow supplement book.

Mr. Gerard Jennissen (Flin Flon): Yesterday we left off talking a little bit about the northern hemisphere distribution lines and the whole multimodal concept. I think the minister did not quite finish. I wonder if he could just give me a little refresher on that for a few minutes. Just exactly what does that involve, the whole WINNPORT concept?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Chairman, I gave the member a brief comment on what is going on. I will elaborate the different partners and the amounts of money that have gone into the two-phase study that NHDA and WINNPORT have been doing.

The federal government, through Western Diversification, has put in \$620,000. We put in directly \$500,000. The private sector, which includes the Winnipeg International Airport, is putting in \$710,000 for a sum total of \$1.83 million. The two-phase study has gone over '94-95, '95-96. My most recent

information is expecting to have the study process done by about October of this year. They are doing market research, logistics analysis, strategic planning, marketing and potential product development.

I would have to say that I was talking to one of the principals last night, and he said that the opportunity there is fantastic, but the risk of bringing it all together is very high. The magnitude of what has to be done scares a few people, to put it bluntly, but no question of the opportunities there. As I mentioned, our distances from St. Croix or Amsterdam make us a very attractive location for this to happen. Our comparative cost with other locations in North America for similar centres make us a very attractive location. A 24-hour airport, the bottom line, critical—a lot of cargo movement needs to be able to come in overnight.

There has been some concern by people living close to the airport about noise. Clearly, the kind of aircraft we have in the air today have noise attenuators on them. There is a federal law to require all aircraft to have noise attenuators to be phased in over a period up until, I think, about '97, if I am not mistaken.

I happened to have been coming back from a ministers' meeting out West a few months ago, and the pilot asked me to come up front. So I went up and talked to them for a while. He said, do you want to land with us? I said fine. So he put down the jump seat, and I landed with them. He said, do you notice that I am turning way south of Winnipeg? I said, yeah, I thought it was kind of unusual. He said, we as an industry are going to be responsible; we used to turn in close to the city. Coming from the west, they turned just in over Charleswood, and, of course, there is noise associated with the turn. He said we are now turning a mile south of the city so that we do not offend the citizens when we are coming over the residential area, we are more or less gliding into the airport, and it is much quieter.

So on the part of the pilots and the industry, it is very responsible consideration of not trying to harass the people any more than absolutely necessary. The zoning by-laws in Winnipeg, and particularly the R.M.

of Rosser, have left that area very available for continued use of the airport 24 hours and expansion to the west if the warehousing concept of NHDA and WINNPORT does materialize.

So it is very much in the development stage, a lot of optimism about it, lots of opportunity, but, at this stage, nothing is concrete other than the fact that they are talking with potential customers in Europe and in southeast Asia to determine if they can strike contracts with people to move products through here or to move products in to some major activity with that product, further assembly, distribution and then export it from here, particularly going south.

There has been talk about a duty-free zone for the activities on the airport. That will come secondary if we can get something put together in terms of people utilizing or businesses utilizing the airport as a fly-in and distribution location.

So that is the best I can say at this point, and we await further response from the study that is being done by the principals involved.

Mr. Jennissen: Yes, reading up a little bit on the background of this, I was looking at the YWG Report from August 1994, and some of the ideas seem to be coming from a Dutch model. Is that correct?

Mr. Findlay: Certainly they have been looking at the Dutch model. There is no question about that. But they have had major discussions with people in Japan, Korea, Taiwan, and they are trying to assemble information to determine what strategic advantage they have to sell to companies that might want to use us as a facility. There are two major ones in the States now: one by Dallas and the other is by Huntsville, Alabama. There are two major similar-type operations in the U.S.

Mr. Jennissen: The concern I have, if you base it on the Dutch model, it might not be that easy to transplant that model because, you know, your markets are really tight there and high population and so on. It is not simply a matter of transplanting it.

Mr. Findlay: No, you have to develop something that is unique to the types of people who might utilize

Winnipeg as a location for bringing in major cargo to split the loads for distribution to here but no question that any model elsewhere could be used as an example to build upon.

Mr. Jennissen: Referring back again to this particular little pamphlet, YWG Report, August 1994, just one comment here, one quote: All the experts agree that Winnipeg offers logical international distribution opportunity as a result of our geographical location, says Faiman—I guess the fellow's name is—but only if we can develop a point-to-point intermodal distribution system.

Maybe, could you clarify that point-to-point intermodal distribution system?

Mr. Findlay: The grand plan that, you know, is in the back of everybody's mind is that a cargo plane will come from Amsterdam, as an example, or from Tokyo or Seoul, South Korea. It will come here with seven containers on it, I think is what they can hold on 747s. Come here, the containers will be broken here, and then the components in the containers will be loaded onto rail or onto truck for ground distribution going, as I said earlier, particularly into the U.S. So the "point-to-point" means to Amsterdam-Winnipeg-Chicago, and it is air to Winnipeg and either rail or road to Chicago from here. So that is the point-to-point intermodalism. You have air-rail or air-road and Winnipeg being the centre point is where the loads are broken and reloaded.

* (1010)

Mr. Jennissen: So the model is basically the air links, and then the spokes radiate out from the major air links. Is that correct?

Mr. Findlay: That is the theory behind it; that is right. It also means distribution within Canada, but the biggest consuming market, of course, is in the U.S. So the focus—and they have had a lot of discussion with potential users of the service, our customers, in Minneapolis, Chicago and other cities in north-central U.S.

Mr. Jennissen: Well, it is certainly an exciting concept, and, you know, hopefully it works because, if

it creates employment and opportunity in Manitoba, we would all be very happy.

The concern I have, however, is that in the grand plan I am wondering if in the planning process it is broad based. I am not sure it is. It seems to me I can see a lot of industry figures, a lot of government names, a lot of, you know, trucking and airline names, but there should be certainly some citizen coalitions involved perhaps and environmental people involved.

I am certain that the unions and the worker who will eventually be impacted by this, positively or negatively, would have to have some input. I just hope that when the grand plan is put together, we have views from all sectors, not just from a very narrow sector.

Mr. Findlay: Well, in the process of Plan Winnipeg and zoning changes associated with the airport, there is clearly opportunity for public input there. At this stage, when it is very much in the development stage, the leaders have, you know, focused on those industries or individuals or groups of individuals who are prepared to put some money up to shoulder some of the costs. You will see, by the numbers I gave you, it is approximately a third federal, a third provincial, a third private sector to shoulder the costs.

Some of the companies involved, just for your information: Air Canada, Atomic Transport, CN North America, CP Rail, Interlake Freight Systems, Kleysen's, Matrix, Reimer Express, Transport Data Network International, Unicity Distribution Systems, Unicity Customs Brokers, Winnipeg International Airport, Aikins Macauley, Bank of Montreal, James Richardson, ID Engineering, Atkins Underground in the construction area, D.G. Eppler Diversified Construction Services, Maple Leaf Construction, Nelson River Construction, Tellier Construction, and development consortiums like Genstar, Ladco, Novamet, Qualico, and Whyte Ridge Residential Developments.

So it is a broad cross section of companies, big and small, have put money forward to try to make this thing come together. As the thing develops, I am sure there will be opportunity for wider input. I think, before you can talk to the public in any kind of specifics, you have

to have something on the table. So far, all we have is concept on the table, not material opportunities to operate. But Plan Winnipeg has been discussed; zoning by-laws have been discussed. They will have to fit within all of those by-laws of the city and meet all other federal and provincial restrictions that apply to the airport. I guess, at this stage, I think I can share, myself and the member are both hopeful that it will materialize in some productive way so that there are jobs and opportunities created.

I think fundamentally it is fair to say it will happen somewhere, that people see the economic merit of intermodal distribution by this concept, global freight, will use this kind of principle somewhere. Whether they continue to do it out of Huntsville, Alabama, or Dallas or whether some other location in the northern U.S. beats us out in the process of attracting the customers that are going to use this kind of service remains to be seen.

I think we have been jumping into this early enough to be in the forefront of decision making to try to attract the activity through here, but if the Grand Forks air base was ever to close, we would have a very serious competitor because they would be into this big time right off the hop, trying to utilize their major airport.

I think we are in a good position, no guarantees, so it is difficult to bring other individuals in to discuss pros and cons until there is something on the table in terms of a formal opportunity.

Mr. Jennissen: I can see that up to a point, but still I feel that even at the initial phase, the visioning is taking place, the broad outlines are sort of being sketched out, I would still like to see some worker input. I would like to see some union names on that list, and obviously there are not any, because you know the impacts eventually down the line are going to be tremendous on working-class people. I would hate to see well-paying jobs now being lost, let us say in the rail industry, and these people now get involved with this other type of transportation system and being paid a lot less. That is one of the worries I have.

Mr. Findlay: Nobody is screening the gate on who can participate. Any group or group of individuals who

wanted to participate could share the cost and participate. I think that is fair to say, another thing is, we are not talking a whole pile of flights here. They are kind of thinking 10 flights a week would bring in enough cargo to start. It would be a nucleus to start the process.

I know of no way that they intend to limit participation. I mean, the opportunities are so large and the continent is so complex, they want all the players at the table they can possibly get to help make it materialize.

Mr. Jennissen: Is the Transport Institute at the University of Manitoba involved in any of this, like this would be an academic sort of approach but probably quite useful?

Mr. Findlay: Yes, UMTI is involved, and some of the work that we do is done by them through sort of an ongoing contract to the amount of—we have a \$50,000 ongoing contract with UMTI and request them to do various kinds of studies. They have done some in this context.

Mr. Jennissen: Does any of this come out of this particular booklet? Actually, there is a bigger one that goes with it. This is the Manitoba and Transportation Action Plan to the Year 2000 that was done by the Transport Institute. This just happens to be a summary of it, but they had some long-range plans, and I am just wondering if that was used at all in the planning of this.

Mr. Findlay: We cannot say. The concept, as I said earlier, came from, kind of, three different individuals: Hubert Kleysen; Lynn Bishop; and Winnipeg 2000. They concocted the idea, now maybe got some lead-in information from that study or from wherever, but it was spawned by those two individuals and Winnipeg 2000.

Mr. Jennissen: I guess the reason I am asking is because I found this a rather fascinating document, going through it, and supposedly this is to be an action plan up to the year 2000. One of the comments from Marshall Rothstein is: The study sets forth targets for employment in each segment of the industry for the forthcoming decade and, based upon a comprehensive

analysis, recommends the steps that should be taken by government to achieve the targets.

I am not sure if this thing just got shelved or whether it actually is used or is being used. That is the question that I have.

* (1020)

Mr. Findlay: It is part of many studies and discussions that are used in the process of trying to unfold the future. I do not know of anybody today in transportation who can sit down with a grand plan that is going to work for the next five or 10 years because it is such a changing industry in all the different modal concepts. I mean, you have seen the trucking industry go through a lot of evolution over the last five years. You have seen the air industry go through major evolution in the last three or four years, and now you see the rail industry going through incredible evolution.

So where it will all end up, hopefully, all the players, major players, will find a way to survive and we can maximize the employment in the various sectors, and create—I mean, WINNPORT and NHDA, to me, represent an opportunity for new jobs associated with the transportation of goods through this province.

Mr. Jennissen: Could the minister explain also then how the strategic and sectoral investment, which \$5 million, I guess, went to the Winnipeg Development Agreement, the five million bucks earmarked for transportation? Is that sort of a further phase? How is that money to be used?

Mr. Findlay: The Winnipeg Development Agreement, the \$5-million commitment, the initial component that we have involved now, which is about 10 percent of that, in the first two phases of NHDA WINNPORT studies, the further expenditures are contingent on a positive outcome of the two phases that are now being done, basically, in the completion portion of the second phase.

So, if there is not a successful conclusion of those phases, it would be difficult to expend the rest of the money in that context. Actually, we had hoped there is success, and you move on.

Mr. Jennissen: I heard the minister speak a while ago about future transportation direction, and then he mentioned a term I had actually not heard before, and that was Team West, dealing with four western provinces and two territories in it. It sounded very interesting. I wonder if you would comment on that.

Mr. Findlay: When the premiers met a year ago, the western premiers, four premiers, Manitoba, Saskatchewan, Alberta and B.C. plus the two territorial leaders, Yukon and Northwest Territories, there was a decision that we should try to concentrate our efforts on transportation-related issues in the four provinces and the two territories because you can see lots of activity occurring at the federal end that, you know, maybe we would be stronger if we responded jointly in the West. So the premiers asked that Team West be formed, and we were the lead province in the process. A number of studies were done, and a number of papers were written. We are going to report to the premiers, western premiers, the next time they meet.

They were to have met in June, but, because of events that happened yesterday, Saskatchewan has been delayed. I would presume they will be rescheduling that meeting before long in its initiative to try and work together as four provinces and two territories as much as we can.

I think it is fair to say, in experiences I had in another portfolio, we probably worked together better than maybe we have historically in transportation, and any event that happens to the Ottawa end affecting transportation is not just provincially restricted, it is across all kinds of borders. That was the purpose of the initiative.

Mr. Jennissen: I would presume that, certainly, the CN privatization and the impact level in the West almost forced us to work together as a group.

Mr. Findlay: Changes to the WGTA—we were talking changes before, and now we are talking the effective elimination of it. It is going to have a dramatic change on how commodities move, directions they are moved, what mode is going to be used to move them. All those events have taken place, plus the air policy that they brought out, which we talked about earlier. There has

been a number of things happen and then, again, most recently, the marine policy position paper they put out. So there are a lot of forefronts here, and maybe the idea is to try to see if we could not develop uniform positions in the six jurisdictions in the western part of this country.

Mr. Jennissen: I think my honourable colleague would like to ask some questions as well, so I will turn it over to him.

Mr. Daryl Reid (Transcona): I wanted to ask a few questions relating to the Winnipeg Airport Authority and the Winnipeg Development Agreement as it ties in with that. I believe there has been at least two and maybe into the third one for the Airport Authority public meetings just recently, where the public is informed of any progress that that particular board has made with respect to the transfer of responsibility from the federal government transportation department to the independent or private board.

There was some discussion last year with respect to the fact that certain segments of the public were excluded from any participation in those Airport Authority board activities, and I am referring specifically to employees of the airport operation and any consumer-interest groups.

Can the minister tell me, has that oversight, we will call it, been rectified to this point in time, and are the employee groups and the consumer groups involved in any of those activities?

Mr. Findlay: The federal government had the whole process on hold, as the member knows, for a number of months as they developed new accountability principles and broader representation from the public. Mr. Young announced those, I would have to think, in November or December of last year, something like that. He came out here and announced that the negotiations between the Winnipeg Airport Authority and Transport Canada would restart. They resumed on February 2, 1995. We do not have the list of membership in front of us at the moment. I know there are more accountability principles and accountability means to the public. I kind of recall there is a broader representation base on the Airport Authority than was the case originally.

We have a provincial appointment on there, and it is Mr. Robert Foster from Wardrop Engineering. If the member wants a breakdown of the actual membership, we can get that for him, but we do not have it with us.

Mr. Reid: We would appreciate it. The minister can send along that information to the transport critic for his reference, and he can relay that information to myself. I would appreciate receiving that.

Can the minister tell me—he indicated that the province has a representative on that board now. Is our representative playing an active role in the transfer of the responsibility of the airport from the federal government to the Airport Authority board? Is our representative actively involved in those discussions?

Mr. Findlay: Yes, he is definitely involved in the discussions. The kind of person that we could appoint, we were restricted to somebody who is not elected and not a bureaucrat. So it had to be outside of government in both contexts. It is a citizen; I narrowed it down.

Mr. Reid: I realize that there were some criteria that were put in place to limit the representatives we could have on the board. I was just worried that there was some development taking place as far as the transfer agreement and any responsibilities and any of the future funding arrangements without the province having some say in it. I mean, the economic future of the province, in a way, hinges what happens with the airport, just looking at the WINNPORT proposal that we have that has been worked on for a number of years now.

That is why I think it is important for the government to have someone actively involved representing the provincial interests at this board. That is why I think it is also important to have the employee and the consumer group interests also represented on there.

I know this was a problem when this group, the Airport Authority board, started. It was comprised solely of business people, although I think that there was one academic person from the University of Manitoba, Barry Prentice, that was involved with it.

Without all the other public representative groups involved in that discussion, some of the basic program development ideas may have excluded those portions of society that might have had some specific interest that should have been included in the development agreement. That is why I am trying to learn here whether or not those groups have been involved in the development of the Winnipeg Airport Authority board and the business plan that is set up for future long-term, hopefully, benefit for the province. That is why I am asking the minister if the employee groups, the government, the provincial government and the consumer groups have been involved in that development of that agreement.

Mr. Findlay: I cannot give the member any greater information than I have already given him, and that is, the perception was, greater accountability was what the federal government set up.

In terms of what he said about the airport being key to further economic development of Winnipeg and Manitoba, absolutely. It is the hub of opportunity in the future. It is the central component, and we view it as very, very important. That is why we are keenly interested in Route 90 being continually upgraded to allow the truck interface with the airport.

We probably might prefer that somebody, a senior person from the department, was involved. You would have a real direct link then for the government to be sure that our interests are represented. The fact that we have a citizen at large representing the government, which is somewhat removed from us, we get input, but he is there as a citizen. He is our appointee, yes, but he is still there as a citizen, though he represents citizens of Manitoba as much as he will represent the government.

Somebody might say, well, they are one in the same anyway. Nonetheless, we all want to see development happen. We do not want to miss opportunities, and I do not know of anybody who speaks against the Airport Authority principle in terms of being the right way to maximize the economic development potential of the airport associated with everything else that is going on in the province of Manitoba.

Mr. Reid: Well, Mr. Chairperson, for the information of the member for Inkster (Mr. Lamoureux), we think the concept of WINNPORT and the Northern Hemisphere Distribution Alliance holds tremendous economic opportunity for the province of Manitoba, and, in principle, we have supported that from the beginning. We have had the opportunity to listen to some of the presentations that were made, I think it was about two years ago now, when this plan, this concept was being developed. So we do support that, even though, maybe, the member opposite has some reservations about where others may stand on this issue.

There was some discussion in the minister's comments here a minute ago or left me with the impression that the government's representative will also be a representative of the public. Does that mean that that individual will represent the consumer interest?

Mr. Findlay: Well, I would have to think so. He is a consumer. He is a citizen at large. He works for an engineering firm. We also have, on the advisory committee, Rolly Savoie, so that is as close as we get as a government, is the advisory committee, and the decisions are made by the actual board, of which Mr. Foster is a representative.

Mr. Reid: I might have known that the federal government would have taken someone from the business community to act as a representative of the provincial government at the same time as a consumer-interest person. Here we go again. We have all business people representing the board activities. We have nobody from employee groups, and we have now a business person coming from a private company, which I am not disputing. The government had to do that by the mandate that was set out. But now that individual is also representing the consumer-interest groups, and it seems to me to be a conflict here, that we have an individual, probably capable—otherwise would not have been selected to do this work—representing an interest group for which he has no mandate to fill.

So to me that is a conflict, and I do not see why that individual should represent—and perhaps if the minister feels the same way, he could pass on those concerns

along to the federal government, saying there needs to be someone from the public, considering that we have over two million passengers a year using the Winnipeg Airport that should be representative of that group. I know the member for Inkster (Mr. Lamoureux) does not support that concept, that the public should be represented, but I think that they should be.

Mr. Findlay: Well, I cannot say anything more. We will get the list. There may well be the level of public representation that the member would like to see on that list. My basic memory is that there is, but I would like to hold further comment till I see the actual list. I think it is eight or nine people. I think it is nine people in total. We would expect that there is somebody, several people who would fit into the category of representing the public, in the broad sense.

Mr. Reid: Other airports in Canada have been considering this. I believe only the Vancouver International Airport actually has a departure fee, whether it be for domestic or international flights, and it is a varying dollar amount that has to be paid by a departing passenger at the time, just prior to boarding the aircraft, which has caused some inconvenience, I know, of talking—[interjection] Well, in a sense, some people have indicated to me that it is a harassment fee. Is the minister aware? Is the Airport Authority considering implementing such a departure fee for the Winnipeg International Airport?

Mr. Findlay: Well, the airport authorities need to have a source of revenue to do the kind of development they want to do in the future, and, clearly, the way Vancouver does it is seen as an unnecessary harassment. You have paid your ticket, you get on the plane, and now you are paying some more. I think it a lot more convenient for consumers if the fee is incorporated in the ticket price. So you pay once, and it is done.

Any discussion I have had with anybody associated with that process, I have said that to them. I said: the fee, the separate fee, when you board the plane, is not consumer friendly at all. I do not think people would argue if they knew that a \$10 fee, or whatever it is, is incorporated in the ticket price. Everybody is treated equally in that respect.

I understand the airlines are not very supportive of that, but I have said to the Airport Authority individual I was talking with: we should advocate in as strong as possible terms that any fee that is necessary be ticket price incorporated. It is a lot more consumer friendly for the travelling public.

* (1040)

Mr. Reid: I think we had some discussion on this in the Estimates last year, and the difficulties that I see with a departure fee are, whether it be wrapped into the ticket price or as a separate item that the travelling public has to pay, those monies that are collected from that go toward the upgrading of the airport facilities, including the runways and the tarmac. Yet there are other entities, other users of the runways and the tarmac facilities that do not have to pay for that through that type of a fee. Is there some other structure that is in place? Is the minister aware of any other structure in place that will capture revenue that will go towards defraying the costs of upgrading or maintaining of those runways and tarmac?

Mr. Findlay: I have also discussed this aspect too, and that is that all users, people that land or depart, there should be fees collected of some degree of equity amongst all types of users, large and small, that a fee be collected toward airport improvements. There should not only be the ticket-paying public that gets on a commercial aircraft. All landings and departures should contribute, in some fashion, toward the cost of operating that total facility. So there should be a fee collection process, in the broad sense. With all these airports right across the country, I would hope that they would all adopt a very similar process, so one airport is not trying to attract business because they charge no fee for a particular type of aircraft activity. I would strongly support all users would pay some degree of equitable fee, no matter who they are, for what purpose they are using the airport. The services are used by everybody if you are landing or departing.

Mr. Reid: The minister referenced a study that was being undertaken by the principals of, I think it was, WINNPORT for the development of the airport, and that the province and the federal government, as well as the private sector, is investing some capital to the

development of this project. Does the government get copies of the studies? If so, is it possible to obtain a copy of that study?

Mr. Findlay: Well, certainly the basic study that will be done by them will have some level of confidentiality about it, because there are other locations wanting to set up a similar activity. If they put out a report that says, well, company XYZ in Amsterdam and company BJZ in Seoul, Korea, is actively considering a contract with us or has a one-year temporary contract, we do not want to give the competition information that would allow them to go then and attract that customer to them after the initial period with us. I know that WINNPORT wants to put as much as they possibly can out to the public to generate interest, to show the public there is opportunity here and to attract investment, obviously, to what they would want to do in the future.

So it is in their best interest to put as much as possible, but there will be a confidentiality limit. Because of the other places that are going to compete with us, we do not want to tip our hand. I am sure they would like to get their hands on all the information from Huntsville or from Dallas that they can get for our confidential use against them. So there is a limit to what can be put out, but the idea to stimulate interest in the public is first and foremost on their minds because they have to attract capital in the long term to make this viable.

Mr. Reid: I believe my colleague referenced the fact that the Winnipeg Development Agreement is investing some \$5 million into activities related to the airport. I believe there is some discussion relating to the potential to create jobs through the airport. Have there been studies done to determine what the prospect for job creation is with respect to this project in the long term and in the short term? I think the minister referenced the initial start-up point is looking for 10 aircraft a week to come in, jumbo jet aircraft to come in with cargo. What would that entail for the number of jobs, the potential for jobs at that point, and when it expands, what would be the prospect of job creation beyond that, including the development of secondary assembly?

Mr. Findlay: Well, the number I will give the member is a very nice number to put out, but I would caution,

though, the use of the number. It is very much a high-in-the-sky kind of projection. Certainly the 10 flights a week, if we get the associated assembly that goes with it, if we get the free trade zone, the classification of the federal government, if we get all that which then allows the assembly to occur here, the idea of those 10 flights could generate 6,000 jobs. But I mean this could, might, and there are a lot of parameters that have to click into place for that to happen.

I would have to fundamentally say that is an optimistic, upside number, because a lot of things have to happen for the 6,000 jobs. Now if we are successful in that over the next two, three, four years, beyond that, the growth is immeasurable. We all know that so much more cargo is going to move by air in the future. Time-sensitive cargo, perishable cargo, high value cargo, the growth industry in the aircraft sector is purely cargo. Small growth in passenger, but the big growth is cargo. I cannot remember the numbers off the top of my head, but the portion of economic activity at the airport has grown dramatically in cargo versus passenger, percentage wise.

That is a worldwide phenomena, it is not just here, it is worldwide. So that is why everybody that is in the business of moving cargo knows air movement is a key element of the total intermodalism of the movement of goods. To somebody who is selling from—let us just pick a location—Paris to somebody in Tulsa, Oklahoma, it is critical being able to meet the time lines of getting that product from point A to point B, and air cargo is key to making that work. All the associated ground movement has to be totally co-ordinated, time sensitive, and you have to satisfy that customer by being on time, and air is a critical way to do it.

Mr. Reid: Are there any projections on what the requirements may be as far as provincial capital investment into the development of this project?

Mr. Findlay: The only monies that are so-called available at this point is the Winnipeg Development Agreement, the \$5 million. It is impossible to predict what additional demands will be expected from the city, province or the federal government.

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

Clearly, there will be some infrastructure cost associated with this with the roads, sewer, water that would be undoubtedly needed. We would be called upon for that in some context, but it is way too preliminary. We have none of that kind of detail. We will certainly be involved in the development of that detail, but what they will be beyond the \$5 million I cannot say at this stage.

Mr. Reid: The minister referenced a free trade zone, and I have heard the concept before. I think it is to do with the area immediately surrounding the airport where there would be value-added industry established in conjunction with the WINNPORT activities. Am I correct in that?

Mr. Findlay: Yes, to me it means, and there might be different definitions, but to me it means cargo will come in, the cargo gets broken, it can be that additional assembly can happen within this free trade zone, and it does not have to deal with customs until it leaves that zone. So you do not get to dealing with customs until you have the product that is leaving the zone. That is my understanding of the principle. Is that fair?

Mr. Reid: Would a zone such as this exclude the province from any involvement by way of any of the standards or labour conditions that we would have as part of our regulatory matters in the province or legislative matters? Would it also impact on the province and its ability to have any taxation powers over a zone like this, or would that be excluded from that zone?

Mr. Findlay: What I have talked about fundamentally is associated only with tariffs. It has nothing to do with any other standards. I mean, the member knows that in the Free Trade Agreement, NAFTA, we advocated very strongly, we had our six conditions. I think he has heard them before, the labour standards, environmental codes. Fundamentally, we would not condone any kind of agreement that did not live up to those standards. So that what we are talking about is strictly tariffs here. My interpretation would be all our standards apply, that would be my interpretation. Now, there is not one in

Canada to use as a blueprint, but our principles are on the table and have been for a long time. I could not imagine us allowing a free trade zone that did not abide by our standards in every other context.

Mr. Reid: Can the minister tell me when the final transfer will take place for the Winnipeg International Airport to the Airport Authority?

Mr. Findlay: At this stage they are looking at late '96.

Mr. Reid: I thank the minister for the information.

I want to get an understanding here because the minister referenced Grand Forks air base, and there has been some discussion in the U.S. about closure of air bases throughout the U.S. If the U.S. government decides to close their air base operations in Grand Forks, what type of lead time do we have with our WINNPORT activities here over the development of a competing airport activity at Grand Forks, for example?

Mr. Findlay: I know when this process started, the principals indicated, they said, at best, they had a year's advantage on them. Well, they have a fair bit of information under their belt and experience. I would have to think we have more than a year's advantage at this stage in time. There has been no indication of any closure of that airbase, which is good news for us. The Huntsville people and the Dallas people would like to have all the business through them, so there is competition out there even though it is not geographically close. They had comfort, they had a year's time at best at the beginning, and I would hope that they have at least that now.

Mr. Reid: When do we anticipate, because I believe there has already been one aircraft on a trial basis that has come into the city here, that we will see regular aircraft flights coming in? When would we get to the point of say 10 cargo aircraft a week that would be utilizing the WINNPORT plan?

Mr. Findlay: There are several stages that the process and development has to go through yet. Yes, there has been a trial and there will probably be more trials done to try and show customers or potential users that it can work here. The best date we can offer now is by 1997

things would be starting to formalize. It is a long lead time, a lot of development. Everybody is operating with optimism as opposed to the factual contract opportunities. They are continuing to meet with people in Europe and in Southeast Pacific. I mentioned Seoul, South Korea, because I see that as a real opportunity, the growth of South Korea. We are closer to Chicago through here than it is to go through Los Angeles from South Korea. Japan has always been the country talked about in the southeast Asian area, but South Korea is coming on strong, and even Taiwan.

They are in discussions, bringing people in, trying to influence them that this is the place to do business. 1997 may seem like a long time away, but that is the projection at this time.

Mr. Reid: Is there any opportunity because the freshwater fish industry of the province, which is essential to a good part of central and northern Manitoba, plus we also have one of the processing plants in Winnipeg here, to have that as one of the initial development marketing opportunities for us?

Mr. Findlay: Clearly they look at the overall agri-food category as a very major opportunity. Food needs to move quickly and one area that they really talked a lot about is fresh chilled pork. Yes, they have talked about fish, too. Over the course of time, I have heard both of these particular categories of food mentioned. They realize there are markets in Japan, Korea, Taiwan and other parts of southeast Asia. It will come down to whoever has marketing responsibilities for those two commodities to strike sales with people there and then to use this facility as the conveyance to get it there in a time-sensitive situation.

The issue of fresh chilled pork has been on the table for several years. I made two missions to Japan, and it was always the top of the discussion agenda to try to get it to happen. The idea then is that you had a fresh chilled cryovac process and you had 42 days' shelf life. It was ship-transferred across the ocean. By the time you left here and it got there, you had already used up 35 days, so you now had at best seven days of shelf life left when the pork gets there. People do not want to buy frozen meat, they want to buy fresh. If you can air cargo it, economically, you would get it there within

two or three days of when the animal is butchered. Then you have it real fresh. You do not have the cryovac expense. You get to put a fresh, high quality product on the shelf for the consumer in Japan.

Let me tell you, I am not one who buys the groceries here but I have been to the supermarket occasionally. The way they present food in Japan puts us to shame. Honestly, it does. Presentation is key in selling food in Japan.

* (1100)

(Mr. Deputy Chairperson, in the Chair)

If you can get a high quality, good, fresh-looking piece of meat there, your chances of selling it are improved immensely. So just a bit of background from previous experience, but no question they see the agri-food as a major component because of the time-sensitive need of getting that product there, with fish, pork or any other form of food.

They did not initially concentrate on food, but in the process of discussions over the last number of months they have come to realize that food is a very high potential.

Mr. Reid: I thank the minister for the information. I, too, see the food industry as an opportunity that we could explore probably quite quickly, and it would be pretty good opportunities for our province in the food processing industry to tap into those markets. That is why I am interested in the fact that WINNPORT can play a significant role in speeding up the transportation time. I am hoping that the WINNPORT people could be working in conjunction with that type of value-added agricultural sector, and I think freshwater fishing falls under that, industries to allow them to develop as quickly as possible those market opportunities for us before someone else taps into those markets.

I want to switch my questioning a bit to some of the rural airports in the province that the federal government has in a sense abandoned and turned over to the various municipalities and also dealing with some of the provincial airports as well. There has been some discussion with respect to the people that the

province laid off, and I think there were 18 people at various rural airports, and that the province went ahead and installed automated weather-sensing and information systems. Can the minister indicate what is taking place with those atmospheric conditions—

Mr. Findlay: AES.

Mr. Reid: —the AES systems at this point?

Mr. Findlay: The Atmospheric Environment Service.

Mr. Reid: The Atmospheric Environment Service. I thank the minister. What is happening with that equipment, because we have been told that there has been some fault with that equipment and that some of it may be related to—even some aircraft—accidents that have taken place over the last number of years? Are we currently utilizing that equipment at our airports in Manitoba?

Mr. Findlay: I am going to try to clarify the complexity of this issue. We employed the people who did services for AES, the people that we laid off. AES still collects the information that they need. I guess there are two levels of equipment. There is what is known as the AWAS equipment. That is the one that has been identified as having some technical problems. There is a different level of capability, a little lower level of capability-type equipment that AES is currently using in the province which has no identified glitches in terms of performance. I met with the federal deputy a month ago, six weeks ago, something like that, asked him about this, and they clearly recognized the technical potential shortcoming of the AWAS equipment. So there is a moratorium on that until the glitches are resolved.

What they have put in the airports where the layoffs occurred is an automated form of equipment but lower technical capability than AWAS but not known to have glitches in it and only in Berens River. AES has hired staff in Norway House and Island Lake for the interim to do services.

Mr. Reid: So that staff that has been hired—

Mr. Findlay: —by AES.

Mr. Reid: —is to supplement or to replace the AES system until such time as they can work out the bugs with it, or will those people be permanent?

Mr. Findlay: It is a contract between those individuals and AES. Whether it is short term or longer term, I would imagine, depends on the success of resolving the technical difficulties of the AWAS system, and that applies not only here but right across Canada.

Mr. Reid: The equipment that the province is using at the airports for which we have responsibility, it is a lower standard of equipment in the sense of its detecting abilities, and does it provide the same level of information, same quantity of information or type of information to the aircrews utilizing the airports in those areas?

Mr. Findlay: The staff that are located at the 22 manned airports that we have collect basic information, temperature, wind, pressure, visibility, so it is very manual.

Mr. Reid: I am not sure if my colleague has asked this question. Are there any plans with respect to the staff at those 22 manned airports? Are we going to continue to use human services versus technology that may be available?

Mr. Findlay: They perform many other functions in overall operation of the airport and the maintenance of the airport, so there are no plans at this stage to change that at all.

Mr. Jennissen: I would like to ask the minister what he considers will be the negative impact of Bill C-89 on the province specifically with regard to farmers and northerners, VIA Rail and so on. I guess what I would really like to get at is we must have some contingency plan or scenarios, that is a worst-case scenario and I suppose also a best-case scenario. Let us say everything went wrong, that is the lines are deserted. What would we do? Is there a plan in place?

Mr. Findlay: Let us be sure we are talking about the same bill. Bill C-89, that is amendments to the National Transportation Act, involves the elimination of WGTA—

Mr. Jennissen: I call it the privatization of CN.

Mr. Findlay: It facilitates that. The member asks for a worst-case scenario. It is difficult to predict what that will be. I guess for us the worst-case scenario occurred about a year ago and that was that there will be only one railroad operating in Canada. It was not a desirable resolution at all to the railroad difficulties.

I think the member full well knows that the railroad difficulties basically were east of Manitoba, that is in eastern Canada where all the freight movements were, just tremendous freight movements occur but, nonetheless, that is what they were losing big-time money. We wanted for sure that there be two competing railroads in western Canada. I guess when the CN offer was refused at least CN was still alive in some fashion and the commercialization that is being undertaken now, my own perception is it will lead to a viable CN to compete with CP, not only in Canada but in terms of North America.

The worst-case scenario would be that CN collapsed and I do not see that happening at all. I do not know what we would do if they did because there is no way we could jump in and take any ownership or anything like that. So I think it is on a very positive route. I am optimistic, and I sense most people are optimistic that it is on a better path of resolution so there is economic viability for both railroads than was the case in the past.

My discussion with some of the senior people, they realize more so now than they did a few years ago that they really have to respond to customer needs, to keep customers satisfied and when you are say you are going to pick a load up or deliver it on a said date that it has to happen and it cannot be two days earlier or three days later.

There are some growing pains that have happened in the railroad industry. Let me tell you—you mention the farmers—there is no way that the bulk of commodities produced on the farm can go to their points of export cheaper by any route other than the rail. I think there is a lot of viability for short line railroads as feeders towards the main lines which, you know their expertise is main line haul. Move it fast from here to there, large trains, and probably some of the difficulty in the grain

industry is not so much the rail activity as is all the shunting around at the ports, particularly Vancouver, right downtown Vancouver you have all these grain cars moving from elevator to elevator, and greater efficiency in that context will be helpful.

* (1110)

The turnaround time for grain cars is, I think, 16, 17, 18 days, at best, but the potash industry they can get it to Vancouver, I was told turnaround time was six days. We would love to have turnaround time of six days with grain cars, but there is not only the rails involved, it is all the handling at the loading end and the unloading end.

So I cannot give comment on contingency plans for a worst-case scenario. We are like everybody. We are kind of moving along with this moving target and, hopefully, whoever the new ownership is expands the rail opportunities for CN, therefore serving shippers of many commodities, bulk commodities particularly, in all of Canada, but for us, I guess, most particularly in Manitoba and western Canada.

Mr. Jennissen: Still the likelihood of some of the smaller feeder lines being abandoned is highly likely. Right? And therefore that would put more stress or more pressure on the Highways budget. I think there is a figure associated with that, is there not?

Mr. Findlay: Yes. That has been going on. There have been a lot of abandonments over the last 25, 30 years. Adjustments have occurred. There are not a lot of lines likely to be further abandoned in Manitoba. Saskatchewan is where the big potential future abandonment is going to occur. Yes, it will put more pressure on us to upgrade more roads to RTAC standard. Just an example I can give the member, the Rosburn line. The line running from Neepawa through Rosburn to Russell, a little turkey trail line, has been identified as one that may well close.

But the people on that line are going to need an RTAC link to Highway 16, because the CP line is along 16 and clearly Highway 21, and right in the middle of it is one that we have to look very quickly at getting upgraded to handle the kind of trucking that

will come down there. There is a lot of grain growing up there. So we will have to accommodate the shipper, the farmers' needs to get to the mainline where the elevators will be where he can sell his grain. Yes, there is more pressure on us. It will require more planning to ensure we do the right roads for the long term to accommodate the primary efficient movement of commodities.

Mr. Jennissen: I would like to ask the minister now some questions regarding Churchill. The Churchill line as well. There was a Churchill Task Force, and they came up with the Gateway North report. In fact, I have a copy of it here. There is also a Gateway North interim committee, and I think they have released the report. I do not know how sensitive that is or confidential. Could we have an update on obviously some negotiation going on, some possibility of it operating as a short line?

Mr. Findlay: The interim committee of Gateway North has put together a concept paper, which they mailed to the Honourable Lloyd Axworthy on May 12 and also to the Province of Saskatchewan. At this stage, we have heard nothing back. We are not aware that anybody has heard anything back from the federal government. As the Province of Manitoba, we have supplied secretarial support to the ongoing process.

The interim committee of Gateway North would like to be able to do a feasibility study on their concept, and from the private sector they have raised something in the vicinity of \$50,000 towards that. But, until there is some comment back from the federal government as to whether they will respond to the request put in front of them in any favourable way, it is very difficult to initiate the feasibility study. Until we hear something back from the federal government, it is somewhat in limbo at this point. But it is a good concept paper. It develops, it lays out the potential of economic viability of the port line and a lot of other activities. It is good.

* (1120)

With the federal government's idea that we have to commercialize everything, a user-pay kind of principle, this concept paper is on that line. It fits into their broader agenda to allow opportunities that exist

economically to occur. Whether it is moving grain through there, whether it is moving ore through there, whether it is tourism or whether it is associated with Akjuit spaceport or Keewatin resupply, all those are involved in it. Plus there are additional opportunities that are seen as possible.

That the mining industry can and should play a role in opportunities through that port in the future is the broad expectation. It is a concept paper. No federal response at this time. Once the federal response shows some kind of favourable consideration, then the feasibility study will want to get going. A small step at a time.

Mr. Jennissen: Hopefully, then, Gateway North is aiming towards a sort of a regional railroad rather than a really short line railroad, which would only possibly be the bayline which is not economically viable, perhaps. Is that correct?

Mr. Findlay: Well, the bayline is the core of it. Yes, they feel they need to have some feeder lines associated with that, that would give them a catchment area. I think the member is well aware that Churchill's major catchment area has always been in Saskatchewan, and that is why the participation and support from Saskatchewan is very critical. After yesterday, now we can get on to, hopefully, getting a broader level of support from Saskatchewan.

Mr. Jennissen: The minister mentioned Akjuit spaceport and I think that has tremendous future potential, but does that not also hinge on a viable railway as well as a good port and a good airport? I think the airport is safe; I think it is federally protected. But we need the rail line, and we would, of course, need some port facilities too.

Mr. Findlay: I cannot imagine Akjuit functioning without the rail line to move in the rockets; it just has to be. That is why the rail line is very critical. Akjuit is out raising their capital right now, and we would hope that they are able to get on with their plans of the development of the site, and that is why we have talked about highways up there before. I mean, our development is contingent on them starting their capital investment in site development there.

Mr. Jennissen: I remember the minister saying in the House about when the port manager there was phased out, or whatever, that that was sending the wrong signals. I think you are right, but could you elaborate a little bit on that?

Mr. Findlay: Well, we only know what we read in the paper sort of thing. The member, I am sure, has the same level of information. Given the sensitivity of all the things that are going on, it is the wrong signal at this time for us.

As I said to some press person yesterday, if the person who was managing that plus two other locations was located in Churchill and managed the other two as satellites, I would feel a lot better about it as opposed to the reverse. So it is not a good signal, given all the expectation, hype and work that people have put towards trying to develop an economically viable concept for Churchill, the bayline and many other activities.

Mr. Jennissen: I guess the minister is saying that the federals are saying, you know, they are very supportive of Churchill, but, at the same time, it is a bit ironic when this happens.

Mr. Findlay: One speaketh out of both sides of one's mouth.

Mr. Jennissen: Speaking with forked tongues, I guess, we used to call that.

Anyway, I was wondering if the minister would give me a little update on the Arctic Bridge feasibility study? It was more than just a junket of the Premier (Mr. Filmon) to the Soviet Union, I presume, or the former Soviet Union. Did that go any further?

Mr. Findlay: Well, the interest has developed between Churchill and Murmansk, Russia. The member used an unfortunate phrase there called the "junket of the Premier." The Premier has been to Russia, I have been to Russia. I was with the then Minister of Industry, Trade and Tourism, Mr. Stefanson, when the initial agreement was signed, and it is simply trying to express an opportunity for business to be done between those two ports. They are

northern, isolated ports. Churchill can be classed similar, and there is real potential opportunity there now.

One has to realize that the economic events in Russia have not been, maybe, as productive as one might have thought a few years ago, but the study that was done, the Arctic Bridge study was completed November of '94, and the further follow-up activities involving Industry, Trade and Tourism, not this department, there is co-ordination between Gateway North and the Arctic Bridge concept.

So the concept is very much alive. How it develops—and the governments at both ends are trying to facilitate the opportunity to happen through there—for any further information I would ask you to inquire in Industry, Trade and Tourism.

You know, you always explore every opportunity where there might be some hope. For that country there was hope, all kinds of hope, and some of their hope has been dashed by the frustration of trying to develop their economy. I know when I was there I felt it would take 20 to 25 years because it was such a learning curve that had to happen for the citizens in the whole country to understand what made the market economy in the rest of the world function.

I will tell the member one comment I heard there. It may be a bit of a tangent, but one comment I heard there I will never forget, and it was the strangest comment from the strangest place. An individual, who I would put around 40 to 45, who had been a fairly senior bureaucrat in the communist government, came up to me at a social function where their business people and our business people were meeting and said to me, he says, only one government in the world. I looked at him, I was thinking U.S. He says, no, it is a world economy, it is what governs the whole world. Everything else falls out from there. [interjection] Their frustration in being able to make it work there is what is causing them their frustration, and we hope that this can work. It will take some time for it to develop.

Mr. Jennissen: Very interesting ideological shift there, the minister quoting a communist official, but anyway—

Mr. Findlay: Well, he was quoting a capitalist.

Mr. Jennissen: Okay. I am just curious why Murmansk was chosen. That is all. Was it because Murmansk, too, as a northern port, was really under-utilized, is that the main reason?

Mr. Findlay: Well, I was there when it was signed, and the Murmansk people are the ones from Russia who initiated the interest from there. Like the local government people from Churchill are driving this, as are the local government people from Murmansk. We were in Moscow, and they came down to meet us in Moscow. So it was the local people, seeing their isolation, wanted to try to develop an opportunity of using their port more with us. So it was driven by the local people at Murmansk.

Mr. Jennissen: Regarding the utilization of the Churchill port, I recall the other day I phoned someone named Sid Allen from The Pas, who has been, in the past, very active in the Hudson Bay Route Association, and he mentioned something about nickel finds in Newfoundland or Labrador—I believe Newfoundland—and he thought there was a possibility of that being shipped through Churchill back to the Inco smelter in Thompson. He seemed to feel strongly about that. I know nothing about the issue. I am just wondering if the minister knows.

* (1130)

Mr. Findlay: Well, certainly, we know that we have processing capacity here, and the individual who made the comment was looking at it in theory, but our contacts with the company involved would indicate that they believe the find is so large that they would want to develop a processing close by the mine.

And, you know, the Newfoundland people would want to see the processing done there too. In theory, I guess it is possible, but, practically, it looks like they would be wanting to do the processing there, whether in whole or in part, who knows?

Mr. Reid: I have some questions relating to railways, as the minister would probably expect from me.

Does the minister or does the department, Highways and Transportation, meet with senior officials of the railways, the three railways—VIA, CN, CP—on a regular basis to discuss issues of mutual interest and how they affect both the industry and the province?

Mr. Findlay: Yes, department officials have regular meetings with both railroads and have developed reasonable understandings with VIA people through the Churchill Task Force. In fact, one of the officials had a meeting scheduled for eleven o'clock this morning, but he is here now. So, yes, continuous ongoing discussions, conversations with the two railroads.

Mr. Reid: If I understood the minister correctly, then, he said a VIA Rail official was here. He did not—

Mr. Findlay: No, a CP official had a meeting scheduled with one of our officials.

Mr. Reid: What was the last time that the minister or the department people met with CN and VIA officials?

Mr. Findlay: The staff have been in discussion with VIA officials in May and as recently as two weeks ago with CN officials.

Mr. Reid: Can the minister relate to us the topics of discussion during the meetings with CN and VIA, since they were just recent and that he has not had the opportunity to meet with CP yet?

Mr. Findlay: In the discussion with VIA, it was at a TAC meeting. We talked about Churchill, the Gateway North submission and other general topics. When we met with CN, we talked about, again, the Gateway North interim report and a number of other items of general discussion about rail renewal processes and expectations what the federal government might or might not do. In both cases, Churchill was part of the discussion, but beyond that it was reasonably general topic discussion.

Mr. Reid: Did the minister in his discussions with both VIA and CN talk about the employment prospects for the province of Manitoba, any of their shop-related activities that are currently operating within the

province and the future that both areas might expect, and also line-related activities with respect to the railway and the services for the future on those lines?

Mr. Findlay: Well, certainly, staff at the table here and other staff have been in discussion with CN officials. The general gist of the expectation from CN as they go through their downsizing, right-sizing, whatever you want to call it, I believe the figure is 10,000 jobs over three years—that was their target nationwide.

Mr. Reid: It expires at the end of this year, yes?

Mr. Findlay: Yes, they are in the third year of that process. You know, we have been demanding that we not be treated any differently in terms of percent of total employment base in Manitoba versus other regions, and we still are around that almost 13 percent of the total workforce of CN here. I think the member is fully aware that in terms of the total number of employees we are second only to Montreal in Canada.

* (1140)

I guess I always like to say, well, CN, if you are going to be commercialized and your major economic activity is in the West, why does the headquarters not move west of Montreal, like to the centre of the country? I do not think they would be too receptive to that. Nonetheless, our argument has been, do not treat us any differently than other regions of the country in the broad scope of your employment considerations, as you adjust to however you feel you have to adjust, and we say that to both railroads. That has been the bottom line in discussion at all staff levels with CN, and they seem to have responded in that sense that we run just close to that 13 percent total employment.

Mr. Reid: Did the minister ask when he was meeting with VIA and CN officials, unless I did not hear the answer in the minister's response—

Mr. Findlay: Of which?

Mr. Reid: Did the minister ask the questions, what are the short- and long-term prospects for employment for the province of Manitoba for those two railways? The

fact is that we have a maintenance facility for VIA here in the city of Winnipeg; plus we also have CN's only remaining major overhaul facility in Canada headquartered here in the city of Winnipeg? What is the prospect for those two operations?

Mr. Findlay: I think the member can realize that the senior people in CN are not about to be giving us their plans for the future. There is a high level of confidentiality within the operation of their organization, and I do not think it would be appropriate for us to pry too hard. We do not want to be treated negatively. I have been given hints that we still sit very well in their eyes in terms of being an attractive place to carry out the functions they currently have here. These are confidential decisions of the companies. In order to survive competitively, they have to make their decisions within the economic framework that they think works.

I guess if I was to say anything about the net benefit of their commercialization process, it is that, historically, CN jobs tended to get moved around for political reasons. Once commercialized, I do not think there is any possibility of that happening in the future. The decisions to leave jobs here should be on the basis of it is the most economically viable place to carry out the functions. Winnipeg will always be a hub in rail, and I think we have every reason to think we are an attractive place to be.

As the member knows, we have lowered the fuel taxes to subtract the place to do those activities. We will continue to negotiate with the company to be sure that we are attractive and that we are efficient, and they will make the decisions to keep the jobs here, but for the right reasons.

Mr. Reid: The minister is accurate. They have lowered the fuel tax, but the problem we have always had with that is that you did not get any assurances of employment numbers, some stability in employment numbers for the province.

If you are going to give away something, you usually try and get something in exchange, or some comfort level as the former Minister of Transport used to say, that we would retain certain employment levels in the

province, and that was the problem we had with giving away some of the fuel tax revenue.

Are we opposed to the fuel tax revenue? As itself, yes, but if you are going to get something in exchange when you give that away, because the revenues, as the minister and his government has always said, are tight for the province, get something in exchange for it so you have people working within the province if you are going to give up that fuel tax revenue.

I am still concerned about the operations here, that the Transcona shop, which is now the sole shop for CN in Canada, has reduced its employment levels from 1990 in the range of 3,000 to 4,000 employees, and they are down to 1,250 employees right now. That is a significant drop in just a five-year span. The employees in the shop are worried about their long-term and short-term employment prospects.

There have been some changes, of course, with the employment security agreements, as the minister probably knows. The employees are worried about what is going to happen to them because the company said that at the end of this year their 11,000-employee reduction across Canada is supposed to conclude, but it is not going to stop them from reducing employment levels across the country. They are going to continue on with that, although to this point in time they have released no numbers. The only way we found out last time that they were going to reduce numbers was through a leaked document.

How many more jobs are we going to lose in 1995 as a part of that 11,000 overall Canada reduction? Has the minister asked the question of CN what we can expect for the future employment levels for the province here? What do we know for 1996, for example? It is my understanding that the six-year plan is due to come out on July 15. If the minister met with CN just some two weeks ago, it must give him some indication. I hope the minister asked the question of what we might expect for the province.

Mr. Findlay: As I look at the transportation industry, you have to look for where there are future opportunities, as opposed to saying we must hang on to the past. Everybody, I do not care where you are in

society today, you have to respond to where the opportunities are, economically viable opportunities, as the railroads have to also. They have realized that to be viable they have to get their costs down. Realigning the responsibilities, what people do in terms of right-sizing, they are going through that process. It is no different than any other industry anywhere in the world, fundamentally.

We saw an opportunity because of our focus on telecommunications. We could see that many businesses, large businesses that have scattered customer service centres, would be looking at concentrating into a particular central facility.

With CN we went after them with that principle in mind. Since CP is here, other call centres are here in Manitoba. Well, CN, are you going to be doing that? They said, yes, we are interested in that. We sold them on the principle, locate it here. That meant that they had eight service centres, I believe, across the country, eight or nine, and now they are moving towards one.

We got a lot of CN jobs, CN-related jobs serving their customers in Winnipeg in that centre at the expense of seven or eight other locations across the country. Those are the jobs, to put it bluntly, of the new technology. Those are still CN jobs in my mind, and my understanding is that CN, in terms of choosing the employees for that location, gives opportunities for existing employees to accept those job opportunities. The process of filling that centre is ongoing.

I could ask any company, give me your five-year plan or six-year plan. I cannot ask them for that. That is their confidential operating information. I ask at the end of the day to consider us as the place to do business for a variety of the right reasons, as we asked everybody. We have had good response from CN-CP officials as to this is a good place to do business for a variety of reasons.

The fact that we got the customer service centre is a lot better than having it located in Regina or Toronto or some place outside of Manitoba. We would have lost that entire opportunity. We got it here. It is here, it is growing. My understanding is, it is going to exceed its initial employment targets. It is working well.

I want to tell the member, if you want to meet a group of enthusiastic employees, go to any of the customer service centres that are located in this province. I would particularly say, go to AT&T Transtec and ask those employees about how they enjoy their job. I was there a few months ago. They have 13 locations in North America and only one in Canada. Within three months of operation, because of the nature of employees and enthusiasm of how they serve the customers over the phone, this was classed as their best of all 13 in North America. The work ethic was here, the employee attitude was very positive.

It is a good news story. We had a lot of young people there. I am talking, you know, 18 to 35 who had a variety of types of career training, who did not find jobs in their chosen field, who saw this as an opportunity and are doing well, performing well, respected by their employers and by the people they deal with on the phone.

These are new career opportunities. We do not want to miss them. Providing the basic service will always be there, but because of today's technology, it takes less people to deliver the same level of transportation, basic transportation services. I am sure the member is fully aware of that.

Now, what about the new opportunities? Service centres are new opportunities, and we got it here.

Mr. Reid: The minister referenced several things which I will comment on. He talked about the call centre here and bringing jobs to the province. From the information I have received, in talking with the people who had normally done these jobs, there has not been one new job come to the province at this point in time yet, even though the Premier (Mr. Filmon) went to a nice photo opportunity just prior to the election.

In addition to that, there has been a selection process that has been taking place by the company that has had standards that have been excluding a lot of the employees who have been doing these jobs for a number of years, under the current company system that has been in place.

* (1150)

In addition to that, there has been a function of the customer call centre services already operating in the city of Winnipeg here. Employees have been doing those jobs. Those employees that have been doing those jobs for a number of years, I am told, that have been going through the selection process, have been excluded from filling those jobs in the new centre, even though they have already been doing those jobs. So there is some practice that is taking place within the company that is obviously making it much more difficult for the current employees to fill those new jobs.

We have not seen new employees come to the province here. The minister did not talk about the CRTC jobs, the rail traffic controller jobs that have been lost from the province of Manitoba going to Edmonton, Alberta. He has not talked about those job losses. The Premier (Mr. Filmon) goes for a photo opportunity on one hand, but he does not talk about trying to save the jobs for the CRTC people that are moving out of the province here to Edmonton.

The minister also referenced the fact that CN will not be influenced in the future by political decisions. What about building in the fact that the CN headquarters must remain in Montreal? Is that not a political decision that will be there in perpetuity forever that the federal Liberal government is casting in stone, preventing them from moving to Winnipeg or to the province of Manitoba or to somewhere in the West, but preferably Manitoba which is the central part of Canada, has the time zone advantage, has a bilingual workforce, has the railway-trained people already.

So there are many things that Manitoba has to offer with respect to bringing a headquarters here, for the thousand jobs. Seventy percent of CN's traffic is created in the West, is shipped in from the West. I mean, why are the headquarters not here? Why does it have to be in the East? These are the questions we have asking for a long time.

Has the minister gone to the federal government? Has he made a presentation on Bill C-89 and said to the committee—and I am not sure if the minister has gone to make a presentation when that bill was there. Has he asked them, why are they casting in stone that the

headquarters for CN must remain as a private company in Montreal? Why can it not shift to another province, preferably Manitoba? Has the minister made a presentation, and if not, why not?

Mr. Findlay: I have mentioned that to the federal minister and he said, in no uncertain terms, that it was a nonnegotiable point.

Mr. Reid: So, then, political decisions are impacting the future of CN, whether it is going to be a commercial, private company or be a Crown corporation. The changes are not going to happen. There is still going to be political interference well into the future, because all the traffic could originate in western Canada and we still have the headquarters in Montreal.

I do not see that is something we should accept as a province. I think we should be putting it in the strongest possible terms to the federal government that that is not acceptable to Manitoba. I would have hoped the minister would have made some presentation.

Did you in any way communicate with the federal government to the Minister of Transport, to the committee hearings on Bill C-89, on Manitoba's position to this legislation?

Mr. Findlay: Prior to the Nault commission, Manitoba, Saskatchewan and Alberta jointly commissioned Sypher: Mueller to do an analysis for us on the proposals, and we submitted that report to the Nault commission.

We have had, as I have said to the member, discussions on the Montreal headquarters issue with the federal minister. We also have made requests that in the process of commercializing CN, the question of capitalization, debt write-off not disadvantage CP as a competing railroad opportunity for western Canada. So we have tried to allow the process to occur that is reasonable and rational for service delivery by both railroads in western Canada.

I can foresee a day when—given the figures we have seen so far and the reason why the CN-CP problems have emerged, is that they are both losing big-time

money in eastern Canada, and once CN is commercialized, I can see a day when almost all, if not all services of CN will be delivered in western Canada. When that occurs still having the headquarters in Montreal seems exceptionally inappropriate.

But at this stage the federal minister, as the member has rightly indicated, has indicated Montreal will be the headquarters. Whoever makes the commercial investments in CN I am sure would be interested in headquarters as closer to the scene of their economic activity than what Montreal will be, but given that it will undoubtedly be all in western Canada.

Mr. Deputy Chairperson: The time is now twelve noon. Committee rise.

NATURAL RESOURCES

* (1000)

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order.

This morning, this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Natural Resources.

When the committee last sat, it had been considering item 2. Regional Operations (g) Fire Program (1) Salaries and Employee Benefits on page 116 of the main Estimates book. Shall the item pass?

Mr. Stan Struthers (Dauphin): Maybe what I should do is let the minister have an opportunity to update on the fire situation, if there was anything overnight that we all should know about.

Hon. Albert Driedger (Minister of Natural Resources): Mr. Chairman, yes, I will give a copy to the member, and maybe we can just go over that a little bit for the record's sake. We have cloudy and cooler weather which will prevail in the north and south for the next two or three days. Some rain is expected and some lightning is also expected in southern areas. This weather will help firefighters, but, unfortunately, the

rainfall amounts will not be enough to have any effect on the drought in the North.

Current status: We have 123 fires plus the 20 new starts. That is 143. Fifty-six are under control, 28 are out of control and 39 have limited or no action. Manpower: We have 600 normal firefighters. We have 150 on our attack teams. We have 31 helicopters, eight bombers and 18 other aircraft. As mentioned, there are 20 new fires, including 10 in the Eastern Region. The Eastern Region was also subjected to more lightning overnight, and there was some rainfall in the area.

Initial attacks are continuing with some success throughout the province. We have problem fires on the second and third page, and maybe I should just cover it. The Tyrrell fire in Saskatchewan, the suppression program continues and this fire looks good; Fay Lake, continuing progress and success; Goldsand and Lynn Lake, loose ends being tied up in this fire; South Indian Lake, a burnout was carried out yesterday and had some success. Work is continuing on the line. Gods Narrows, this fire made a run yesterday, but it did not affect the community. Work progressed well on the fire lines threatening the community. Devils Lake—that is the one on the west shore of Lake Winnipeg—recent rainfall helped the suppression effort, and excellent progress is being made. Wabowden, action nearly completed on this fire. Moving over to Leaf Rapids, good progress is being made on this fire on all sides. The recent rainfall plus the hard work of fire crews and local volunteers has been successful.

Some new starts are expected in the north and east areas again today. Evacuation orders continue on Leaf Rapids, South Indian Lake, Gods Narrows and Granville Lake. I might just say that at ten o'clock, right now, the teams are meeting again to decide as to whether the evacuation continues, and, as is done everyday, then they make the decision as to whether any of the people are allowed back or not, based on the circumstances.

I want to take this opportunity, Mr. Chairman, to just talk about the tremendous work done by our staff yesterday. We had two virtual heroes who literally took their life in their hands to save this community of

Leaf Rapids because they, with a helicopter, and Brian Wotton being one of the people who is trained in backfire, and we have four of those, comes from the town of Steinbach, in my constituency and is up there, and they literally sat on the fire and managed to twice lead it, so to speak, around the town. Otherwise the town of Leaf Rapids would have probably been burned out. Sometime, when we have more time, I would like to go into the details of exactly how they do this.

It was quite an accomplishment, and we feel very proud of the efforts that the crew made. Basically, I guess, it gives an indication of the mettle of the people we have out there, who virtually put their life at risk. They virtually sat on the fire when they backfired and blew it over to the side. It is this kind of thing that we want to recognize and make these fellows feel good because they are doing a heck of a job.

So, Mr. Chairman, that sort of covers the update. As long as the situation continues to be severe, I will be having a daily update. Normally, we would just do an update once a week. Now with the situation the way it is, we have an update every day, and I will make that available to members in the Legislature including the critic.

Mr. Assistant Deputy Chairperson: I thank the honourable minister for that information.

Mr. Struthers: Thanks for that update. I, too, want to recognize the heroic efforts of the two fellows in the helicopters who created the backfire that did save the town of Leaf Rapids. I think their efforts should go recognized, and I think proper recognition of their efforts is, indeed, in order. I would like to join with the minister in congratulating those fellows.

I also want to make it clear that from our side of the House, as well, we recognize the efforts of all the volunteers in tough situations, the people in the department and volunteers and the people who are hired to do the work fighting the fires. So congratulations to them all in that situation last night.

I am interested in the last line of the report before we move on, the evacuation orders that are in place right now. I would like to know where the people from

some of these communities are. I understand that Leaf Rapids, some of the people from there are in Thompson and some in Lynn Lake.

My concern is the same concern as I had yesterday about plans for further evacuation, should situations in Lynn Lake turn for the worse. I want to be assured that the minister and his department have a plan to move people out of Lynn Lake who have already moved there from Leaf Rapids, and would he consider Via Rail or air as the ways to get out of Lynn Lake, should they need to move quickly?

Mr. Driedger: First of all, let me clarify the process to the member to some degree. The evacuation portion of it is not related to Natural Resources. This is done under Government Services in conjunction with EMO, the Manitoba Disaster Assistance Board plus other departments that are represented. Family Services is represented. The Health department is represented.

There is a team basically that makes the decision in terms of the evacuation. Evacuation then basically is undertaken by Government Services, as I did in '89, being the Minister of Government Services, of course safety being the No. 1 concern. The decision is made in advance as a rule, so that you do not take a chance on possibly doing the evacuation when you have smoke problems, fire problems, that will deter from that.

The odd time, things still happen, like the evacuation that took place out of Leaf Rapids. When the convoy left, we had the RCMP at the head of it and the RCMP at the back, and when the fire turned and raced across Highway 391, they split the convoy. Half of them went on to Thompson, and the other half went to Lynn Lake, I believe.

There was some confusion at that time. The ministers responsible, the Minister of Northern and Native Affairs (Mr. Praznik), the Minister of Government Services (Mr. Pallister) and myself, were on the phone until after eleven o'clock just making sure that things have been done properly, because what happens in a case like that is there is some confusion as to which people are where, but this is always done in conjunction with, first of all, the RCMP playing a very, very major role in terms of how these things get done,

plus our people from the various departments that are involved with that.

So in the event that there would be a need for further evacuation, whether it is Lynn Lake or whether it is one of our other isolated communities, in the Lynn Lake case, we have options maybe with road and air. The rail option is maybe not necessarily a very exciting one, but in some of the communities, we basically have just the air option.

Then decisions have to be made in advance so that based on wind conditions and smoke conditions, they move before the conditions get so severe that the planes cannot land, because then we are really strapped, especially with certain people. We have people who probably are more flexible and able to move, let us say, if it would have to be, to move into a lake by boat or whatever the case may be, to save lives, but we have some people where that would not be very good judgment, I suppose.

So these are always decisions that have to be made well in advance. That is why our team meets, as I said, the total team meets at ten o'clock this morning, about the time we started here. They are meeting and then making decisions as to whether the situation warrants people to be able to go back to certain communities and whether there is a red alert, so to speak, of other communities, depending on the weather, the wind conditions and the moisture.

* (1010)

That is sort of, in a nutshell, how the process works, but again, it is the various departments that are working together. It is Government Services basically that has to then provide the airlift, the airplanes to do the evacuation. My department, Natural Resources, does mostly the firefighting; that is it. The decision as to whether it warrants evacuation or not, we play a role, but not to the extent that other departments do.

Mr. Struthers: My understanding as well is that people who were evacuated from Granville Lake were taken to Wabowden. One of my concerns when I became aware of that is that it could be the same risk in Wabowden. I see in your report, it says that the action

is nearly completed on this fire. My concern for their safety has subsided then.

Mr. Driedger: I appreciate the member's concern, but I have to reiterate that these decisions are made very, very conscientiously in terms that we would not go to the expense of an evacuation of a community into another community that could be possibly jeopardized as well. That is why in most cases Thompson has always been our hub, so to speak, because they have handled so many of these circumstances over the many years. They are very qualified. They almost automatically are on red alert and ready to take evacuees during the course of the summer. In many cases, that is why we fly them all the way down to Portage, as we did in this case. Brandon and Portage are usually some of the first ones where they are taken, where we bring people into.

In other cases as to where the fire situation is, depending what the pressures are, we had them in The Pas in the past. I remember we had the whole The Pas arena and community halls packed in 1989, but then the problem at that time was in the northeast. Now we feel the whole North is so volatile that they look at it and say, well, it is no sense in moving them or evacuating them to a place where we might have to do it again. There is enough disruption to people's lives by what we are doing now in many cases. It is not a pleasant experience.

Mr. Struthers: I agree. That was my concern when I heard that they were going to Wabowden, but it seems that Wabowden is under control now and I do not have a concern there.

I do want to say, too, that the people who were evacuated to Portage, I believe from Gods Narrows, the checking out that we did suggested that everything went very well and the people were generally quite pleased with the evacuation and that they are getting along fine at Portage la Prairie.

Mr. Driedger: I just want to say to the member that with the three communities that have been evacuated, it is not as dramatic as it was in 1989, where we had various experiences and, I think, learned from that. One of things that is always a matter of concern is not

only the people that are coming from the community that is being evacuated, but others that are, say, in Winnipeg that belong to the reserves who do not know where people have gone and then you have confusion.

So the registry in finding out exactly where people are located is very important because people who have come into the city for whatever reason, and the community is evacuated and they do not know where the balance of their family or relatives or everybody is. It does not sound like a big deal, but it is a pretty big deal when the people get involved with that and start phoning and everybody has a bit of a panic situation until everybody knows where they are.

So it is very important that all the departments work together to make sure that there is as little stress as possible that has to be developed for these people.

Mr. Struthers: You speak of the fire of 1989. At that time, it is my understanding that there was an aboriginal co-ordinator that worked to help co-ordinate the firefighting efforts or the evacuation efforts. Is there such a position today?

Mr. Driedger: I think that, with the fires in 1989, what sort of evolved out of that, where we had a native co-ordinator together with the federal government and EMO. That has been continued. The same process is being used. Unfortunately, when you have a fire situation like you did in 1989, I guess if there was a silver lining somewhere is that we learn from that and realized some of the problems as they escalated. That was just an unbelievable situation at that time.

Now we are on the verge—we are hoping that the weather conditions are taking hold to some degree and maybe things will improve, so we do not continue on. If we had had another week of the weather of 35-37-38 degree temperatures, with the dry conditions up North, we would have probably been in the same situation. So it is not a very pleasant time for people up North, and I have to tell you that they are genuinely scared in many cases.

Mr. Struthers: What would be the job description for the aboriginal co-ordinator? What would the task entail?

Mr. Driedger: I do not know whether I can give the proper, adequate details the way the member is looking because, as I say, this comes under Government Services that does the co-ordination of that, and that department is on, I think, after this in terms of Estimates.

The Premier (Mr. Filmon) and the Minister of Native and Northern Affairs (Mr. Praznik) and the Minister of Government Services (Mr. Pallister), I believe, are in the air right now going and checking, you know, just to try and help give a little comfort level to the people in Portage, and then they were going to fly up through Thompson and get a first-hand view of it. Unfortunately, or fortunately, I guess, whichever way you want to look at it, some of the Estimates can go along.

But it is my intention that later on in the season, once the session is closed down, we will again, like we have done last year, go and visit all our various fire depots, so to speak, and make contact with the various organizations that we have that basically fight the fires. It always gives them a little comfort level when they are out there in the wilderness and facing fires if you are pretty lonely, and so if we give them a little bit of a recognition factor and comfort level, I think it is encouraging for them.

Mr. Struthers: Maybe what I will need to do then is sit in on the Government Services Estimates for a more detailed description. I am very interested in knowing about some policy in terms of training for local firefighters. What is Natural Resources' process in training firefighters locally?

Mr. Driedger: It would depend on the level of training or what kind of firefighting because we have, for example, the airplane pilots. We have the helicopter pilots who, you know, have to be trained in a different perspective than the airplane pilots. Usually these are qualified pilots already when they come here because this is done through the tendering process. I am talking of the equipment end of it.

In the communities themselves we have the various areas. We have our fire bosses, if we could call them that, that basically, in terms of the chain of command

that starts out of the fires centre here in Winnipeg, call the shots down.

We have people in the various regions that have the same equipment to see which fires are developing in their own area. They have their fire bosses who then designate the Tac teams that go out with helicopters right off. And then, also, these fire bosses have the list of names of all the people in the communities, in the various communities, and we have them on all communities. People that have gone through some training in terms of self-preservation, I suppose, firefighting, and so they bring them into each community, not on ad hoc basis, but how do we do it, as required.

The heli-tac crews, of course, which are the SWAT teams I make reference to, they are the highest trained, or best trained. These are the ones that, basically, get flown in, dropped in, bang, and the initial Tac crews, once they get moved, once they have done their work, we bring in the other crews from the communities with equipment and supplies and then they do the balance of the work that is required. So the SWAT team gets a different type of training than the others.

* (1020)

Because we have in the various communities right now, I believe, 75 percent of all our firefighters are aboriginal in the various communities. As I mentioned yesterday, they are just ace firefighters. Across Canada our firefighters have a recognition of being the best trained. They know what to do. You can drop them anywhere. They know how to protect themselves and how to go after a fire.

As we have the various teams, I guess, in place, the fire bosses, basically, bring in more people and train them, I guess, onsite, because we do not have classes where we train them. Basically, they would be brought in and be trained together with, I guess, serving on the teams as they get out there and understand what—a lot of it comes basically from just straight experience, on-the-job training.

Mr. Struthers: Okay, I understand that the volunteers will not be specifically trained. What I am interested in

is the fire bosses. Do they get some sort of training in Manitoba? Is it through the Brandon fire college? I would like a little more specifics on exactly how those fellows are prepared to fight the fires.

Mr. Driedger: Mr. Chairman, the fire training school in Brandon is basically for structural fire; it is not for forest fires. See, that is the difference, so those people would not necessarily be of any benefit to us specifically.

I found out last year when we travelled into the Thompson area and some of these areas and visited our fire locations where we have our equipment, crews and stuff of that nature, I suppose it is like a matter of seniority and evolution. Because as people are needed—you have the qualifications of firefighters—the fire boss basically looks and the best and the smartest firefighter he has is the second in command. So it is a chain of command that evolves, because we have guys out there—I think we have people out there who have basically been on the scene for 25 and 30 years. They think fire. You know, their whole mentality is geared, it is from personal experience, they know exactly what to do, and people who work with them get this kind of training as well.

Ultimately, those who are the best will then go and gradually move up the ladder as, let us say, a fire boss retires or whatever the case may be. So it is like anything else, you know, the more they are exposed to it, the better they get at it. So it is not per se the training that you can go—it is very hard to take and train somebody in a school or in a class to fight fires. Each situation is different. Every situation is different. How a fire crowns, for example, in black spruce, how it does it in jack pines, how it does it in poplars, how a fire runs, you know, the crowning part, the wind conditions, the temperature conditions, how it jumps half a mile at a shot.

I do not know whether the member can recall, but we had some of the best firefighting people in the States who got caught last year at a fire and I think a whole crew burned to death unfortunately. It is a sensitive business, so there has to be a lot of common sense. Even then, you know, there are circumstances that keep changing. So it is not something where you can say,

here we will give you this book, you read, and this will teach you how to fight fires. It has to be basically practical experience that they get from being out there, and we have the best.

Mr. Struthers: I understand and I realize that every fire that you get into in northern Manitoba is going to be different. I am also told by actually some of my former students, who I knew when they were 14 years old, who have now received some training in fighting fires that there are certain commonalities from one fire to the next too, and that is the information that they received as they were trained. So there are some commonalities from one fire to the next.

One of the reasons that I asked is that I was going to give the minister a chance to brag about the training that did go on because I know that there is some training because I have had former students who have taken it.

Mr. Driedger: Mr. Chairman, you know, I should have mentioned this earlier. We do have a school in Teulon where basically we do training, the basic training, and the majority of those students are aboriginal as well. We bring them in. They come and go through—so I was not quite accurate when I said that most of it is still actually practical experience—but they get the basic training at Teulon, some of it, and my department helps fund that kind of training out there.

Mr. Struthers: The other part of this I would like to figure out is, is there a procedure or a guideline or anything written in the department indicating that the first preference for hiring firefighters is local people?

Mr. Driedger: Mr. Chairman, I do not think we have a policy, per se that way, but that is basically how the department has been working. They take and hire locally first because these are the people who have lived there, know the circumstances and that is why possibly, because the majority of the people living in the North are aboriginal and 75 percent of those are the ones that are our firefighters. They make up the biggest portion of it.

Mr. Struthers: Have you been in a situation, whether it is now or in 1989 or whenever, in which the number

of fires outnumbered the amount of people you could get to work in them?

Mr. Driedger: Mr. Chairman, not necessarily because of lack of manpower and equipment, though in '89 this was the case. The whole North seemed to be burning at one time. If you look at the information that I just handed to the member, the update for 9:11 a.m., June 22, you can see that out of control is 28, limited or no action, 39 fires.

I think I made reference to the fact the other day that in certain areas it just is not economically sensible to fight fires, depending on the type of area where the fire is. Either the cost of moving in or the forest is of poor quality, et cetera, so there are fires which we do not necessarily man. I will tell you something, anything where we feel there is value, for safety, then, of course, property and then forestry value, these are the fires that we really zero in on and we do not spare any cost in terms of manpower or equipment.

I want to make reference to the one at what we call the Devils Lake fire, basically it is not Devils Lake, it is at the Warpath River right up against the lake. That fire has been burning in marginal forest at this point, but we know the good forest is within a certain distance from there and any change can make a difference, so that is why we poured a lot of resources into that fire over the last few days to try and see whether we could get it under control because in the event something changed, weather-wise, wind-wise, and it got into our rich forest stands then there is real economic loss, so again it is not a cut-and-dried issue.

People in the field make the decision, say this one is one that we do not really worry about, we do not care about it, maybe; this one there is value here, value there, threatening property, threatening life, maybe or communities so they concentrate on those fires.

Mr. Struthers: The reason I asked that question is—just so the minister knows—I have been receiving complaints that local people here and there have not been hired to work in the fires this spring. In the House I asked a question and specifically named the area of Duck Bay and Camperville, where the complaints came from, that they have all these people trained but they

were not being called to help out in the firefighting situation up North.

Mr. Driedger: Mr. Chairman, the member should maybe understand that unemployment is very high up in the North, and for many this is an opportunity to earn some wages. I have no argument with that, but at the same time, aside from the heli-tac crews which basically are the first initial attack crews who we move around more, but to take and necessarily move people from Moose Lake or Camperville into Pukatawagan would not necessarily make sense when we have people out in that area who basically are trained and doing the fighting themselves there.

* (1030)

Maybe just to put it in a little different perspective, our firefighting costs on a daily basis as we are operating now with these kinds of figures, equipment and manpower run anywhere from \$400,000 to \$500,000 a day, and we feel they are doing a very efficient job. Saskatchewan and Ontario, on both sides of us, their costs are running approximately \$2 million a day and what our people are saying is that they are not efficient, you know, too much bureaucracy; they cannot make decisions; the system is not flowing.

We feel that we are probably at the most efficient point right now in terms of being able to address the fires fast and control them, using manpower. And I am not trying to deviate from the fact that some people say, well, why do they not hire us if there are many fires? We think we are operating very efficiently.

Just to give you another example how, in other provinces, when we ask for the water bombers from Quebec—because they are bureaucratically overloaded as well in terms of firefighting, and it can easily be done—it took us 30 hours until we finally got a commitment. They had to go through the process to get approval to allow the water bombers to come to them. It took 30 hours. By the time we got approval, we did not need them anymore. So the system has to be fine-tuned and honed, and you will always have some people who feel they want to help. They would like to earn some money, and it does not always fit into the plan itself, unfortunately.

Mr. Struthers: I understand that. I realize the logistical problem of fighting a fire of this size, and I think too that a lot of the people that had talked to me had heard reports out of Alberta where the Alberta government was bringing Americans up to fight fires, and I think that probably played into their low level of comfort on this as well.

The other thing that they had heard was that there was equipment coming in from Quebec, specifically the water bombers, and I think they made the assumption that there were firefighters coming from Quebec too. And when I talked with them, I knew enough at that point to indicate that as far as I knew there was just equipment or water bombers, but not people. So I think that is probably what played into it as well.

Mr. Driedger: Maybe I could clarify. We have an overriding organization across Canada that looks at reciprocating where we can get equipment. When the hot spell started in Alberta and the northern part of B.C. and then came through Alberta and Saskatchewan, they had the fires long before us, and actually they were sucking all the equipment or a lot of the equipment in there. That is why we basically brought in water bombers from Newfoundland and from Quebec, put them in from the east. There is a good co-ordination in terms of making sure that the equipment is being shared in a proper way, but that does not relate to the manpower situation. That is a different component, and things would have to be very, very much worse than they are now before we even look at doing something like that, because we feel we have the physical manpower.

The member has raised the question whether we feel we have the equipment. We are confident we have the equipment, because we have these agreements. We can pull in helicopters and water bombers from other provinces virtually as needed, unless, of course, the whole Canada, the North would burn. Then we are onto a different problem, but Northwest Territories had their own problems. I cannot really envision a point where we would take and bring in firefighters to fight, other than things like the water bombers or helicopters.

Mr. Struthers: This, of course, is what kind of got us off on the wrong foot yesterday a little bit. My concern

was based on the reports that I was getting from people who were claiming that people trained in Manitoba were not being used and that they were not being used because there was a lack of firefighting equipment. And I explained yesterday that my comments were not just pulled out of the air some place. They were from people in firefighting situations who had phoned to me and told me their impressions of what was going on. The people who called me were not feeling very good about the way things were going, and it would have been irresponsible on my part just to ignore these people and not bring up their concerns.

What I want to get a feeling for is whether his department has a list of trained people around the province that they can draw on, or is that left to local people to have those lists?

Mr. Driedger: When I went up there to look at the whole system last year, our fire bosses are the ones that have the lists. They know who their firefighters are. They are from the local areas there. They are the aboriginal people, and they know who they pull in. I suppose it is their call shot.

From here we would not dictate whom they would hire. We just assume people are qualified, that they know what they are doing, and that they do the best job, and use whomever they have to. It is not as if my bureaucratic system at the top end is going to dictate who is going to be fighting fires. We allow that pretty well to the discretion of the fire bosses out there.

They are good. They have been at this for—as I said, it is very seldom that you have a young individual out there that is a fire boss. You have people who have been there for many, many years. They know exactly what is involved, and it is their life that is at stake.

To further clarify, our person who is ADM of Resources, who is Harvey Boyle, has been with the department for 30 years. He is basically our fire boss from here. He operates out of the fire centre that we have, where they do the direction. Then people like Medd, whom you have probably heard over the television along the line making comments, I do not know how long he has been with the department, an awful long time. These are the kinds of people that can

do the assessment, give direction, and allow—they do not call the shots in the field. They basically allow the people out there to make the decisions so that, if Brian Smith, whoever it is, feels he has a bad fire, he needs to do this and that equipment-wise, manpower, they say: All right, you go for it. Do whatever you have to do. That is the way the system operates.

Mr. Struthers: I look forward to a day when a Natural Resources critic will not have any of these sorts of complaints come to him from people on the fire lines. I do not know if you will ever get to that day. It seems to me that if we know there are people out there who have been trained either at Brandon or at Teulon on whatever kind training there is, if there was a registry of some sort that local people could draw upon, instead of just making the decisions on their own, I think you might find that you would have fewer complaints from people who feel that they have been left out. I do not know if that is a good idea or not.

Mr. Driedger: I just want to raise a little caution here with the member because it will never get to that point where there will not be some people that are not happy or not concerned. If you bring in trained people, other than the heli-tac crews that we have, if we bring in people from Moose Lake to fight a fire out in the Thompson area, both of us will have many, many phone calls because they feel they have people qualified to do it there. You do not have to bring anybody in. So the movement of this is very sensitive. That is why our fire bosses know who to pull from their area. Unless it really got traumatic, I do not think they would be bringing in people unless it was necessary.

When we have a fire out, which is Cranberry Portage, people from that general area who are all trained, those are the ones you would bring in. If you bring in people from the eastern part of the province, all H would bust loose, because people would say: We have our own people; we are trained. Do not do that.

I do not know we will ever get a way of satisfying all these people, but I have to rely that the people in the field are very sensible and know what they are doing and would not discriminate against any community or individuals in terms of hiring. They hire for the best purpose and the best results.

* (1040)

Mr. Struthers: I realize that, but I asked my question based on what you had told me about having a preference for hiring locally. If it ever got past the point, if everybody in Cranberry Portage was already involved in the firefighting and they needed more reinforcements, more people to come in and help fight, then I think a registry around the province would make sense. I think the minister is right; both our telephones would be ringing off the hook if we just flew somebody in to Cranberry Portage from somewhere else. I am assuming that you would be hiring local first, and once that was exhausted, then a registry would be a good idea.

Mr. Driedger: We basically have that. For example, if the trained people in the area of The Pas were all hired, if we needed more people, we would go to the closest other sourcing, which would probably be Moose Lake or Camperville. You would bring those people in. At the same time, if we had a fire in Moose Lake or Camperville, in the area where they log and where they have importance and we brought in people from The Pas before we had hired all the trained people out there, you have the same problem.

I know that many people say, they know that there are dry conditions up North, they know that we have many fires. Here they are sitting at home and saying, well, hey, I have been trained, I would like to earn some money, I would like to get out there and help. What is happening? Nobody cares.

That is not quite the way it is. I really hope we can lay them all off because that solves my problem to a large degree. But that is not the reality of life. We are going to have a long, hot summer, the way it looks right now.

Mr. Struthers: I think we are going to have a long, hot summer too. We talked a little bit about getting equipment in from Newfoundland and Quebec.

What I would like to know is, is there any kind of an accord or agreement between us and other provinces or between us and the federal government to allow all this, or is it more ad hoc than that?

Mr. Driedger: As I mentioned before, maybe the member did not catch it, we have an organization of all the provinces, basically representatives from our province. Every province is on there. That is where we have developed an agreement so that there is equipment pulled. We share equipment. We do not necessarily send them a cheque because we have used a water bomber for three days, because next week ours might be out there. It is sort of a reciprocal agreement that we have. There is no ad hockery about that.

That is based only on certain types of equipment, let us say, helicopters, water bombers and stuff like that. The hoses and the other firefighting equipment that we have, we have tons of it, just literally tons of it. We have our depots throughout the North as well as the major depot out here. We have semi-trucks that are available, set up with the equipment, with the bunking. Everything is arranged. We just load them up and away they go. They are self-contained units, mobile trailers, which basically we pull as close to the site as we can.

You always have to consider these people are not Superman. They have to eat, they have to sleep. You move them into a fire in an isolated area, we try to get as close as we can with equipment to help. If it is tents, they still have to be somewhere in a place where they are not going to be at risk. So it is quite an art. Even having had some exposure to it now, I still find it amazing how that system really—everybody knows what everybody has to do and how it fits into the total picture.

There will always be individuals coming back to that point that feel, well, they have not got a fair shot at this. When you consider how many people we have in the northern part of the province and how many are unemployed, by and large, even those who have training for firefighting, get very frustrated. They feel that they should be part of it.

I do not know how we can overcome that. I cannot envision how we can make everybody happy. Having the forest fires does not make us happy. How we can make all the firefighters out there get a sense of comfort or saying, well, they are doing it fairly, I do not know whether we ever can accomplish that.

Mr. Struthers: Is there any kind of agreement internationally between, say, the Manitoba government and the U.S. government? Is there a sharing that goes on there of equipment and firefighters?

Mr. Driedger: Mr. Chairman, we do not have an official agreement with, let us say, the States, our neighbours to the south, or the other countries. Basically, our agreement is between the provinces themselves, but we have sent equipment and water bombers into the States. We have sent them as far as Venezuela when they had a very bad situation there and we had a status quo situation here.

So countries, by and large, if their need is there and we consider these disasters, countries work things out between themselves. Certainly, the Americans would not be adverse if they had no problems out there, if we asked for additional equipment. So that is why the idea that there is not equipment, I got a little upset the other day because we have all the equipment we need. We do not spare any money. We have equipment; we have manpower. It is just a matter of doing it in the most efficient way.

Mr. Struthers: In the minister's opinion, are we getting close to that point in Manitoba that we may be asking the Americans to send equipment, or not?

Mr. Driedger: Mr. Chairman, no, I cannot see that happening. We feel our situation is getting a little bit more manageable right now with the temperatures dropping a bit and some of the rain. The forecast looks a little better now. No, we are not in that position at all. I suppose if things really went bad again, let us say, in the next two weeks or three weeks, July is always a sensitive one, depending on what happens in other provinces, we have equipment that we can just pull in. To go to the States for equipment would be as a last resort, and I cannot see that happening.

Mr. Struthers: In the policy that the minister sent me a couple of weeks ago, it indicated different zones in the province as far as—a primary zone and different areas where different criteria would apply for firefighting. One of the things I noticed was that within good timber stands the criteria change and, understandably, you want to try to do what you can to

save as much of that timberland as possible. In the event that timberland is lost to companies like Louisiana-Pacific or for Repap, is there a mechanism of compensation for those companies through the provincial government?

Mr. Driedger: No, Mr. Chairman, there is not. When we enter into these agreements with, whether it is Repap, whether it is Louisiana-Pacific—Louisiana-Pacific is basically hardwood so it is not that much of a concern—but when we talk of the soft woods with Repap, with Spruce Products, with Abitibi, they are very, very concerned. They are the first people when things start getting bad out in the forest that voluntarily shut down their operations, knowing the sensitivity of fire starting out there. So they are the first ones that—because it is their profit or their livelihood that is at risk. When we go into agreements with them, we do it on the basis of information that the department brings forward in terms of annual allowable cut. That is done based on—so that in 50 years it renews, so we always have sustainable yield out there.

When you have fires as we had in '89, we did not have to revise but we have certain areas where because of the fire we had to take and make some adjustments in terms of reallocating the annual allowable cut for Abitibi, for example, which is more in the exposed area on the east side. They are very sensitive about this. But no, there are no guarantees. For example, we have fire; we have disease; we have the bugs—part of the disease thing that changes. We have reserves, ecological areas that we take out of it. We have areas that we basically remove from where we have a development plan with the woodland caribou, certain owls, for example. We take and make sure that these areas are protected. So they feel it is a moving target.

They always come at us and say, you have made a commitment to give us so and so much annual allowable cut, and we can manage in most cases to do that. That is one of the reasons why we feel sensitive in terms of valuable forest. You know, when we decide how much equipment we throw into there, we have to assess, like if it is one square mile, whether we have good timber and the rest of it is junk timber around, we would not maybe necessarily put all kinds of resources in there. If you have, let us say, miles and

miles and many hectares of valuable timber and the fire is approaching it, we would throw all the resources possibly that we could at it to try and get it under control. So it is sort of a moving thing to some degree. No, there is no guarantee and they do not get compensated.

* (1050)

Mr. Struthers: I suppose, in a sense, revising the annual allowable cut would be their form of compensation.

Mr. Driedger: From time to time, my deputy tells me that we revise the work plan that they have in terms of cutting. It is not a perfect science, but they can keep their operations going. We work with them on these things.

Now if, all of a sudden, in Abitibi's case, the timber that was set aside—because we like to look at mature timber being harvested—if a good portion of that was burned and they did not have resources, we might have to go to people like Repap and try and make some change to the work plan to allow everybody to be able to function until we have further timber that comes into that stage of harvesting.

It is quite a science. You know, for every tree that is cut, we would like to plant a tree. So you are planting one like this, or this, whatever the case would be, and it takes, depending on the kind of forest it is and conditions, 30 years, 40 years until you have a harvestable tree again. We have to make sure, and that was not always done in the past. We have to get that cycle going so you have a sustainable cycle there. That is why we challenge our professional people in Forestry all the time, make sure that we know what we are talking about, how much we can cut, annual allowable cut, because, if we let them go they would cut everything down and in 10 years time we would have nothing.

Mr. Struthers: I would be interested in knowing, I know that there are forest management licences for these companies, but do all three companies fall under the same rules when it comes to how they are treated in being compensated with revisions to their annual

allowable cut? Like, for whatever reasons, would Abitibi get a different deal from the government than, say, Repap would?

Mr. Driedger: I will try and explain this to the member to some degree.

For example, with Abitibi, the deal we have out there, we have a forest management plan. They are responsible for forest renewal. They have to manage the plan. We develop it with them, and that is part of the cost that they have to do, the reforestation and how they deal with the environmental impacts on it. Then we establish a rate that they will pay, a stumpage rate that they will pay for certain types of lumber as they take it out.

For example, in the forest management agreement that we have with Abitibi or Repap, if you look at the bottom line, and they say, well, they pay too little for stumpage, you have to figure that into the bigger picture as to what responsibilities they take over from my department in terms of forest renewal, the planting, the cleanups, et cetera, because, in some cases where the governments do that—in some provinces, government accepts more of that and less for the company. Then, of course, they charge more for the stumpage.

I had some concern, at one point, that our stumpage was lower than other provinces, but you then have to compare that as to what the forest management program is and how much money they are forced to put into the whole system to take and renew it. It is in their interests as well to make sure that there is renewal taking place.

By and large, it is very seldom ultimately—the bottom line is—that anybody gets a better deal than anybody else. It all part of how much they have to put back in.

No, the agreements are not all identical.

Mr. Struthers: Actually, that answer is helpful for me later on. I should have been more specific in my question. I wanted to know, if each of the companies had lost some of their timber to a fire, when they then get their annual allowable cut revised, is there a

formula that applies to each of them or is it handled in the forest management licences?

Mr. Driedger: Mr. Chairman, when these annual allowable cuts are developed, we take certain conditions into the formula that we have developed when we developed that. That is going to be approximately so and so much lost to forest fires, so and so much to disease, so and so much—we also work with a safe cushion, so these things are covered off a little bit.

The only area where we possibly run into more difficulty than anywhere else is an extreme southeast region which has always had more pressure on it than anywhere else for the simple reason we had a lot of smaller quota holders in there. Because it was road accessible, all the little operators, if we can call them that—basically, there was more pressure on it. Then, when you have a fire going through an area on the southeast, it has more dramatic impacts, and I know that in the past when I first got elected, which is some years ago, in the southeast there were some cutbacks in the quotas percentage-wise across the board because of the losses to fires. So then adjustments get made over a period of time.

Mr. Struthers: That leads me into the next couple of questions I have, and it has to do with the smaller quota holders. Is there any sort of compensation for a quota holder if he loses a bunch of timber through fire?

Mr. Driedger: No, Mr. Chairman, we do not compensate. You have to understand that the quota, by and large, was given to the operators at one time; then, ultimately, as there was more pressure on it, the government made a decision quite some time ago, long before my time obviously, to allow the sale of quota from one to the other. Ultimately, you have less and less quota holders all the time because the bigger guys keep buying up the smaller guys and the smaller guys say: It is not worth it; I cannot buy the kind of equipment and trucking, et cetera. I will take my money and run and then I will go and work for the big guy.

So there is an ongoing progression in terms of gradually there will be less and less operators, and the

quota holders, by and large, in many cases, work with companies like Abitibi.

Then we also have the permits which we work with according to, for example, salvage. I do not want to confuse the member, but let us say we have a fire going through a good forest area and then we issue—never mind the quota holders—special permits for the cleanup, salvage costs and that.

Aside from that, we still always have a permit system in which we allow certain individuals. I can recall as a youngster when farmers, by and large, if they wanted to build a barn or a house or stuff of that nature, went and got a permit. I am talking of the days when they still used horses and a bucksaw and stuff of that nature.

That would be before the member's time obviously—[interjection]—but do not get too cute with me. They used to get out there, and that was what it was about. They had to get a permit from Forestry; they went and cut their trees. They could get somebody with a sawmill, and then they would have their lumber cut. I know that we built some of our buildings at that time at home with lumber like that.

An Honourable Member: And you guys cancelled the program.

Mr. Driedger: No, we still have permits. What do you think those guys are doing out there? We still have all kinds of people who still got—not to that extent because many people do not bother with it anymore. But that is why we have, we probably have more sawmill operators in the province right now than we had many, many years ago. They are there now because lumber is valuable. They are making money, and there used to be a limit that you could not get more than 300 cubic metres, which would be enough to build a house or a barn maybe.

What they do, they go and take a permit and they get their mother to go and take a permit, their father to take a permit, cousin Joe takes a permit, and they have their sawmill. They keep making money; they sell the lumber. Then, when we start getting a little tight with them and try and get a little rationalization into here, everybody is mad, including the member for Swan

River (Ms. Wowchuk), who feels that we should have them and their 15 cousins all having a permit—well, however, many there are in the family.

So it gets to be a bit of an art, but we have always tried to accommodate the smaller operator, I maintain, and we always try and do that when we do the bigger picture with Repap, with L-P, with Abitibi or Spruce Products. We always have provision and make room in there for the smaller operators, the permit holders. I have gone through that extensively with the member for Swan River, and I think we have had an understanding from time to time. Sometimes a little confusing, a little testy from time to time, but we have managed to take and always come through with the commitment that the permit holders have been looked after.

* (1100)

I want to tell the member, though, to understand that, that the quota holders who basically have bought quota say the permit holders should not have endless permits, because they are doing the same thing as the quota holder and they are not paying for it, so there is always that area. That is the challenge we face in terms of—I feel that especially with L-P, Louisiana-Pacific moving into the valley, they will be buying a lot of their hardwood, and that our operators out there who basically want to will be able to harvest, even with their permits, and sell to L-P. It is always an art. Some of them would rather want to cut hardwood and use sawmills and sell it that way. That is because the market is just really good right now.

In fact, is it five years ago when there was virtually no pressure on hardwood? They bulldozed it, burned it. Now all of a sudden we have a precious commodity and now everybody wants to get into the action and say, hey, how much can I have of this? You have given it all to L-P. That is not the case necessarily. There is provision for all the permit holders, yet keeping in mind that they are not quota holders.

Mr. Struthers: The last question I have is for this area, just to finish off on the smaller quota holders. They have obviously worked within an allowable cut every year as well, and if they are hit by a fire, do they

get the same kind of revision options as what L-P, Repap, Abitibi and the others get?

Mr. Driedger: Mr. Chairman, that is why when we talk of annual allowable cut, or a quota holder who has 50 cords—we go by metres now, I am still going by cords—let us say he has 100 cords. They work it out with my forest resource people as to where they can cut so that they still have that. Let us say that the area that was designated was burned out, they would get together with the individual and say, well, listen, we have another 200 cords in this area here, you can cut there. It is an ongoing negotiation and discussion with them in terms of making sure because they have the quota, they are entitled to cut.

Mr. Struthers: I have no more questions under that line.

Mr. Assistant Deputy Chairperson: Item 2.(g) Fire Program (1) Salaries and Employee Benefits \$2,674,300—pass; (2) Other Expenditures \$7,498,800—pass.

Resolution 12.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$33,403,100 for Natural Resources, Regional Operations, for the fiscal year ending the 31st day of March, 1996.

Item 3. Resource Programs (a) Water Resources (1) Administration (a) Salaries and Employee Benefits \$370,800.

Mr. Struthers: It seems kind of strange that we go from talking about the North being on fire to Water Resources in the next line. I want to get into a little bit of a discussion picking up on what we were talking about yesterday with water managers, technicians, engineers, and all the different people involved in providing farmers, tourists and everybody with the amounts of water that they need.

I want to start out in this area talking specifically about the Shellmouth Dam. If I am not mistaken that is the western region, that is where that dam is found. This spring I received some complaints about the way the dam is constructed, that it posed some problems for a lot of people living and trying to make a living in the

area. Part of the problem seems to be that while the minister assured me in the House that they knew what was going on with how much water was coming up to the Shellmouth Dam, there are a lot of people who approached me saying that because of cutbacks that took place in 1990, officials in the department were taken by surprise this spring and did not release the water in time, and then when they did release the water, it hit everybody hard, and that seems to be the crux of the problem.

I just say that to let the minister and his officials know the direction of my line of questions in the new few minutes. What I would like to know is what person, what position was responsible for determining how much water was out there and determining when to start the flow of that water through the Shellmouth?

Mr. Driedger: Yes, Mr. Chairman, with your indulgence, I am going to sort of try and just give a bit of a background as to what has happened. At the time when the Shellmouth Dam was built, it was a flood control structure at that time. And in the last 25 years, I think, we have had 10 years where there has been flooding downstream from the Shellmouth at certain periods. The function of the control structure has basically been questioned over the last period of time as to whether government knows, whether engineers know what they are doing.

I made reference yesterday, I believe, to the Assiniboine River Advisory Committee that we have set up with the stakeholders all along from Winnipeg right to Russell and that area. I have charged them with some of the responsibility to verify whether the Shellmouth Dam is being operated properly.

Mr. Struthers: That is the group that Dr. Tim Ball is in charge of?

Mr. Driedger: Yes, Mr. Chairman, that is correct. Mr. Tim Ball is the chairman of that advisory group, and they have also taken it upon themselves, because of the stakeholders involved—and on that board we have people that are directly involved with the downstream from the Shellmouth who basically have always been critical about the way it has been operated.

I have asked that sort of independent assessment be done, aside from the department, because many people in the Shellmouth area basically have no confidence in terms of my department of Water Resources, so I need to have somebody else that is going to justify whether that is being operated properly or not. The member is probably aware, because some people are very critical of the operations of it. I see there is a guy, an engineer sitting in Dauphin, and out here in Winnipeg somebody says go and turn up the dam so-and-so-many screws, and we will see what happens.

It is not done by gosh and by golly. It is done on technical information. They release water based on the precipitation that—basically, all the information which we went through yesterday. People compile information, the decisions get made as to releasing certain amount of water in spring prior to the breakup, so that we have storage in there. Because the capacity out there is 305,000 acre feet, and this year we had 800,000 acre feet of water coming down this system, it gives you an idea that no matter what kind of storage we had, there would have been major flooding.

Accusations were made that they waited too long with releasing some of the water, that they kept back some of the water because in Brandon there was some infrastructure going on and stuff of that nature. Basically, once they realized that we had more precipitation coming down, we opened it up right to the 1600 cfs that is maximum, that the river can take.

And in spite of what the people say—and I am not the specialist, I am not an engineer, but everybody else out there is—so they tell me that because of the way it was operated, this is what created part of the problem.

I feel very comfortable, based on the information I have, that I do not think we could have operated it much more efficiently. Maybe we would have made a difference of half a day in terms of storage. When you have that amount of water coming down, and your storage capacity is 305,000 acre feet, and you have 800,000 acre feet of water coming down, no matter what you do you are going to have a flood.

* (1110)

One thing that the people downstream somehow—and this is not a reflection on them necessarily, they are nervous, and we are trying to address this somewhere along the line—they claim that because of the Shellmouth they get flooded, they should be compensated. But, if there was no dam, I will tell you something, they would get flooded like you would not believe more often. St. Lazare would be wiped off the map virtually every third or fourth year.

If you wanted to really go back in history, the structures were built at the time when a commission was set up and that commission I think made recommendations. It was done under Campbell—what was the name of the premier at the time—Doug Campbell was the one who I think at that time had established a commission to look at the flooding, because we had annual flooding coming down the Red River Valley, and the Assiniboine as well could be a contribution to that.

That commission basically made recommendations, which was the Shellmouth Dam, which was the Portage diversion, which was Duff's Ditch, the diversion around Winnipeg, but he never implemented it. It was under Duff Roblin that these things were implemented, but it was Campbell who, in his wisdom, asked the commission to come up with recommendations, and it worked. The structures were built and they have saved an awful lot of property damage over a period of time.

Unfortunately, you have in a 60-mile stretch downstream from the Shellmouth people who at certain times, based on the operation of the dam, flood the lowland, but they have to understand, they are living in the Assiniboine Valley. They are living in this valley and from time to time they get flooded now but feel that there should be some compensation, that everybody else is gaining because of the structure and they are the front end of it.

But, because there is that criticism out there, I have asked the Assiniboine River Advisory Committee to do some checking and if they are going to recommend an independent study—I do not care, either—to see whether we are operating the structure properly, because there are a lot of accusations. The members heard that. Everybody has heard that, and I am not going to be

defensive of staff. If they do not operate it right, we will set it up so it will be operated right.

Mr. Struthers: The concern is not so much the staff who are there not doing their jobs; the concern is that, since the realignment in 1990, there are not staff there to properly gauge when to open the flow through the Shellmouth Dam.

Mr. Driedger: Mr. Chairman, I cannot accept that. I cannot accept that, because we have very qualified people. I mean, how many people do you need to take and adjust the dam? We have the information basically that has accumulated as to how much we would let out of there, and it takes one person to open or close the dam. It is not like we need 20 guys there who are going to take and do that.

All we need is, once we have the information, the information we have no difficulty with. We have all the information. We have the technical/professional people who get the information together and the decision gets made by Water Resources together with the executive saying, this is what the precipitation looks like. We should start releasing in February, 400 cfs; by March, maybe we should be at 1,000 cfs based on what we think is out there. Maybe the beginning of April, we should have it at 1,600 cfs filling up the river. Past 1,600 cfs, it starts flooding the flats.

I would want to maybe just tell the member that when people contacted him about being trained for fire and they could not be working, the same thing applies here. I have heard it all. I hear from everybody every time I go out there, and I have had the occasion to be there many times. They have said to the Premier (Mr. Filmon), you know, you are not operating these things right. He has said, he has challenged me to make sure that basically the terms that were set up, the agreement that was set up as to how to operate it, that nothing has changed. Have we changed anything? That is what will be established by the Assiniboine River Advisory Committee, if they feel we are not operating it right.

In conjunction with the Shellmouth Dam, you also have to look at what happens with the Portage diversion, which we operated at virtually full capacity this year. We poured a lot of water straight into Lake

Manitoba instead of putting it down the Assiniboine River. We would have flooded out. We might not even be sitting here. Well, here we would be sitting, but there would have been a major impact on people along the Assiniboine if we had not used that structure this year.

As you saw, probably, even our walks and everything at The Forks, we had it right up on top there for awhile. It was sort of a, how high do we bring it in Lake Manitoba, the Fairford Dam, Assiniboine and the Shellmouth. We closed the Shellmouth down, brought it right down to—what did we have it?—500 cfs for a week to dry out the valley a little bit so that they could get in there.

My understanding from the Minister of Agriculture (Mr. Enns) is that most of the people basically have done their seeding in spite of it all.

Mr. Struthers: I know that a lot of water went down through the Portage diversion into Manitoba because I had some cattle ranchers who were not very happy about that—[interjection] Yes, I am sure.

What bothers people is not so much the fact that they have to face Mother Nature and her flooding, but their feeling is that they are not just taking on Mother Nature, they are taking on the people who are supposed to be controlling the water at Shellmouth. They are frustrated because they consider it to be a man-made problem. That is just where people are coming from on this.

I do not just take my information from people who are angry about flooding in their pasture land and flooding so that they cannot get their seeding done. I think their complaints should be taken seriously, as well, but some of the information that was given to me was from people within the minister's own department. That is why my little antennas went up, the alarm bell started ringing in my head, and I thought that it justified asking some questions about the management of the Shellmouth Dam.

The minister indicated that the dam was opened and 1,600 cfs—that is the level that it was set at. Could you tell me when that occurred?

Mr. Driedger: Mr. Chairman, from the time in February, I think, we had it down to 200 cfs at one time, which really was not much of a draw-down. They did that to accommodate to some degree, and they were right. People said we needed that to help the construction at Brandon where they were doing some work. The Department of Highways say they never really requested that, but, anyway, be that as it may, it was a comfort level that we could do that.

Then it was picked up to approximately 400 cfs for a certain period of time. Then, as they finally realized that we had the heavy snows in March, precipitation was up, especially into the Saskatchewan area, it was then cranked up to—was it 16? We had ongoing charts, you know, where they showed exactly how much water. It kept shifting, but we never moved it above 1,600 until mid-April, I guess, when we finally started opening it up more, realizing that we would not be able to hold all the water coming, regardless.

Once the reservoir filled up, she just piled over the top of it, and it is constructed that way. That is when you had that whole valley flooding all the way right up to, well, up to Brandon and past. But, as I say, this was a record, almost double any record we had of flooding along the Assiniboine River.

There are many concerns, and there are many players in this thing. There are groups formed. There is the group around Lake Manitoba, the ranchers whom we work with, and we levelled off Lake Manitoba at a certain point, also told them that they qualified for, under Manitoba Disaster Assistance Board if the municipalities would apply for transportation of feed, et cetera, the normal things that would apply under Manitoba Disaster Assistance Board.

Then we had the people along the valley that were impacted as well, and you know the reserves that were impacted, as well. So there were many people that basically were affected by this thing once it really hit. We just still tried to control it and we did, we thought, relatively well.

Again I repeat, we cut back on the Portage diversion at a certain time. In fact, in that decision I played a role in that because we sat with all our key people and the

engineers. I asked, well, if we do this what happens here, and if we do this what happens here? If we keep Fairford at the level it is, we do not flood the people in the reserves any more, and if we cut back on the Portage diversion, what happens? If we pour more water down the Assiniboine just to the point where the dykes will still take it without putting any concern—all these things we sat hours and said, well, if we do this, can we do this? It all was subject to that there was no three- or four-inch rain. Had that happened everything would have bust loose again. We would have had to re-adjust.

I want to maybe clarify to the member why I am explaining this way. It is not a matter of because of 1990 somebody felt that there was a reduction or reorganization within the department of Water Resources that this has a bearing how these things operated, not at all, because basically the decisions still get made in a proper manner, and it has no bearing. If there were only five guys left in the department of Water Resources, the decisions would still be made and could conduct the activities of the dam.

* (1120)

Because of the mistrust that is out there about my department of Water Resources—and I want to dispel that—I would want to have the Assiniboine River advisory group tell me that we are operating it right or wrong and if wrong, then what is right so that once and for all we can deal with this, because it is an annual thing. It has been going since even before I got into the Legislature and that is 18 years ago. They have been concerned, not sure about this thing for the last 20-25 years.

Mr. Struthers: Certainly they have been concerned ever since the undertaking began in the late '60s. I understand that. I want a little more clarification on the whole question, the allegation that all this occurred because of a realignment in 1990. Who in that western region makes the decision then to go to 1,600 cfs in mid-April and how does that decision come about?

Mr. Driedger: Mr. Chairman, I sense the member feels that because of what happened in 1990—and it is Jack's fault, the member for Emerson (Mr. Penner). It

was his fault. He was minister at the time when some of these changes took place. I am being a little facetious here, a little.

I am trying to convince the member that, irrespective of how the department of Water Resources was reorganized, it has absolutely no bearing as to how the structures get operated. Even if we would have had added 10 more people or 15 more people, it would not have changed anything in terms of how it gets operated.

The decision-making role between the regional Mr. Wooley from the western region with my Water Resources people, with my ADMs, Dr. Shoesmith, deputy and moi. We basically, you know, when we realize it is normal, then there is no problem. There is a standard how it is done.

When things get abnormal, as they did this year, then we all get involved in the decision making. It is not an individual that basically, because he was or was not there, made a decision and made a mistake. We could never operate that way.

These decisions basically get made with all the professional people that we can have around us that know what it is all about. We say listen, we should start drawing down more because we know there is so and so much snow up there, so and so much—and depending on the breakup, how fast that is, whether it is fast, slow. All these things have a bearing on it.

I am trying to convince the member that it is not a matter of somebody out there having made a mistake in terms of the decision. It is much broader than that.

Mr. Struthers: Usually I am a pretty easy person to convince, based on logic and all that. I want to be prepared for the next time somebody in the area phones and makes some allegation about what went on.

I want to be sure that I can explain to them the whole situation. I would like to be able to say to them that the person in this position has the job of going out and figuring out how much snow and water is out there, and it is going to put this much pressure on the dam, and then this person makes the decision to either draw

down more water or open the gates. I do not feel I have those specifics to be able to tell people.

Mr. Driedger: Mr. Chairman, again, see, I was trying to explain to the member that it is not one individual that makes a decision like that, because I certainly would not feel comfortable with having one individual make that decision and then make a mistake. That is why the system itself is set up in such a way the information comes together. The regional director, for example, Mr. Wooley out of Brandon, plays a major role in this. He has all his people giving him the information. He feeds that into the Water Resources people, my ADMs and my directors. They basically decide this is the problem that we have, and these are the decisions that get made.

I do not know whether I can ever at this point give the member the comfort level that if somebody phones and says they did it again, the minister and his staff did it again, they made a mistake again—that is why I have the Assiniboine River Advisory Committee looking at these things and telling me are we operating it properly, because if not then we will take and—in fact, I am prepared to, under the circumstances—and I think I have made this statement already—set up an advisory committee just for the operation of the Shellmouth Dam and having local people have their noses right there and they know what is going on.

Ignorance, they say, is bliss. It is not so. Ignorance is problems very often. I want people to know exactly what is involved in terms of how a structure of that nature gets operated.

Mr. Struthers: I wonder if the minister has been looking over here at my notes, because that was my next question. I was going to recommend that the—

Mr. Driedger: ESP.

Mr. Struthers: Okay, good.

I was going to make the suggestion that, based on the success of the advisory board in Lake Dauphin the same kind of a setup could be proposed for the operation of the Shellmouth Dam, again on an advisory basis, because there are people, as the minister says,

who have responsibility ultimately for making decisions there. I think it would be very helpful to have local interests at least with some input into these decisions. It may mean that his phone and mine do not ring as often with as many complaints as what have occurred this spring.

Mr. Driedger: Mr. Chairman, I have suggested that I am looking very strongly at setting up an advisory group. However, I do not intend to do that until I have the—and I am expecting sort of that maybe the Assiniboine River advisory group is going to be making some of these recommendations to me as well as when they tell me as to whether they think it is operating properly or not.

Just for the public's sake, the people that are involved, we will take and have them maybe play a role that they have people that can participate in terms of knowing exactly how the decision gets made and maybe have a role in it.

The key I keep. When I say that, I say that ultimately the decision still has to be made by—I will take the responsibility, good, bad or otherwise. Somebody has to; I cannot put that into somebody else's hands. There can be an advisory committee, basically he says, and we will understand better exactly what is going on.

Mr. Struthers: Is there a time frame then on when the Assiniboine advisory group is going to report to you and make their recommendations?

Mr. Driedger: I am going to have an interim report coming down to me within the next two or three months. I am hoping that it will address many of these specifics that I have made reference to.

Mr. Struthers: I also want to deal with the question of compensation in that area. I would imagine that there are some legitimate cases to be made for compensation. Have packages been sent out to the R.M.s in the district, and have any of them been flowing back through to your office?

Mr. Driedger: There are two elements to this question. We can maybe clarify that. Under the Manitoba Disaster Assistance Program, we have flood, fire or

pestilence, whatever it is. There is a system in place under the Manitoba Disaster Assistance Board. Municipalities are well aware of this.

They basically make application to Government Services, and the Manitoba Disaster Assistance Board, by and large, then authorizes the chairman, who is Mr. Sid Reimer, who has been doing a very capable job for many years. His staff people then go out and do investigations.

They have under the Manitoba Disaster Assistance Board—and these are questions that possibly should be pursued—the member for Portage (Mr. Pallister), the Minister of Government Services, is going to be mad again if I give too much information. But there is a system and a formula in place as to what qualifies for compensation, what does not.

The one area where there is always some confusion is that anything that is insurable you cannot claim under the Manitoba Disaster Assistance Board. So, if you do not buy crop insurance and you cannot seed your land, tough beans, you know. But they always keep saying, well, it is because of the flooding.

Hi, Doug, got to see you one of these days. It is your cousin here.

An Honourable Member: Nephew.

Mr. Driedger: Nephew? Oh.

Mr. Assistant Deputy Chairperson: Order, please. The honourable minister to finish his remarks.

Mr. Driedger: Sorry, Mr. Chairman, I sort of got carried away, but I used to deal with that Mr. Struthers over there. Now I am dealing with a Struthers over here.

Mr. Struthers: You are a lucky man.

Mr. Driedger: Well, debatable. Okay, where was I? Can you correct me, Mr. Chairman?

Mr. Assistant Deputy Chairperson: The honourable Minister of Natural Resources to finish your remarks.

* (1130

Mr. Driedger: The one challenge that we are faced with even now and the requests that we have is that people say, well, they put on chemical and fertilizer in fall and now they could not get on because of flooding. Who is going to pay for that?

There are insurance programs that they could have participated in, but they feel that they cannot get enough money back out of that. So they still say, well, now there should be some compensation, but under the Manitoba Disaster Assistance Board it does not qualify. If they do not have crop insurance—I mean, it has been a problem that has been outstanding there since the day that the dam was built. If there was an easy answer to it, it would have happened a long time ago, prior to my time. But I am trying to see whether we can maybe work out something after the flood subsides and the Manitoba Disaster Assistance Board has got all its investigations and settlements out of the way.

We are prepared to look and see whether there is some way of maybe working something out. The most rational thing would be, because it is a flood-prone area, that government should buy out the acreage and be done with it. The individuals do not want to necessarily be bought out. Then it gets to be a bit of a standoff as to what is the best way to do it. They want compensation. They know they are going to get flooded so and so often. It is a flood control structure, but they do not want to sell. So it gets to be a bit of a standoff, but we will try and work with that and see whether we can resolve that. This is where part of the suspicion comes again from the operations of the Shellmouth Dam. So it is a big, related thing.

Now I will throw something in there for the member just so he has something more to think about. We have a problem there with what we call the Langenberg drainage. The Langenberg drainage is coming from Saskatchewan where the Saskatchewan is looking at draining five major watersheds into the Assiniboine River and adding to the problems. That is coming in upstream, downstream from the Shellmouth Dam.

My colleague the Minister of Environment (Mr. Cummings) and myself have been trying to dialogue

with the Saskatchewan government in terms of, there has to be some understanding how we do this here, because it is going to be war out there.

If the member thinks that is a light statement, water was always a source of many, many conflicts, and it is starting to develop between the two provinces now. My understanding is that the conservative Romanow won yesterday in Saskatchewan? Am I right, Jack?

My understanding was that the conservative Premier Romanow won yesterday in Saskatchewan and now once he will reappoint his cabinet, it will be our intention to deal with the respective ministers, to sit down and see whether we can come up with some understanding as to how to deal with the Langenberg thing. A request has been made to have an environmental study take place, and we will pursue that.

But I throw that in only as part of the mix. If the member wants to know, we can continue. There are so many, it is like an octopus, this whole system, in terms of the Assiniboine River. But those are sort of the things that I wanted to maybe let him know where we are.

Mr. Struthers: I have seen people looking for silver linings before but to analyze the Saskatchewan vote last night that way is something else. There were only five Tories elected, I think.

An Honourable Member: It is the best conservative government that Saskatchewan has ever seen.

Mr. Struthers: I have no questions left here. I just want to defer to my colleague here from St. James (Ms. Mihychuk).

Mr. Jack Penner (Emerson): Thank you, Mr. Chairman, for recognizing that some of us—and I only want to make a few comments to correct the minister on his assumptions or allegations that he has made here today. I want to assure the honourable member for Dauphin (Mr. Struthers) and the rest of the members of this committee that it has always been my intention and in the best interest of the province to ensure that there will be adequate water supplies in southern Manitoba.

I think the demonstration of that was in 1988-89-90 when many of our communities were in very, very severe need of assured water supplies. The construction of the Shellmouth reservoir—and I think the honourable member for Dauphin (Mr. Struthers) might want to pay some attention to what I am saying—is a demonstration of what can be done if the province has a will to take it upon itself to ensure that there will not only be adequate water supplies in years of drought but can actually be constructed in such a way that in years such as this when we have an abundance of water and the runoff which would have created havoc and chaos had there not been some controlled type of a release mechanism in place at that point.

I would hate to think what the Assiniboine River would have looked like had there not been a Shellmouth structure. The damage that would have been created by the huge flooding that would have gone on can only be demonstrated when we reflect back on 1948, 1950 and the Red River Valley when there are no structures and there are no control mechanisms to release water in a controlled manner down the pipe.

We all know that farmers want to get the water off their land in spring as quickly as possible that they can get on and put their crops in. That is normal. It is, however, up to government to ensure that the kind of structures that are built at Shellmouth are built on other areas.

I want to reflect, and the minister referred to this, on what Saskatchewan did and the Romanow government in Saskatchewan which was elected, which I consider to be the best conservative government that Saskatchewan has ever seen. They are in disguise under the NDP banner because that is the only way that Saskatchewan people will allow the government to make the radical changes that Romanow has made.

I want to also say to you that the cuts that the Saskatchewan Romanow government made in Saskatchewan during the last four years, moving 57 rural hospitals out of the system, could only have been done by a conservative administration under the guise of a socialist administration, as Romanow did.

Similarly, the acceptance of the Rafferty-Alameda project, which the former Conservative premier of the province, without being disguised, put into place to ensure that there would be adequate water supplies in a drought-prone area; plus there would be adequate cooling to provide power to an area that does not have relativity to power or access to proper power can now be done.

Roy Romanow and his government will, in fact, be the beneficiary government that will be credited for alleviating the drought in that area, supplying proper regulated flow down the Souris River, and we in Manitoba will be beneficiaries. We in Manitoba will be beneficiaries of the actions taken under the previous so-called Conservative government.

So I say to you that we should, Mr. Minister—and this is a reflection of what you indicated—take a good hard look at our own situation in Manitoba. We should take a look at the Souris River and start looking at designing proper storage structures that would alleviate flooding, not only down the Souris River but down the Assiniboine River, as well, at the same time providing adequate water supplies for communities for irrigation, that we could continue the expansion of our specialty crops which add huge foreign currency dollars out of Japan, the United States, in sending finished products out of this country such as potato chips and others.

If we did that in every watershed area that we had in this province, we would not only enhance the environment; we would enhance the whole natural mosaic and allow us to expand the industries that are dependent and allow us to expand the agricultural possibility within this province.

Therefore, I say to you, Mr. Minister, that some of the things that we kicked in place through the land and water strategy, some of the recommendations that the people of this province made during that process are still on record and will be utilized, in my view, by some future administration, whether we do it or whether some future administration does it, be they NDP or disguised as NDP under a conservative type of administration, right-wing type of an approach as Roy Romanow does now, but they will be done in my view.

It will cause a much more regulated system and will decrease the liability of our Disaster Assistance Board and the liability on government and will add revenues to our province and at the same time enhance your environment.

* (1140)

So I think, Mr. Minister, that we should move not only as we have on the Shellmouth reservoir, we should look at Lake Dauphin. That is why the Dauphin Lake advisory committee was established. That is why the local people are going to have an ability to design a system that will satisfy the needs of those communities. That is why the Carberry aquifer advisory committee was established to ensure that the local people had input into the decision-making process. That is why there is now a discussion about setting in place an Assiniboine River Advisory Committee to allow again that local input and then build and design the kind of projects that this province needs.

If we could only get the acceptance of that kind of a process by the opposition NDP members and their environmental friends to allow us to move in this direction, this province's economic viability would be tremendously enhanced.

So, Mr. Minister, I think you are on the right track. I think this government is on the right track. I would only hope that we could expedite the processes to make some of these things happen more quickly.

Ms. MaryAnn Mihychuk (St. James): I have just a few questions. I am going to start with my constituency questions in terms of Water Resources, primarily in terms of information. As a new member, I would like to get some information as to jurisdiction and—primarily jurisdiction, actually.

My questions are in regard to Omand's Creek. It is one of the few waterways that we have in our city that needs some clear protection. There is always the imminent threat that it is going to be paved over by development in that area. Can the minister inform me as to whose jurisdiction that waterway is?

Mr. Driedger: Mr. Chairman, to the member for St. James, I believe—I will have to check to ascertain this—that it is within the city authority, as we, under Water Resources, have the responsibility for third-order drains, fourth-order drains, et cetera, and natural waterways.

In this particular case with the City of Winnipeg, I will have to ascertain that specifically because I do not know whether we have any jurisdiction on that kind of a waterway within the city. I think we have played a role in terms of giving advice under Water Resources on some of these things, but I do not think we have the authority. I will ascertain that for sure.

Ms. Mihychuk: I appreciate that. At the same time, could the minister perhaps explore whose responsibility or jurisdiction is the bank stabilization program in terms of waterways that go through urban centres?

Mr. Driedger: This has been a debatable question for a long period of time because navigable waters the federal government has responsibility. I know we have in various cases worked together with the federal government in terms of trying to do some stabilization on our major waterways.

There was a case in the St. Norbert area where the banks of the Red River were caving in. We have cases further towards Selkirk where we have had bank deterioration, and it is always a very costly aspect of it. We have tried in the past—I will have to ascertain—but I know that we have cost-shared some of these. We have some responsibility. I do not know whether that is necessarily that though, you know. It depends a little bit.

Because of the tremendous costs involved, everybody sort of plays footsie with it a little bit and nobody wants to get really serious about saying, well, this is our responsibility or this is your responsibility. Because, invariably, as you have the riverbank deterioration taking place, and it does during periods of high flow, people who have bought land along there feel that it is our responsibility to make sure that they retain the same amount of land, and that does not always happen. We have the same thing happening, I know that in the case of lakes, for example, it is sort of

a gray area in terms of who basically has the responsibility. I know that the federal government on navigable waterways, they are the authority. They dictate what happens at the Lockport dam, which basically controls the level of the Red and Assiniboine to some degree, and that affects actually the bank deterioration from time to time.

I wonder if the member can maybe be specific on something and then maybe I can get a better handle on it.

Ms. Mihychuk: My questions were still in regard to Omand's Creek, which is not a navigable waterway unless you are talking about perhaps a small toy boat. It is a feature which we cherish in St. James, and I am sure probably the whole city of Winnipeg. It is one of the only open natural creeks that we have available.

The bank stabilization or the erosion of the bank and the actual bank stabilizing on Omand's Creek, particularly on the west side that I noticed, is an issue and is very unsightly. So I am trying to establish, is the creek, since it is an open waterway, the jurisdiction of the province, of the city, and now, in terms of the bank stabilization, whose responsibility would that be?

Mr. Driedger: Mr. Chairman, I want to tell the member that I will get some specifics on that.

However, there are programs, and depending how extensive, I think the government has funded some under the special conservation fund. I think we had some funding that was given for some work on Omand's Creek, which I know is a very sensitive creek out there.

I will try and get some information, but if she could give me a little bit of something in writing, let us say, specifically related to the area where she is concerned about the banks, I would be prepared to have our Water Resources people first of all establish authority and maybe have our people available to give some comments on the thing. Depending on, of course, what kind of money we are talking about, there is, within my department, certain funds that we have been allocating under certain special projects where something could be undertaken. I do not know how extensive this is.

Ms. Mihychuk: I appreciate the minister's comments and look forward to the information he is going to provide and look forward to working with the department staff or whoever. I truly appreciate that. That is a natural treasure that we want to preserve and we do not want to see it be an eyesore.

My second question in regard to my own constituency is in regard to the Assiniboine River. When it enters Winnipeg and goes through—my constituency is near Assiniboine Park. In general, what is the water quality like for the Assiniboine River? Is it, for example, safe to explore water sports? What degree of change has there been, let us say, in the last few years?

Mr. Driedger: Without being definitive, when I look at the quality of water that is coming down the Assiniboine, especially in a year like this with the high water with all the silt that is in there, I will not offer to swim it like Harry Enns did the Red River, because I do not think I would feel comfortable in it.

Part of the problem that we have with both the Red and the Assiniboine is that I cannot really give a definitive answer in terms of the quality of water. The member probably looking at it has the same opinion as I do, that it is not really good, clean water. People downstream towards Selkirk still take and process that water and use it for drinking purposes, but so do most of the communities basically downstream from Shellmouth to Brandon, Portage. They all basically have treatment plants and use the water out of the Assiniboine for drinking purposes. Others use it for irrigation; others use it for livestock operations.

* (1150)

I do not have the ability within my department to assess the quality of water. I think we probably have to ask the Department of Environment, my colleague Glen Cummings, to see his people who are doing the monitoring on these things.

Maybe I can make a note of this and make reference to the Minister of Environment and have somebody that would probably be able to talk to you about that and make contact with yourself. Is that acceptable?

Ms. Mihychuk: Yes, that would be satisfactory. I would ask that—it is not really the degree of silt and mud that is carried. I am sure that we all know that the Red River is red because of the clays that it goes through in the Red River basin, and although it looks dirty, that is not the major concern. The concern would be the toxins and the phosphates that are within the water, and I understand that is within the jurisdiction of the Environment. So it would be more appropriate perhaps for me to ask those questions of the Minister of Environment (Mr. Cummings). I take that recommendation and will follow up. I appreciate that information.

Mr. Driedger: In the letter that I will be sending the member related to the responsibility on Omand's Creek, we will also have a name reference from the Department of Environment in that correspondence so that contact can be made.

Ms. Mihychuk: Now I would like to move in terms of my questions to my critic area, which is Energy and Mines. What relationship does the Department of Natural Resources have with Energy and Mines? We are in the Water Resources section of this department. Is there a link between those two areas?

Mr. Driedger: I probably have to check with my deputy who was the deputy of Energy and Mines and is now the deputy of Natural Resources. He has been playing a role in various cases.

Maybe I will try and clarify it in terms of at the time when the Hydro projects along the Nelson River were being contemplated, there was a close liaison between my Water Resources people and the Department of Energy and Mines. Now that that project has come to a halt, we have dealings with the Department of Energy and Mines based on Hydro water levels in Lake Winnipeg and some of the control structures that basically operate. So there is that liaison.

For example, on the Winnipeg River we have a series of structures, the old dams, the electrical dams, which are basically under my department. We have the board that dictates how much water comes down the Winnipeg River from Lake of the Woods which affects all those little lakes there and all the structures there in

terms of what level do we let down so that the generators can operate and that we do not flood out people. So there is that liaison where my people work together with the people from Energy and Mines. I do not know if this was the question that the member is basically asking. I know I am talking on a general basis, but we have, like we do with most other departments, quite a interrelationship in terms of decision-making roles.

Ms. Mihychuk: No, it is true that the departments, especially in terms of Environment, Energy and Mines and Natural Resources, are closely linked. If I remember correctly there was even a time that Energy and Mines was a part of Natural Resources. Maybe just to put that on the record, is there any intention to do that type of amalgamation of departments?

Mr. Driedger: Mr. Chairman, I think the member probably read my deputy's lips. He just said we want it back. No, I have to say at the present time this is not being contemplated, not saying that governments in their wisdom might take and realign some of the departments from time to time as has happened. But at the present time this is not under discussion.

Ms. Mihychuk: Let me ask then, I understand that there is a close link in terms of the production of Hydro dams. I am sure that the department worked closely on the Conawapa project, for example. That one is still on hold, and, as we look at the future, it is fortunate to think that will have minimal amount of damage compared to some of the other major structures that we did proceed with. and, quite frankly, that we reap the benefits of today as we see some of the lowest Hydro rates in Canada and a source of energy that we can be proud of and is going to be available for the future.

In terms of the mining component, does the Department of Natural Resources in fact do some type of monitoring of water quality? What I am talking about is the acidification of lakes near the smelter areas in the North.

Mr. Driedger: Mr. Chairman, I do not want to try and pass the buck on this, but between the Department of Energy and Mines and the Department of Environment would be the ones that basically would co-ordinate the

level of toxicity or where you have environmental concerns in terms of—I forgot the word. I am getting old. Anyway, those are the two departments that would sort of establish exactly whether there is some problem with the toxicity or whatever the case may be in terms of there. We would not be involved in that.

Basically, ours is the water management end of it under Water Resources, though we have to rely on Environment with many of the things we do, for example, in terms of our structures, if we do build structures, the environmental impact by certain drainage aspects of it. So there is always that liaison but in this particular case it would be between Energy and Mines and Environment.

Mr. Struthers: Just quickly in the last few minutes before we break for noon, I want to talk a little bit about the situation around Dauphin Lake. I am very well familiar with the problems involved. I am familiar with the lake advisory board and the groups involved with that outfit.

I had asked a question a while ago in the House about the channel that has been proposed to be constructed north of Lake Dauphin to Lake Winnipegosis. My understanding was that the commitment was made that the surveying of the channel of the area where it may be constructed will be done this summer. I also asked at the time if there was a plan to handle the increased flow of water downstream. What I am concerned about is Lake Winnipegosis and eventually the higher levels of water hitting that bottleneck known as the Fairford Dam.

I wonder if the minister could comment.

Mr. Driedger: Mr. Chairman, first of all, I believe the member is correct that we are doing some survey work based on the recommendation that came forward from the Dauphin Lake Advisory Board. I think I have said this a few times before, and will again, they have done a tremendous job of getting all the interest groups together and coming up with sort of a suggested plan that we basically can follow.

In terms of the work that is being proposed, we will do the survey work now but in order to undertake any

physical work, whether it is doing the channel or any structural part, before we do that we have to go through an environmental process. Even government has to do that. We are not exempt from that. We are working, I am told, with Canada Fisheries and Oceans, Manitoba Fisheries Branch, my Department of Natural Resources' Fisheries Enhancement Initiative, Wildlife Habitat Canada, Turtle River Watershed Conservation District, Manitoba Habitat Heritage Corporation, Manitoba Environment, Manitoba Water Services Board, PFRA, Manitoba Agriculture, and individual landowners, so it is a real big complex.

So, once we have this survey work done, I suppose, that is when somewhere along the line a decision would have to be made in terms of what is physically going to be undertaken, at what cost and how can that be staged because there is big money involved here, and that would have to be prioritized, I guess, in terms of can it be done in stages, or how would we undertake that? I can say that—I know the chairman is getting antsy—but I want to maybe get up to the water retention and structures maybe a little later on.

Mr. Assistant Deputy Chairperson: Order, please. The hour being twelve o'clock, the committee will rise.

JUSTICE

* (1000)

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Justice. Would the minister's staff please enter the Chamber at this time.

We are on Resolution 4.2 Operating Appropriations 2. Public Prosecutions (e) Victims Assistance.

Mr. Gord Mackintosh (St. Johns): Regarding the Women's Advocacy Program, I am wondering if the government has any plans to extend the program and offices to other locations outside of Winnipeg.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): It would be considered as part of

the review that we are doing right now for overall services to victims. We have used an incremental approach, and we would like to review as well how the three places where we have extended the service into are managing also.

But I think the overall answer is best answered by, it will be part of our overall review of services to victims.

Mr. Mackintosh: Can the minister advise as of the workload statistics for the Women's Advocacy office at Brandon, which would include intakes, referrals and however else those statistics are broken down for the Women's Advocacy Program?

Mrs. Vodrey: At the moment the statistics are being kept as intakes only and in Brandon the intake for the Women's Advocacy Program is 130 and for the Child Witness Program, 15.

Mr. Mackintosh: Would the minister also provide that information for the Thompson and The Pas offices?

Mrs. Vodrey: For Thompson, the intake for the Women's Advocacy Program is 114, and for the Child Witness Program, it is 10; for The Pas, the intake for the Women's Advocacy Program is 104, and there are not stats available for the Child Witness Program.

Mr. Mackintosh: Does the province directly fund any portion of the Winnipeg victim services unit?

Mrs. Vodrey: Could I clarify from the member, is he referring to a service offered by the Winnipeg Police Services?

Mr. Mackintosh: Yes.

Mrs. Vodrey: No, we do not, at the moment, have any funding obligation to the service offered by the Winnipeg Police Services.

Mr. Mackintosh: Is the minister aware as to whether the city or the Winnipeg Police Services has requested funding assistance for that program in light of the funding of programs outside of Winnipeg that are similar in nature?

Mrs. Vodrey: No, to our knowledge, not at this time.

Mr. Mackintosh: Would the minister tell the committee if there are any other staffing or program changes to the Women's Advocacy Program for this fiscal year?

Mrs. Vodrey: Yes, I am told that we filled one vacant position over the past year. That was the position of counsellor now filled. We also have a casual position which we have been using to fill while the supervisor has done work such as training, work to make sure that there are the appropriate number of staff people and services available.

Mr. Mackintosh: I believe the minister said earlier that the youth gang line could be dealt with under this appropriation. I could be wrong there, but I have written that down under this title. Is this where we can deal with that?

Mrs. Vodrey: The staff person who has knowledge for that is not here at the moment. We are certainly prepared to call him and we can deal with that when he arrives if that is agreeable to the member.

Mr. Mackintosh: Well, as long as we can deal with it at some point. I just do not want to lose the opportunity to question on that. It looks like there is no funding specifically for Victims Assistance in any event.

So perhaps if we can deal with it whenever it is appropriate, if the minister would advise who the individual is now, then I can be on my toes.

* (1010)

Mrs. Vodrey: My suggestion is that we look at it at 4(d) then, which is Community Corrections, and though this is not a staff person who would usually come in that area, we will see that he is available to be here to cover it under line 4(d).

Mr. Chairperson: Item 4, 2.(e) Victims Assistance (1) Salaries and Employee Benefits \$505,300—pass; (2) Other Expenditures \$1,093,500—pass; (3) Grants \$373,900—pass.

2.(f) Criminal Injuries Compensation Board (1) Other Expenditures \$1,885,000—pass; (2) Less: Reduction in Actuarial Liabilities (\$100,000)—(pass).

Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$65,454,700 for Justice, Public Prosecutions, for the fiscal year ending the 31st day of March, 1996.

Mr. Mackintosh: That resolution was from the other day I take it?

Mr. Chairperson: This resolution is everything that we have passed in Public Prosecutions, 4.2; 2(a) has been passed, that was Public Prosecutions. Then there is (b), (c), (d), (e) and (f).

Mr. Mackintosh: Okay, I have not dealt with (f) yet, Criminal Injuries Compensation Board.

Mr. Chairperson: Is there leave for the committee to revert back to Criminal Injuries Compensation Board

Some Honourable Members: Leave.

Mr. Mackintosh: Just a couple of brief questions. Is it within the mandate of the Criminal Injuries Compensation Board to pay for the legitimate moving costs of an individual who is in hiding from—whether it be a stalker or an abuser?

Mrs. Vodrey: Stalking is not yet included under the Criminal Code actions, which are covered under the Criminal Injuries Compensation Board. However, we are more than prepared to do that in terms of making sure stalking becomes included. We will go through the process. Whether or not that will ultimately cover moving costs, I cannot say now. However, we certainly will look at making sure stalking becomes included under the Criminal Injuries Compensation Board.

Mr. Mackintosh: I will be watching to ensure that takes place. As well, though, I would like the minister to advise the committee whether an individual in hiding from an abuser would be entitled to moving costs as a result of a criminal charge of assault.

Mrs. Vodrey: I am told that at the moment it does not fall currently into the mandate; however, where charges have been laid and the victim is a witness, it is possible that it could be covered.

Maybe I should make sure it is clarified for the record so that someone reading it understands the tone in which I am answering. It is possible, I am not saying for sure that it would be covered. We would have to look at the incident itself and then see if, in fact, it could fall within the guidelines, and, at the moment, it does not.

Mr. Mackintosh: Well, then, I think the clear answer would be that the Criminal Injuries Comp Board does not pay for moving expenses of a victim of domestic assault.

Mrs. Vodrey: I believe that is the answer I have given, that, no, at the moment, it does not fall within the guidelines. However, and I listed a set of circumstances where charges have been laid, where the victim is a witness, where in fact there may be some circumstances which may have it fall within the guidelines, but at the moment, it does not.

Mr. Mackintosh: Was the minister suggesting that perhaps under the guise of a witness protection program, there could be moving expenses allowed?

* (1020)

Mrs. Vodrey: Mr. Chair, the Criminal Injuries Compensation Board at the moment compensates for injury. It compensates in the area of counselling which may be required, and I have spoken about that in terms of particularly our extension into those who have been abused as children. The member is asking now, will it also extend into the protection of witnesses, and I can tell him, not through the Criminal Injuries Compensation Board, but in the case where we believe witnesses require protection, then we certainly see to that protection. That is not funded under the Criminal Injuries Compensation Board.

His question seems to me to be, now, because people have required protection and may require moving, is that in fact now to be seen as an injury? At the

moment, no, it is not. At the moment, we cover for injuries and would deal with matters such as counselling, not moving expenses, but I would say to the member, again and for the record, that where witnesses do require protection that protection is provided.

Mr. Mackintosh: Is there any ongoing study either by the board or by the department or any other person or agency as to the scope of the benefits and the operations of the Criminal Injuries Compensation Board?

Mrs. Vodrey: Mr. Chair, there is in fact a Criminal Injuries Compensation program review committee which is made up of people from within the Department of Justice.

That committee has met, and an initial meeting took place, and then a second meeting has taken place. They have looked at a timetable and a work plan for this review, and some of the issues that will be considered by this review committee are new offences that are not currently covered under the Criminal Injuries Compensation Board.

For example, one of the issues on their agenda is criminal harassment or stalking.

Mr. Mackintosh: Can the minister advise what the provision for future costs is as of March 31, 1995?

Mrs. Vodrey: The information that I have says, as of March 31, 1995, the provision for future costs is \$18,686,231.

Mr. Chairperson: Resolution 4.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$65,454,700 for Justice, Public Prosecutions for the fiscal year ending the 31st day of March, 1996.

Resolution 4.3 Justice (a) Administration and Special Programs (1) Salaries and Employee Benefits \$129,100.

Mr. Mackintosh: Can the minister tell the committee the position description and the name of the individual that makes up the one SY under Managerial?

Mrs. Vodrey: That managerial position refers to the Associate Deputy Minister of Justice, Mr. Ron Perozzo.

Mr. Mackintosh: Just briefly, I have looked at the explanation of what this area does, but it is not clear in my mind what the practical work is, and I am aware of Mr. Perozzo's involvement, for example, in the committees and providing advice to the minister on pending legislation. I am just wondering, is that kind of work included in this area, and could the minister just briefly describe other activities that are undertaken in this area?

Mrs. Vodrey: Mr. Chair, may I just clarify with the member. Does he mean other activities and work undertaken by the one person in the managerial position or by the division of Justice?

Mr. Mackintosh: By this particular division. I mean, it appears that there are only two SYs here. One is Mr. Perozzo and obviously some administrative assistant, so I suppose that when she asked, is it Mr. Perozzo's position or the division's duties that I have asked her to describe, it looks as if they are one and the same.

* (1030)

Mrs. Vodrey: Mr. Chair, I think I understand the question to be the role then of the manager and the one support person in relation to not only the Justice Division, but if there are other responsibilities as well. That individual is required to provide leadership to all the areas of the Justice Division that we will be speaking about in the next while, Civil Legal Services, Constitutional Law, Family Law, the Public Trustee, but is also responsible for areas of the department not contained within the Justice Division: Finance and Administrative Services which is appropriation 1, the Legal Aid Society which is appropriation 6, the Human Rights Commission which is appropriation 6.

In addition to that the individual is responsible as associate deputy minister for areas of financial management across the department, also for areas of management reform across the department and interdivisional corporate responsibilities. That would include things like legislation, which we are bringing

back and which we are bringing forward, which would require different divisions within the Department of Justice to have knowledge and co-operate and where the effect would be on several different divisions within the Department of Justice.

Mr. Mackintosh: It looks like it is a difficult position, obviously, to carry out duties then because of the nature of some of the organizations within Justice that have to be dealt with. What I am getting at here is, for example, the Manitoba Human Rights Commission has some relative independence from the department and I suppose a liaison can often be difficult. As well, the Law Reform Commission is at least somewhat independent.

I wonder, how independent is the office of the Public Trustee? In other words, is this position able to direct the office of the Public Trustee in any way or would the relationship only be one of advice or recommendation?

Mrs. Vodrey: The Public Trustee's office is independent for the purposes of being sued or for suing and it is also independent, therefore, in determining action that they will take in the interests of its clients. In areas of personnel management, it does fall within the requirements of the government programs and it has to meet the same kinds of standards and requirements that are there for government.

Mr. Chairperson: 4, 3.(a) Administration and Special Programs (1) Salaries and Employee Benefits \$129,100—pass; (2) Other Expenditures \$22,400—pass.

3.(b) Civil Legal Services (1) Salaries and Employee Benefits.

Mr. Mackintosh: Can the minister explain what cost-benefit arguments there are—that is not the right way to put it. What cost-benefit changes are being recognized now as a result of the special operating agency?

Mrs. Vodrey: Let me take a moment to introduce Mr. Tom Hague, the director of Civil Legal Services to the committee.

In terms of the member's question, I understand that it is a little bit too soon to give him any numbers. The

first quarter is not finished yet. However, when the first quarter is finished, a report will be submitted to the Department of Justice and to government. I would remind him that Civil Legal Services have operated on a cost-recovery basis for approximately three years now.

Mr. Mackintosh: Well, I will look forward to seeing the results of that survey and that review, and I ask that the minister provide me with any overview after the first quarter. Would the minister be prepared to do that?

Mrs. Vodrey: As the member knows, there will be an annual report made public at the end of the year, and I will be sure that he has a copy of that annual report.

Mr. Mackintosh: Well, then I take it the answer is no and given that the annual report of different departments or divisions has been coming into the Chamber very late, I am wondering if the minister cannot provide at least the annual report from the special operating agency at the time that it is provided to her.

Mrs. Vodrey: Of course, I will be sure that the member receives that report in a timely way.

Mr. Mackintosh: Well, then the answer was no.

Point of Order

Mrs. Vodrey: On a point of order, Mr. Chair, the answer was not no.

The member obviously has some misunderstanding. I certainly agreed that I will be providing him with the annual report. It is a requirement to make this available and I certainly will. I have told him that he will receive it in a timely way; he will receive it when I am able to provide it. I certainly will make sure that he gets it as soon as possible.

Mr. Chairperson: Order, please. The honourable minister did not have a point of order. It is clearly a dispute over the facts.

* * *

Mr. Mackintosh: Would the minister advise whether the government has legal counsel representing it on issues regarding the arena and the Jets, and if so, who that is?

Mrs. Vodrey: Mr. Chair, I can tell the member that no retainer has been arranged through the Department of Justice.

* (1040)

Mr. Mackintosh: Is it then the policy of the government that legal advice provided to the government need not be secured through the Department of Justice?

Mrs. Vodrey: Mr. Chair, as the member may know, in special circumstances counsel may act for a Crown corporation and government. In this case I am not able to provide him today with who all of the people or groups or corporations or whatever are involved, and his question is best put to the Minister of Finance (Mr. Stefanson).

Mr. Mackintosh: I believe my question was: Is it government policy then that outside counsel retained by government departments need not be retained through the Department of Justice?

Mrs. Vodrey: Mr. Chair, as I said in my last answer, the vast majority are, but there may be special circumstances, and the member is best to put his question to the Minister of Finance.

Mr. Mackintosh: Has the minister expressed any concerns to her colleagues in cabinet or to other officials about the retaining of outside counsel from departments on an ad hoc basis and not through her department?

Mr. Mackintosh: Mr. Chair, I am confident that my colleagues who are directly involved are doing the best job and careful job possible for the people of Manitoba.

* (1050)

Mr. Mackintosh: Would the minister provide a list indicating the lawyers retained by the government, not

including Crown corporations, by matter for the year '94-95?

Mrs. Vodrey: Mr. Chair, yes, I am certainly prepared to provide the list of lawyers and the amounts paid. However, the issue is not possible as it could prejudice the conduct of the case or the issue itself.

Mr. Mackintosh: Well, is the minister saying she will not provide the names of the lawyers that the government has retained over the past fiscal year? I just want to make this clear for the record.

Mrs. Vodrey: Mr. Chair, let me say it again. I have agreed to the member—he always has to come back and say, the minister will not. He is quite wrong. What I said was, I am prepared to provide, glad to provide as I provided him last year, with a list of the names of the lawyers and the money paid. What I am not prepared to provide is the issue on which we sought advice.

Mr. Mackintosh: I thank the minister for that clarification, and I will consider her response.

I notice that there are quite a number of claims regarding the Northern Flood Agreement that the government is defending. It is my understanding that, and I could not recognize it here, given the descriptions in the undertaking, but that there is a claim regarding the losses alleged by former residents of South Indian Lake.

I am wondering if the minister can tell the committee the status of that claim.

Mrs. Vodrey: Mr. Chair, I would remind the member that we are acting for a client department in that matter and his question is best put to that client department.

Mr. Chairperson: Item 3.(c) Legislative Counsel (1) Salaries and Employee Benefits \$1,291,500.

Mr. Mackintosh: Okay. Civil Legal Services needs no appropriation. Okay, pass.

Mr. Chairperson: Item 3.(c)(1)—pass; (2) Other Expenditures \$378,800—pass.

3.(d) Manitoba Law Reform Commission (1) Salaries and Employee Benefits \$304,100—pass; (2) Other Expenditures \$142,300—pass.

3.(e) Family Law (1) Salaries and Employee Benefits \$528,100.

Mrs. Vodrey: Mr. Chair, I would just like to take a moment to introduce Joan MacPhail, the Director of Family Law, to the committee.

Mr. Mackintosh: Could the minister tell the committee the current status of implementing child support guidelines in Manitoba?

Mrs. Vodrey: At a meeting of ministers of Justice across Canada in January a decision was made to release the paper on the child support guidelines. That discussion paper has been circulated in Manitoba. I am told that there were approximately 100 copies of the summary and the original report which have been obtained by groups and individuals across the province. I understand that many of those individuals have provided their comments to the committee, that is the provincial, territorial and federal committee who is working on the child support guidelines. The federal minister has indicated that he expects to make some announcements and possible changes in the fall of '95. But we do not have any guarantees that he will move that quickly.

* (1100)

Mr. Mackintosh: Does this minister have a particular view of the report and if so, is she making that view public, or has she expressed her view to her counterparts?

Mrs. Vodrey: The position that I have taken is that I was very interested to see what Manitobans would say about the discussion paper and the guidelines in particular. My understanding is much of the feedback from Manitobans has been that under the formula the awards will be too low; secondly, that there was some interest in having at least some circumstances in which a judge might deviate from the guidelines which have been provided by the federal government.

That is the position that we have taken back to the working committee, and we are hopeful that they will now take into account some of the suggestions and recommendations that have come from Manitoba. I understand that those concerns have also been raised from other jurisdictions in Canada, as well.

Mr. Mackintosh: Could the minister tell the committee the status of the custody and access project?

Mrs. Vodrey: The custody and access issue is still being examined by the federal-provincial-territorial working group. The working group has identified some problems. They do not know the magnitude of the problems. There is research into these issues. At the moment they identified that there was in fact a lack of research on some issues which they wanted to examine, so there is now some research ongoing. Research is being done by the federal research committee, and the federal-provincial-territorial working group has to receive that information back and have a look at it before a report is submitted to ministers. So, there has not yet been a final submission to ministers yet.

Mr. Mackintosh: Can the minister contemplate when the final submission will be made?

Mrs. Vodrey: I am told that at this point it is uncertain that a date has been made available to our representatives on the committee.

Mr. Mackintosh: Would the minister describe the Access Assistance Program that was alluded to the other night in committee and how that program is or was funded? I hope that she will comment on whether the program is ongoing or not, and if it is not, when did it cease?

Mrs. Vodrey: The access program that the member has asked about is one which was jointly funded by the federal government and the province. It is important to note that it was a pilot project funded for three years and extended by one year with provincial funding only. It looked at issues that related to two departments in the provincial government, and that is the conciliation services and the legal services, so it was a co-operative

effort within this government between Family Services and Family Law within Justice.

What it looked at was ways to resolve the causes of access difficulties. Unlike the Maintenance Enforcement Program, where, when maintenance is not paid, we are able to identify the problem, that is, maintenance is not paid, in the issue of the access program, it was much harder to actually identify, I am told, the reasons for denial for access. It was a more complicated program. The pilot project finished in March '93 and the federal government indicated that they would no longer participate in funding. The provincial government did fund for one more year and an evaluation was done.

Mr. Mackintosh: Did the project consider or establish or supervise access centres?

Mrs. Vodrey: No, it did not develop the access centres, and it did not provide long-term supervision. It did provide supervision for a short time to move into the transition for access.

Mr. Mackintosh: Well, essentially then the program was a mediation program. Is that an accurate description?

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

Mrs. Vodrey: Mr. Chair, the issue of mediation, I am told, was only a component of the program. The program also dealt with counselling. It also dealt with referrals, referrals for difficulties within families such as alcoholism. There was also assessment of children and, if the assessment of children was done, it may look at if the access order was seen to be appropriate or if in fact there would be instructions to legal counsel to move forward to court.

However, sometimes Conciliation felt that it was not appropriate to move forward to court and sometimes the issues were able to be resolved outside of court.

Mr. Mackintosh: What was the government's view as to the success of this program?

Mrs. Vodrey: I am told that over the three-year period there were approximately 169 families who participated, which is interesting in that it is a fairly low number that one might expect for three years. Of that 169, 99 families were considered to actually fit the criteria and actually be able to participate in all areas of what the program offered. So that is 99 families over three years. Of the 99 families, I am told that there were approximately 20 who, in fact, used most of the time available over that three-year period.

So the results seem to be somewhat mixed for that pilot project in that the uptake on the project was not really large. The families who were actually utilizing all areas of the services was in fact a small number. So it appears, I am told, that the results were somewhat mixed.

Mr. Mackintosh: What was the cost to the province in the final year of the project's operation?

Mrs. Vodrey: Members here at the table are trying to recall, but we do not have the exact figure available to us. So I will have to just take that question under advisement and get back to the member.

Mr. Mackintosh: Does the government have a program review document and analysis that she would make available to the Committee?

Mrs. Vodrey: Yes, the member could be provided with a copy of that report.

Mr. Mackintosh: I am wondering how the project was made known to families that could make use of it.

Mrs. Vodrey: I am told that the community consultation group, which was involved with the project for the whole life of the project, had representatives from a wide range of groups and lots of community contacts. In addition, the program was also made known through the courts proper. There were meetings with the Family Conciliation branch who met with the child protection workers, with the police, there was also—and so that was one way in which the community was known. The legal community was also notified. There were contacts with the Family Law bar. There were notices in publications, legal publications

and publications to the Family bar, and there was also a public information pamphlet.

* (1110)

Mr. Mackintosh: Does the government currently have any plans to start up the program again in some other form or a similar form?

Mrs. Vodrey: As I said, there is currently some research being undertaken by the federal government at the request of the federal-provincial-territorial committee, which is looking at custody and access issues. As I said in an earlier answer, what they determined was that really, in fact, there really was not a whole lot of information and particularly research available that looked at problems in custody and access, particularly in the access side. So before we would consider moving ahead into a project of our own, it would be wise for us to get that research information that is being prepared for the fed-prov committee. At that point then we will see what that information yields.

Mr. Mackintosh: Could the minister tell the committee what the status of discussions is to break down interprovincial barriers to maintenance enforcement?

Mrs. Vodrey: Well, I think one of the first things that has happened was really an important meeting which took place between Family Law and Maintenance Enforcement directors, representatives from across Canada. I gather that was one of the first times, if not the first time, maybe we should say one of the first times, to make sure we are correct, that in fact the Maintenance Enforcement officers and Family Law representatives have jointly gone and talked across the country and tried to look at the issues.

They have, as a result of that meeting, struck a series of subcommittees which are looking at the issue. In addition, they identified role and assistance from the federal government that would also be helpful. So, that is the formal way in which the issue is being looked at. However, I have said before, as well, it has been raised at meetings of ministers of Justice and also ministers responsible for the Status of Women. The issue of

enforcement between provinces is one that certainly is known to be important, and we are making every effort to try and move on that issue.

Mr. Mackintosh: I for one am frustrated by the lack of progress on this issue in terms of meaningful, recognizable change. I am wondering if the minister can play a stronger role here in attempting to take a lead in getting the Canadian ministers' heads together to break down these barriers.

Mrs. Vodrey: I have to say that as minister I consider this to be a very important issue as well. That is why I have raised it at every conference that I have been at. This is a provincial responsibility by and large except in the areas where the federal government can assist us.

So it does require individual ministers to be convinced that they should make this a priority within their own government. I am told that most provinces are, in fact, working on reforms now, and I can tell the member that it is an issue that I expect to be continually on the agenda of ministers of Justice and ministers for the Status of Women across the country.

* (1120)

Mr. Mackintosh: In regard to the consultations that were held regarding changes to maintenance enforcement in late '94, would the minister tell the committee where the consultations took place.

Mrs. Vodrey: There were eight half-day community consultation sessions held in September and October of '94. Five were in Winnipeg, three were in Brandon, Dauphin and Thompson.

Mr. Mackintosh: Could the minister read into the record the individuals and, if they represented an organization, the name of the organization that attended each of those consultations?

Mrs. Vodrey: I am more than happy to give the member some of the groups that were presenters. I will provide him with the names, but I am honestly not sure that those individuals would want their names read into the record of Hansard for the purpose of the Estimates discussion of the Department of Justice.

Mr. Mackintosh: Well, is the minister prepared to provide me with the list on the understanding that the names will not be read into the record?

Mrs. Vodrey: Mr. Chair, yes, and I said to the member that I am more than pleased to provide the names of the organizations for the record, or at least the organizations I have available to me today, and I did say in my last answer I was prepared to provide the names to the member of the individuals that we have, but out of consideration for those individual people who came to a committee to offer advice I am not sure that it is really fair of us to then put their names in the Hansard of this province. I do not know that they ever expected that kind of public scrutiny for their opinions.

Some of the attendees included representatives from the Women's Advisory Council, the Mennonite Central Committee, Manitoba Association of Social Workers, Manitoba Association of Women in the Law, Legal Education and Action Fund, Reseau, Pluri-elles, among others.

Mr. Mackintosh: Did the department invite any custodial parents enrolled in the Maintenance Enforcement Program to attend other than individuals associated with the coalition for custodial parents?

Mrs. Vodrey: Mr. Chair, I am told that invitations to individual custodial parents were not forwarded because there was a concern of having a group of individuals who may in fact be intimidated by each other or by the process in a room, and the purpose was to stimulate discussion. So, letters of invitation were sent to representative groups who could then determine who might attend and who we believed would in fact speak for and be able to bring forward the views of a larger range of individuals.

However, there was a random client survey done also through the Maintenance Enforcement Program in an effort to get at the opinions of individuals and those who could answer the questions in privacy and not have to deal with perhaps being intimidated by a larger group.

Mr. Mackintosh: Would the minister describe how the survey was conducted?

Mrs. Vodrey: The survey was done by Court Services. Court Services is line 5.(a) in the Estimates book and the details could be covered best when the individuals who were involved are here.

Mr. Mackintosh: Does the minister have a compilation of the recommendations or concerns raised during the consultations?

Mrs. Vodrey: Mr. Chair, I am told that at the moment there is not a formal document which compiles all of the recommendations and suggestions together in one place.

Mr. Mackintosh: Could the minister tell the committee who represented the department at these consultations?

Mrs. Vodrey: Mr. Chair, the department was represented by Joe MacPhail, who is with us now, the director of Family Law; Irene Young, who is the director of Court Services, Pat Dunlop, who is the director of the Maintenance Enforcement Program, and also at the sessions were one or both of the Family Law lawyers from our department.

Mr. Mackintosh: Does the minister have information as to whether or not the issue of applying interest to arrears on maintenance orders was raised during the consultation?

Mrs. Vodrey: Mr. Chair, as I said during the committee hearings for the Maintenance Enforcement bill, yes, it was raised.

* (1130)

Mr. Mackintosh: Is it the minister's information that it was raised with a view to urging the government to implement or to ensure that interest is applied to arrears?

Mrs. Vodrey: Yes, individuals did raise this issue which I explained during the hearings for the bill the other evening; however, it is the responsibility of government to put forward legislation which we believe will be effective. And in putting together this legislation, what we did was recognize that where

maintenance is not paid, where arrears accumulate adding to the debt, adding interest to those arrears of already unpaid volumes of dollars was not going to get the dollars paid. So the approach that this government took was one which dealt with enforcement measures, and that is why I have continually said that we have put forward the toughest legislation across this country. This is the only civil debt for which a person can go to jail. In this debt the person can also have his driver's licence taken away.

So we put in penalties and consequences which we believe were very strong, were powerful and, if ever motivation was required, we believe it is coming from the enforcement side. We would prefer not to have to deal with arrears at all, let alone interest on arrears, and so our approach was to put together a very strong bill, and as I said several times, strongest across the country. It is strong in enforcement measures, and it is strong also in providing greater resources to be attached or available for the payment. In the past, people could say they simply did not have the money and attempt to shield it or shelter it. This bill opens up areas of resources available to the Maintenance Enforcement Program to get those resources and make sure they are paid.

Mr. Mackintosh: Does the minister have information as to whether or not people at the consultations urged the government to stop the forgiveness of arrears by the courts?

Mrs. Vodrey: In the recollection of individuals who were part of that consultation tell me that the issue of whether arrears are forgiven tends to deal more with the determination of award side which is done by the court. They are not specifically related to the maintenance enforcement side. The recollection is that there was some discussion, however it has been related to me that because we are dealing with the Maintenance Enforcement bill and what the Maintenance Enforcement Program could do was not raised as a major issue.

However, for those who were concerned about it, I understand that some of their concerns relate to the whole determination of awards, how awards are changed or varied, and then, if awards are forgiven. So

I am not sure if I can add to the member's reason for asking that question further.

Mr. Mackintosh: Was it the minister's view that the current legislation, which allows for the forgiveness of arrears, is appropriate?

Mrs. Vodrey: This is an issue which deals with variations. Court supports are determined at a particular point in time. From that point in time, often individual circumstances change. Therefore, there are changes by the court in terms of what the order may be or whether or not the arrears may be forgiven by the court. The divorce act provides for this variation of awards and our Maintenance Enforcement Act then allowed for it also.

We recognize that individual circumstances may change, and an example was given the other evening at committee where, at the time of an award, an individual may be making an income of, for example, \$50,000 or \$60,000. Something happens in that individual's life, and they are no longer able to work. In fact, those individuals may begin to collect social assistance. They are no longer able to pay at the level that they were when the award was determined. To have arrears continually pile up simply does not make sense, because they are not able to be collected, and so it is under those circumstances in which it may be a reason for the court to decide to waive arrears. This continues to allow for that kind of circumstance.

Mr. Mackintosh: Is the minister aware as to whether people at the consultations urged the government to make changes to ensure that the needs of children became the first and foremost consideration of the court when granting awards, rather than the current situation, where the spending habits or current priorities of the noncustodial parent seem to be considered with the same or greater weight?

(Mr. Chairperson in the Chair)

Mrs. Vodrey: I am told again that this is an issue that does not relate specifically to enforcement. The discussions were really focused on issues as they related to maintenance enforcement. The issue the member raises is more an issue related to settlement.

As I said to him the other night, the courts do take into account the cost of raising children. In Manitoba we have a specialized court which deals with these matters.

Mr. Mackintosh: Would the minister explain why it is not government policy that not only drivers' licences or vehicle registrations be available as, say, incentives or penalties in the event of default, but other licences, whether they be professional licences or hunting licences, but the whole range of licence granting authority of the government?

* (1140)

Mrs. Vodrey: We made a decision to deal with the driver's licence and the motor vehicle registration. We believe that, first of all, it affected the largest number of individuals. Most people want to drive. This would stop them from that. This also affected the self-employed as well as people who are employed through companies or in other ways. Looking at professional licences, we are looking at cutting off the ability of somebody to become employed, or to be employed, and so that did not seem to make sense to us.

In looking at other kinds of provincial licences which are available, things like hunting licences and fishing licences, the difficulty for us was to see that that would actually help in the area of maintenance enforcement. It would be very difficult to monitor that particular kind of licence, licensing or revocation of such a licence or denial to such a licence. Many of those licences are available in stores. They are not necessarily in a place where you have to go to a formal government department in order to apply, which the driver's licence is. So, looking at other kinds of provincial licences, we were not really sure that that would have the impact that was desired.

As I said the other night, though, we have tried not to close any doors; we will continue to look at ways to make the Maintenance Enforcement Program the best program that it can be. We will continue to look at other kinds of suggestions and issues which were raised. The important part for this government was to move what we believe is still now the strongest bill across this country. We could wait forever to continue to investigate each and every suggestion and

recommendation brought forward, and we would never pass the bill. We would be stuck in research. Our decision as a government was to take a bill that we believe will make a difference, that we believe will put more money into the hands of women and children in this province, and yet continue to look at other suggestions and recommendations which are brought forward. But all of them will be looked at in the light of, will this actually assist in maintenance enforcement across this province? Will it in fact put more money into the hands of those who need and deserve it?

Mr. Mackintosh: Can the minister explain why her department did not intervene in the Thibodeau case at the Supreme Court of Canada, or at an earlier level?

Mrs. Vodrey: As the member knows, to intervene, you have to be able to give additional information for the court's benefit. It was our view that all of the considerations that we would have raised were already being raised in the arguments.

Mr. Mackintosh: Is the minister contemplating any changes at the provincial level to eliminate or reduce the impact of the federal tax policy on the custodial parents?

Mrs. Vodrey: The place that we are at now is, we have see if the federal government is going to do anything now in response to Thibaudeau. I was in Ottawa when that decision came down. I spoke to national media about that particular issue and made it clear that now the ball really is in the court of the federal government. Let us see what in fact the federal government is going to do. It is up to them right now.

Mr. Mackintosh: Does the minister want to deal with issues regarding the Maintenance Enforcement office under this line, or should that be dealt under Court Services?

Mrs. Vodrey: That should be dealt with under Court Services.

Mr. Chairperson: Item 3. Justice (e) Family Law (1) Salaries and Employee Benefits \$528,100—pass; (2) Other Expenditures \$120,400—pass.

(f) Constitutional Law (1) Salaries and Employee Benefits \$577,400—pass; (2) Other Expenditures \$118,900—pass.

Resolution 4.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,613,000 for Justice for the fiscal year ending the 31st day of March, 1996.

That will now bring us to Resolution 4.4, 4. Corrections (a) Administration (1) Salaries and Employee Benefits \$661,500—pass; (2) Other Expenditures \$313,500—pass.

4.(b) Adult Corrections (1) Salaries and Employee Benefits \$27,543,300.

Mr. Mackintosh: Will the minister tell the committee what the current status is of the Restorative Resolutions project?

* (1150)

Mrs. Vodrey: First of all, let me introduce you to members of staff who have joined us: Mr. Ben Thiessen, who is the acting assistant deputy minister of Corrections; and Mr. Jim Wolfe, who is the executive director of Adult Corrections.

The honourable member has asked about Restorative Resolutions, which I have said that our government advanced its money, and we have. Permanent funding will be reviewed on the completion of the next 18-month period, which will be within 1996.

Mr. Mackintosh: Is it the minister's view that the Restorative Resolutions project to date appears to be positive in outcome?

Mrs. Vodrey: Yes, we are satisfied to this point, but no commitments have been made at this point because we really want to see what happens within the next 18 months.

Mr. Mackintosh: Well, is there any federal money going into the project right now, and is there any expected or going into it in the next 18 months?

Mrs. Vodrey: Yes, I am told that the federal government has now come through with their portion of the funding.

Mr. Mackintosh: What was the percentage funding formula that was concluded?

Mrs. Vodrey: The federal government gave \$120,000 for the duration of the project, and I understand it will be made available, it has been made available by mid-June 1995.

Mr. Mackintosh: What is the provincial contribution?

Mrs. Vodrey: The provincial contribution is valued at \$110,000, two staff years and \$15,000 in kind.

Mr. Mackintosh: Just following up on an issue from the last round of Estimates, is the minister aware of whether there is a woman practitioner now available to provide medical services for the women at Portage la Prairie?

Mrs. Vodrey: At this point, no, there is not.

Mr. Mackintosh: Would the minister tell the committee what action she has taken over the last year to ensure that there is a choice of gender for medical practitioners at the facility?

Mrs. Vodrey: At the moment, I understand that there is no female practitioner available in Portage la Prairie area.

Mr. Mackintosh: I take it then that that is the reason for there not being any female medical practitioners at the facility or, in fact, can that be made available by way of travel costs or some other arrangement so that a female doctor from another community can attend?

Mrs. Vodrey: As I said, there is not a female practitioner available in Portage la Prairie. That is the situation for all the people who live in Portage la Prairie, not just the women of the Portage Correctional Institution. At the moment, we do not have a female practitioner at the institution. It would be very costly to bring a practitioner from another city, for instance, Winnipeg, because we would be required to pay travel

expenses and also pay for travel time. Understand that would almost double the cost of a practitioner available. We have looked at this and have looked at those who live in the city of Portage la Prairie as well and see that there is not a female practitioner available to those individuals either.

Mr. Mackintosh: Is the minister aware of any considerations that are current or any discussions about combining the correctional regimes of the federal and provincial governments, particularly having in mind cost savings?

Mrs. Vodrey: We have not been approached by the federal government in this matter.

Mr. Mackintosh: I therefore take it that the province has not expressed any interest to the federal government either.

Mrs. Vodrey: No, we have not at this time.

Mr. Mackintosh: Perhaps I will just list some of the issues that we will follow up with after Question Period today. First, there will be the status of the Beausejour alternative measures committee, I suppose you could call it. I understand that a Youth-Justice-Committee-type model for adults is being evaluated or is in place at Beausejour. Second of all, we will be looking at the minister's announcements about more rigorous confinement for adult correctional facilities. We will also look at the programming and intervention for abusers, and that will be following on last year's Estimates go-around.

Mrs. Vodrey: Mr. Chair, I thank the honourable member for giving us that advance information, and we will be available this afternoon to talk on those issues with him.

Mr. Chairperson: The hour being twelve noon, committee rise. Call in the Speaker.

IN SESSION

Mr. Deputy Speaker (Marcel Laurendeau): The hour being after 10 p.m., the House is now adjourned and stands adjourned until 1:30 this afternoon (Thursday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 22, 1995

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