



First Session — Thirty-Fourth Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS
(HANSARD)

37 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fourth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	LIBERAL
ANGUS, John	St. Norbert	LIBERAL
ASHTON, Steve	Thompson	NDP
BURRELL, Parker	Swan River	PC
CARR, James	Fort Rouge	LIBERAL
CARSTAIRS, Sharon	River Heights	LIBERAL
CHARLES, Gwen	Selkirk	LIBERAL
CHEEMA, Gulzar	Kildonan	LIBERAL
CHORNOPYSKI, William	Burrows	LIBERAL
CONNERY, Edward Hon.	Portage la Prairie	PC
COWAN, Jay	Churchill	NDP
CUMMINGS, Glen, Hon.	Ste. Rose du Lac	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DOER, Gary	Concordia	NDP
DOWNEY, James Hon.	Arthur	PC
DRIEDGER, Albert, Hon.	Emerson	PC
DRIEDGER, Herold, L.	Niakwa	LIBERAL
DUCHARME, Gerald, Hon.	Riel	PC
EDWARDS, Paul	St. James	LIBERAL
ENNS, Harry	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Laurie	Fort Garry	LIBERAL
EVANS, Leonard	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen Hon.	Virden	PC
GAUDRY, Neil	St. Boniface	LIBERAL
GILLESHAMMER, Harold	Minnedosa	PC
GRAY, Avis	Ellice	LIBERAL
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HEMPHILL, Maureen	Logan	NDP
KOZAK, Richard, J.	Transcona	LIBERAL
LAMOUREUX, Kevin, M.	Inkster	LIBERAL
MALOWAY, Jim	Elmwood	NDP
MANDRAKE, Ed	Assiniboia	LIBERAL
MANNESS, Clayton, Hon.	Morris	PC
McCRAE, James Hon.	Brandon West	PC
MINENKO, Mark	Seven Oaks	LIBERAL
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
OLESON, Charlotte Hon.	Gladstone	PC
ORCHARD, Donald Hon.	Pembina	PC
PANKRATZ, Helmut	La Verendrye	PC
PATTERSON, Allan	Radisson	LIBERAL
PENNER, Jack, Hon.	Rhineland	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren	Lac du Bonnet	PC
ROCAN, Denis, Hon.	Turtle Mountain	PC
ROCH, Gilles	Springfield	LIBERAL
ROSE, Bob	St. Vital	LIBERAL
STORIE, Jerry	Flin Flon	NDP
TAYLOR, Harold	Wolseley	LIBERAL
URUSKI, Bill	Interlake	NDP
WASYLYCIA-LEIS, Judy	St. Johns	NDP
YEO, Iva	Sturgeon Creek	LIBERAL

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, October 20, 1988.

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

ORAL QUESTION PERIOD

MPIC

Autopac Rate Setting

Mrs. Sharon Carstairs (Leader of the Opposition): My question is to the Premier (Mr. Filmon). Throughout the first weeks of the last Session of the Legislature, both the Premier and the Deputy Premier—then the Opposition Leader and the critic for MPIC—spoke daily of the mismanagement and the political manipulation of that corporation. They have been in Government for almost six months and nothing has changed. Once again, a Government has broken faith with the people of this province.

My question is, why did the Premier, during the election campaign, tell the people of this province that rates for MPIC would be set by the PUB and has now repudiated that position for 1989?

Hon. Gary Filmon (Premier): The Leader of the Opposition (Mrs. Carstairs) has raised some important points. She refers to the fact that we spoke about mismanagement and political manipulation at MPIC.

With respect to political manipulation, I hope she is not accusing us of political manipulation now, because we are indicating very clearly that MPIC is being run by a new Board of Directors, that there is a new CEO who has been hired, and that the Board of MPIC will review, at the end of its fiscal year, the experiences, the claims, the premium incomes, and then set about to recommend the rates for MPIC as a result of that analysis on a very businesslike basis without interference from this Government or this Cabinet.

With respect to mismanagement, that corporation has indeed improved dramatically in its operation. Last year, a \$60 million deficit; this year, at the end of just nine months of operation, a \$10 million dollar profit. So the corporation has indeed changed dramatically and, indeed, the mismanagement is being addressed.

There is a great deal more that will be done. That is why the Kopstein Report is being awaited, so that the recommendations of Kopstein can be addressed and can be implemented in an orderly, businesslike manner, so that we will get rid of the political manipulation and the mismanagement just as we promised.

* (1335)

Board Appointments

Mrs. Sharon Carstairs (Leader of the Opposition): It is important to return credibility to this corporation. It is important to make this corporation look as if it has no political links to this present Government.

Will the Premier (Mr. Filmon) tell this House what lesson should the public of Manitoba learn from the appointment of one of his MLAs to the Board of the Directors?

Hon. Gary Filmon (Premier): Mr. Speaker, historically, as long as the corporation has existed, there has been in place a Member of the Government caucus on the board. That person is in the vast minority. That person represents one in 9 or 10 people on the Board of Directors. That person is there to observe what is going on; but, by far, that person is outnumbered by the people who are appointed in a very businesslike manner.

She, herself, I believe welcomed the appointment of Mr. Harold Thompson, a retired chief executive officer of an insurance company, a private insurance company; the appointment of a chartered accountant to that board; the appointment of a number of business people to that board; people who had hands-on experience in operating corporations in Manitoba. Those are the people who are making the judgments, making the decisions, as trustees for the people of Manitoba because we rely upon their advice to ensure that that corporation is well-managed, well-operated, for the benefit of the people of Manitoba.

Actual Financial Status

Mrs. Sharon Carstairs (Leader of the Opposition): MPIC announced on December 22, 1987, that it needed a 24 percent increase. We then saw a rollback to 18 percent. At that point, the Minister responsible said that would leave the corporation in a deficit position. We now see a report for nine months which says this corporation has met and made \$7.8 million. This corporation is not to be believed in its forecast. When, in 1989, will this corporation be required to go before the Public Utilities Board?

Hon. Gary Filmon (Premier): With the greatest of respect, the Leader of the Opposition (Mrs. Carstairs) is showing a total lack of knowledge of how insurance companies operate.

They all make projections as to expected claims based on historical experience, but they have absolutely no idea whether there is going to be a severe ice storm in which there will be literally thousands and thousands of unexpected claims, or a hailstorm in which there will be all sorts of damage to vehicles that will cause millions of dollars of damage claims. They cannot predict that—that is only in the hands of the good Lord—and they, in a perfect world, just simply have to base their

projections on previous historical experience. That is the best they can do.

If she can do better at projecting how many millions of dollars are claimed, then I would like her to tell us that. I would like her to show us some evidence of that because we have seen the way her computer works, and it does not do very much good for this sort of businesslike evaluation.

Rate Increase Projections

Mrs. Sharon Carstairs (Leader of the Opposition): With a new question to the First Minister (Mr. Filmon). I wonder why I have such a sense of déjà vu. I heard exactly those explanations when they sat on this side of the House.

What is absolutely essential with regard to MPIC is the establishment of public confidence in this corporation, and yet in the last few days we have heard nothing but flip flops from the Minister responsible for this corporation (Mr. Cummings). We have heard him say, for example, that it is required for us to increase the rates, maybe at the rate of inflation, maybe more; well, maybe it is not required that we increase the rates.

* (1340)

An Honourable Member: Is that a question?

Mrs. Carstairs: My question, yes, and it was an introduction to a question. My question to the First Minister (Mr. Filmon), about a very serious issue, is what evidence does his Government have that rate increases will be required for MPIC for this year?

Hon. Gary Filmon (Premier): The Leader of the Opposition (Mrs. Carstairs) makes my point precisely. I do not even have to respond any further. That is what happens when you get people in committee asking speculative questions. What would you do? Is it possible? Is it feasible? Might there be an increase? Yes, there might; maybe there might not be.

The rates will be set only after we have had the entire year of experience and the corporation is able to compare its income to its costs and claims settlement. No decision has been made on any increases in Autopac. Only after the corporation has reviewed the entire year's operation will they make a decision as to whether or not any increases is warranted.

Autopac is turning around—that much we know—from a \$60 million loss last year to a \$10 million profit in the first nine months of this year. We know we are on track; we know we are headed in the right direction; we are making improvements. We have much more that will be done to improve the management of Autopac. That is all I can tell her, and that is the fact.

Reserve Increase Speculation

Mrs. Sharon Carstairs (Leader of the Opposition): A supplementary question, Mr. Speaker, to the Premier (Mr. Filmon). The Minister said outside of the House,

not in committee, that additional fees would be required in order to increase the reserves. Why was this statement made by the Minister if there is no statistical data to prove it?

Hon. Gary Filmon (Premier): Again, it was being asked in terms of a speculative question. The reality is that no decision has been made, and neither the Minister responsible, nor I, nor anybody else in this Government, will know whether or not any increase is required until after the board has examined its full year of operation.

If you want to talk in terms of speculation, if you want to answer hypothetical questions or ask hypothetical questions, then you get these kinds of speculative stories and answers. The fact of the matter is, on the one hand, she wants us to be open and answer all the questions. On the other hand, she wants us to answer speculative questions, hypothetical questions, that get us into this kind of rhetoric, and, quite frankly, it is nonsense. It is not productive.

The corporation has not decided on whether or not there will be a need for an increase or how much, Mr. Speaker.

PUB Rate Setting

Mrs. Sharon Carstairs (Leader of the Opposition): With a final question to the Premier (Mr. Filmon). Yes, this side would like openness and accountability, and that is why we would like the rates to be set by the Public Utilities Board of the Province of Manitoba, and I want to know when Manitobans will get that right.

Hon. Gary Filmon (Premier): The Minister responsible has indicated that rate increases will go in future before the Public Utilities Board for approval.

The fact of the matter is that the corporation is expressing quite some difficulty in terms of not having any of its final figures available yet, nor having them available perhaps well into November, and having to go before a Public Utilities Board in a process that has not yet been set in legislation and have this all done prior to Christmas of this year.

The point of this is whether or not we accomplish it and whether or not we accomplish it properly and in the best form for Manitobans. It is not a question of whether it is done this month or next month. It is a question of whether or not we achieve the final result in the proper fashion, and indeed we will.

* (1345)

Free Trade Hazardous Waste Management

Mr. Jay Cowan (Churchill): My question is to the Minister of Labour and Environment (Mr. Connery). The Minister, in this House, has clearly put on the record his confidence in the Free Trade Agreement and his understanding, based on his hundreds of hours of reading the agreement—reading every word of the agreement, as he said—that the Free Trade Agreement

would in no way impact upon our environment. We have also heard him confirm that the new labelling requirements for hazardous chemicals in workplace and environmental concerns will protect Manitobans in the workplace specifically and in the environment generally.

The New Democratic Party caucus has just learned that last summer the United States trade representative asked Canada to delay the implementation of the Workplace Hazardous Management Information System regulations because the U.S. was concerned that reporting required under the WHMIS regulations would be onerous for their own manufacturers. Given that, will the Minister now admit that he did not fully understand the provisions of the Free Trade Agreement, and can he further admit that the Free Trade Agreement will in fact result in lower standards for Manitoba workers and Manitoba residents in the environment?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): We are very pleased with our WHMIS regulations. We think that it controls the transportation and handling of dangerous and hazardous goods in this province.

I have read the Free Trade Agreement. I have done a lot of work with different departments, including the environment sectors, to ensure that our environment will not be affected by free trade where companies from the United States could not come up here into Canada and establish dumps and then bring in hazardous goods. That can be prevented. I asked the staff; the previous Government never even asked the Department of Environment what effect the free trade would have on environment.

Mr. Cowan: That is because we understood what effect it would have on the agreement and the Minister himself does not.

WHMIS Agreement

Mr. Jay Cowan (Churchill): Given the fact that in their telegram from the U.S. trade representative to Ottawa, which I will table, they indicate, "Chapter 6 of the proposed Canadian-United States Free Trade Agreement extolls each party to its greatest extent possible to make compatible standards, related measures and procedures. The standstill provisions of that agreement commit us both to exercise discretion in the period prior to entry into force so as not to jeopardize the—

Mr. Speaker: Order.

Mr. Cowan —approval methods of . . .

Mr. Speaker: Order, please; order, please. Does the Honourable Member have a question? Will the Honourable Member kindly put his question now.

Mr. Cowan: How does the Minister reconcile the following statement with his own understanding of the Free Trade Agreement when the United States trade representative said, "The pending implementation of WHMIS will unfortunately not be consistent with the

standstill provision or the spirit of the Free Trade Agreement."?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): I have not had an opportunity to peruse that particular document. But I have perused all of the other various documents, the whole Free Trade Agreement.

There are many interpretations of that Free Trade Agreement, that those who are afraid of imagination and are afraid of the opportunities, they look for any kind "boo birds," and there are lots of them out there.

The Free Trade Agreement will not, in my estimation, lower the value of jobs in Canada. In my estimation, and all the information that I have received, it will increase jobs; it will give Manitobans and all Canadians an opportunity into the future. If we are afraid of the future, then we are afraid of everything.

This previous Government, the Members of the NDP, are afraid of opportunity. There is a window for Canada to seize upon an opportunity to improve the livelihood of Manitobans.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please; order, please.

Mr. Cowan: Mr. Speaker, every environmental group disagrees with the Minister responsible for Environment (Mr. Connery). The United States trade representative has disagreed with the Minister responsible for Environment.

* (1350)

Environmental Protection

Mr. Jay Cowan (Churchill): My question to the Minister responsible for Environment (Mr. Connery) is: when is he going to give up his ideological slavishness to the Free Trade Agreement and stand up to protect Manitoba workers and Manitobans in their own environment?

Hon. Edward Connery (Minister of Environment and Workplace Safety and Health): The NDP, and I do not blame them for being worried about free trade—I think they are wrong—their ideology is that they are worried that free trade will have some effect on unions or the union leaders and will affect their income. And I do not mind them objecting to it if they would be very honest about it.

Mr. Speaker, I am confident that the Free Trade Agreement will have no detrimental effect on the environment. In fact, if we have the incomes that free trade will bring us, we will be allowed to improve the environment here in Manitoba. We need to because we are in last place coming out from the previous Government.

Free Trade Protection Standards

Mr. Jay Cowan (Churchill): I hesitate to ask this question to the Premier (Mr. Filmon) because he has indicated he has not read the agreement. I have quoted to him from the telegram from the U.S. trade representative.

Given the fact that they are asking Ottawa to use the Free Trade Agreement not to implement the WHMIS regulation in this province, will the First Minister (Mr. Filmon) stand up for Manitoba, contact Ottawa, and tell them that we are not going to let that agreement stand in the way of safety and health for Manitobans in the workplace and in the environment?

Hon. Gary Filmon (Premier): Mr. Speaker, I can assure the Member for Churchill (Mr. Cowan) that we will not allow anything to stand in the way of our efforts to protect, preserve and maintain the environment for all Manitobans.

The Member might be interested to know what the Free Trade Agreement does say, indeed, on the issue of environment. It states specifically—I quote for him page 69—"The right to maintain regulations to protect human, animal and plant life, the environment, or for a variety of other purposes is a sovereign issue for each country to decide." That means we decide and we will set the standards and we will set the highest possible standards to protect our environment.

MPIC Administration Cost Increase

Mr. James Carr (Fort Rouge): My question is for the Minister responsible for the Manitoba Public Insurance Corporation (Mr. Cummings). Yesterday, the Minister tabled in this House the nine month result of the corporation which was parenthetically handed to members of the press before it was given to Members of the Legislature. Contained within that report, Mr. Speaker, is the fact that claims costs declined to \$195 million from \$226.3 million in the first nine months of the year, but administrative costs went up more than 50 percent. My question to the Minister is: is this an example of Tory efficiency and good management?

Hon. Glen Cummings (Minister responsible for the Manitoba Public Insurance Corporation): The answer to that question was given to the Member in committee this morning by the corporation.

Some of the attributed costs result from the transfer of costs from Government to the corporation that were not previously there. The one cost was a total of \$1 million. The sum of that amount is bound to have a pretty detrimental effect on administrative costs.

The corporation had a singularly difficult February this year when they had enormous claims against glass, which stopped a rollback in the amount of administrative and staff costs that would have probably started at that time. Frankly, there has not been an increase in staff. The corporation indicates that they will continue to reduce staff to an appropriate level.

Operations Recommendations

Mr. James Carr (Fort Rouge): This morning at committee, Members present heard a terrible story of frustration from the former acting CEO of the Manitoba Public Insurance Corporation. He spoke about confusion; he spoke about a senior management group that had no direction. May I add, Mr. Speaker, that there was no one present at the committee this morning who would take any responsibility for the annual report or for decisions which had been made since.

My question to the Minister is, given this dark and shadowy picture that was painted by the former acting CEO of MPIC, what changes does the Minister anticipate to ensure that public confidence can be restored in the senior management of the Manitoba Public Insurance Corporation?

Hon. Glen Cummings (Minister responsible for the Manitoba Public Insurance Corporation): Mr. Speaker, obviously, the appointment of a new president and CEO is a major step towards restoring confidence in the manner in which that corporation operates.

The manner and the type of people that we have appointed to the board, and the dedication that I and my fellow Members of Government have indicated to public accountability, and the willingness to make sure the corporation operates at arm's length from the Government, will help to restore confidence in the corporation. The confidence of the public will be restored when the performance of the corporation begins to show the results of these kinds of actions.

* (1355)

Rate Increase Speculations

Mr. James Carr (Fort Rouge): Mr. Speaker, the Premier's (Mr. Filmon) weak explanations, notwithstanding the Minister, over the past three days, has talked about the Public Utilities Board retroactively dealing with MPIC rates or up front dealing with them—he has also mused aloud about what rate increases we may have in 1989—my question to the Minister is why did he muse aloud about what rate increases we may have in 1989?

Hon. Glen Cummings (Minister responsible for the Manitoba Public Insurance Corporation): Mr. Speaker, I responded to questions, and quite clearly, those questions flow from the fact that the chairman of the board has indicated that some kind of accommodation in terms of the rate of inflation or cost of living might be needed to offset potential reserves that are needed. In fact, the very attempt that we have made to be open and give as much information as possible to the public is the reason that I even responded to those kinds of questions.

REAL WOMEN Target Reference

Mrs. Gwen Charles (Selkirk): Mr. Speaker, this week, in a press release delivered by the Minister of

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Community Services (Mrs. Oleson), there was a reference to "real" women. Again, yesterday, the Premier (Mr. Filmon) spoke across the House and referred to "real" women. My question is to the Premier. To whom is he referring when he speaks of "real" women?

Hon. Gary Filmon (Premier): Mr. Speaker, I would assume that all women are real women. I do not know what the Member is talking about.

Mrs. Charles: Mr. Speaker, it was the Premier (Mr. Filmon) who corrected a Member of the NDP; and when he said "real" women, he was correcting him. I am asking then, if he does not know the answer, could he explain who are not real women in that he is referring that there are real ones and unreal ones?

Mr. Filmon: Mr. Speaker, I know that the Leader of the Opposition (Mrs. Carstairs) said that she was called "silly" the other day. I hesitate to stretch that definition to include the Member for Selkirk (Mrs. Charles), but given the tone of this question and the lack of direction, I cannot help but say that I regard this as a silly question. I do not know the point of it. Quite frankly, I have already answered that question, that I regard all women as being real women.

Definition Request

Mrs. Gwen Charles (Selkirk): There is an organization that is called REAL WOMEN, that is a very right-wing group and is in fact not even supported by the right-wing Tories in Ottawa. Is this the group that the Minister is referring to as opposed to the advisory committee in Manitoba and in Canada?

Hon. Gary Filmon (Premier): No, Mr. Speaker.

* (1400)

Health Care Easterville Funding

Hon. Donald Orchard (Minister of Health): Yesterday, in question period, the Leader of the Opposition (Mrs. Carstairs) placed a question regarding the status of the nursing station at Easterville, in which she indicated that the nursing station will not be built as originally planned, and went on in another question to say that it was planned to be built by the previous Government.

Mr. Speaker, I regret to inform the Leader of the Opposition that she is factually incorrect. The proposal to replace the nursing station at Easterville has been one that has been before the Government previously and included in the defeated Budget and is on the list of priorities for replacement. It was not part of the 1988-89 Capital Replacement Budget in the defeated Budget of the previous administration and did not receive the priority rating under our Construction Budget to be included in this year's Capital Budget. So I regret to inform my honourable friend, the Leader of the Opposition, that the premise of her question was factually incorrect.

However, I will indicate to my honourable friend that the Easterville nursing station is receiving priority consideration by this Government in next year's Capital Estimates.

Some Honourable Members: Hear, hear!

Winnipeg Convention Centre Employment Practices

Ms. Maureen Hemphill (Logan): My question is for the Minister of Labour (Mr. Connery), and it concerns the employment practices of the Winnipeg Convention Centre.

I know that the Minister is aware of the unique case of Mr. Nelson Tan who was an employee at the Convention Centre, and was employed there for seven years, and who applied for a job as security supervisor and was denied that job on the basis that he was unable to communicate proficiently in English. He has filed a complaint with MARL and the Human Rights Commission.

I have in my hand a letter that has gone to Dr. Ralph James that is from, and signed by, a Professor of Education, an Assistant Professor of Sociology, an Associate Professor of Sociology and the Director, School of Social Work, who all say, "We can categorically state, after a one-and-a-half hour interview with Mr. Tan, that there is no reason to exclude Mr. Tan from job responsibilities that require proficiency in the English language."

Mr. Speaker, my question to the Minister of Labour is what action has he taken to investigate this serious case in terms of possible harassment and racial discrimination?

Hon. Edward Connery (Minister of Labour): Our Party and my department at no time would tolerate racial discrimination; but, Mr. Speaker, I will have to take that question as notice and get back to the Member hopefully tomorrow or the day after.

Discrimination Response

Ms. Maureen Hemphill (Logan): I am surprised at the Minister's answer since I am also in possession of two letters that have gone to the Minister of Labour (Mr. Connery)—one dated September 19, one dated October the 11—and the letters are from the Manitoba Association of Rights and Liberties—asking the Minister to please investigate this particular case.

My question to the Minister of Labour is—first of all, I was going to ask him if he thought that a month's delay in responding to such an important question was appropriate for the Minister of Labour and the Minister of Affirmative Action when he has said that is a top priority for his Government. I now ask what is happening that he is not even aware of these two letters he has received a month ago?

Hon. Edward Connery (Minister of Labour): Mr. Speaker, when the information is available, I will give it to the Honourable Member.

Child Health Care Speech Therapy

Mr. Gulzar Cheema (Kildonan): My question is for the Minister of Health (Mr. Orchard). A delay in speech therapy services for all citizens of Manitoba is deplorable and communication is the cornerstone for the development of the child. At present, in Winnipeg, more than 400 children between the ages of five months and five years are waiting for a period of more than 14 months for an assessment only.

Mr. Speaker, my question is: will the Minister of Health inform this House what steps he has taken to correct this unacceptable situation?

Hon. Donald Orchard (Minister of Health): The issue of speech therapy and the provision of services by that profession is one that is severely understaffed in the Province of Manitoba. That 12- to 14-month waiting period was the same today as it was a year ago and possibly was two years ago or three years ago.

There are a number of approaches that can be taken to improve the level of service in speech pathology and speech therapy to preschool children. It is our intention to attempt to move and take a step towards improving that level of service this year. However, as is often the case with these specially trained therapists, the supply of adequately trained individuals is not adequate to meet the demand. That is a circumstance that plagued recruitment efforts by previous administrations not only in the Department of Health but in the Department of Education.

I am, as I have answered to my honourable friend previously, in discussion with the Manitoba Association of Speech Therapists in attempting, with their cooperation, to best resolve this pressing problem.

Mr. Cheema: I would like to inform the Minister of Health (Mr. Orchard) that there are speech therapists available but there are not enough resources to hire them.

Seniors Health Care Communication Disorders

Mr. Gulzar Cheema (Kildonan): The Minister should be aware that virtually there are no speech language pathologist services available for personal care homes. Various studies indicate that 60 percent of the residents will have some form of communication disorder. Some of them are waiting for three years and some of them will wait until 1995 if nothing has been done.

Mr. Speaker, my question is: will the Minister of Health (Mr. Orchard) inform this House what steps he will take to correct this situation for our seniors?

Hon. Donald Orchard (Minister of Health): The alarmist figures that my honourable friend puts on the record, I am unable to confirm. I cannot stand here as Minister of Health and say with the confidence and obviously the pride that he does, that individuals might wait seven years for speech therapy. I know of no such

waiting list and I think it is shameful that he would put that on the record and attempt to cause fear and anxiety amongst Manitobans.

Mr. Speaker: Order, please. I would ask that Honourable Members refrain from remarks when Members are either answering or asking a question. I would ask that both sides exercise this courtesy, which is expected by all Honourable Members. The Honourable Minister of Health.

Mr. Orchard: Thank you, Mr. Speaker. I was simply responding, in my first initial part of my answer, to a preamble that I presume ought not to exist in a supplementary question according to Rules of the House. I apologize if I transgressed the rules.

The urgency of speech therapy is not only amongst those seniors who, through stroke and other disabilities, have lost their ability to communicate, but the tragedy that we wish to attempt to resolve as quickly as possible is provision of service to those preschoolers who, without service, enter the school system unable to communicate adequately to obtain education in an appropriate fashion. I submit to you, Mr. Speaker, that is a target area that we intend to focus resources into.

Educational Facilities Speech Therapy Programs

Mr. Gulzar Cheema (Kildonan): Mr. Speaker, I am asking this question with a sadness and want to bring the facts to the public. My question is for the Minister for Education (Mr. Derkach).

Will he inform the House the waiting period for speech therapy for children in the school-age group?

Hon. Leonard Derkach (Minister of Education): The Member asks for a specific number. I will have to take that question as notice and get back to him at a later time.

Natural Gas Consumer Price Increases

Mr. Jerry Storie (Flin Flon): My question is to the Minister of Energy and Mines (Mr. Neufeld). Mr. Speaker, I think Manitobans are becoming increasingly concerned that the Minister of Energy is prepared to sit on his hands while Manitoba consumers, the 200,000 of them across Manitoba, are about to be charged some \$10 million more than they need to be charged for natural gas.

My question is, will the Minister of Energy explain why he is choosing this inaction over action when there are things that he could do to solve some of the problems that are creating this unfair situation for homeowners in the inner city of Winnipeg and small businesses in rural Manitoba?

Hon. Harold Neufeld (Minister of Energy and Mines): The Department of Energy and Mines is working on the agreements for 1989 and subsequent years. As I mentioned yesterday, we have engaged a consultant

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who is working on our behalf, and is acting on our behalf in the negotiations.

We have the confidence in Inter-City Gas in bringing us the best prices available to Manitoba. If the Member for Flin Flon (Mr. Storie) is not aware, he should be aware that the price that was put on the table through a news release is the same price that was received last year and it is substantially the same price that Ontario will probably get. If we get the same price that Ontario, as the country's largest consumer, is able to get, I think we should be quite satisfied.

Mr. Storie: Mr. Speaker, consumers are not satisfied when the price can be 10 or 15 or 20 percent lower. I do not think Manitobans are satisfied with the Minister's confidence in ICG.

* (1410)

Prices Discrepancy

Mr. Jerry Storie (Flin Flon): Some months ago, on May 5, the Premier (Mr. Filmon) received a letter from a small business in Dauphin—

Mr. Speaker: Order, please. Does the Honourable Member have a question?

Mr. Storie: Yes, Mr. Speaker.

Mr. Speaker: Would you kindly put your question now?

Mr. Storie: It is a new question to the—

Mr. Speaker: Would the Honourable Member kindly put his question now? I have recognized the Member for a supplementary question.

Mr. Storie: Can the Minister of Energy and Mines (Mr. Neufeld) explain to this House why a small business in Dauphin is paying \$3.64 for mcf, when the same kind of business, in the same operation, in Saskatchewan, is paying \$1.43? Can the Minister explain why that 254 percent-difference increase exists for businesses in Manitoba that are served by ICG? Can the Minister explain—

Mr. Speaker: Order, please.

Mr. Storie: —why this letter has not been answered?

Mr. Speaker: Order. Order, please.

Mr. Storie: Can the Minister explain why he is not doing anything?

Hon. Harold Neufeld (Minister of Energy and Mines): The rates that the businessman in Dauphin is paying were set by the former Government. I am uncertain as to why the question would be addressed to me. It should have been addressed to the former Minister of Energy and Mines.

An Honourable Member: You should have the answer, Jerry. You set the rates!

An Honourable Member: Your nose is growing, Jerry.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order.

Mr. Storie: Mr. Speaker, the Member for Pembina (Mr. Orchard), who does not know what he is talking about again, as usual, I will give him a copy of my letter from the Farmers Alfalfa Products Company in Dauphin.

My final question is: is this Minister saying, despite all of the facts to the contrary, that there is nothing that he can do to save the homeowners in the inner city of Winnipeg or small businesses in this province \$10 to \$15 million? Is he saying there is nothing he can do?

Mr. Neufeld: Mr. Speaker, I wish I could save \$10 million. It would be great. Nobody wants to pay more rates for gas; nobody wants to pay more for hydro rates; nobody wants to pay more for telephone rates. We all think we are paying too much.

The point is that we get the best possible rates that are available. I do think that we are working under the direction of getting the best possible rates that are available.

Home Schooling Monitoring

Mrs. Iva Yeo (Sturgeon Creek): My question is for the Minister of Education (Mr. Derkach). The majority of Manitoba children are now back in school and have been there for six to seven weeks. However, recently more and more parents have been keeping their children at home for a variety of reasons actually—illness, distance, and particularly dissatisfaction with their local school division. This is a matter which is becoming more and more of a concern to educators in the province.

Can the Minister of Education tell the House if the Department of Education is doing anything to monitor children who are being kept out of school and to assess any education they are receiving while at home?

Hon. Leonard Derkach (Minister of Education): Currently, in Manitoba there are about 300 children who are not in the school system because they are kept at home for home schooling.

Local school divisions do monitor these students to the best of their ability; and we, through the Department of Education, do have a monitoring person who does keep in contact with school divisions to ensure that there are programs being conducted in terms of an educational program for those students.

The students are encouraged to attend school. However, for a variety of reasons, as the Member opposite indicated, parents have chosen not to send their children to our public school system and are keeping them at home for home schooling.

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

Thursday, October 20, 1988

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Orders of the Day, I would like to draw Honourable Members' attention to the Speaker's gallery where we have with us today Mr. Arnold Brown, who is the former Member for Rhineland.

On behalf of all Honourable Members, I welcome you here today.

NON-POLITICAL STATEMENTS

Mr. Mark Minenko (Seven Oaks): Mr. Speaker, may I ask, of the House, leave to make a non-political statement?

Mr. Speaker: Does the Honourable Member for Seven Oaks have leave to make a non-political statement? (Agreed)

Mr. Minenko: Mr. Speaker, in 1900, Alphonse Desjardins, a Canadian journalist, organized the first North American Credit Union. Today, October 20, 1988, is Credit Union Day in Manitoba, the day when members of credit unions across Manitoba commemorate the spirit of cooperation and the values of equality, equity and mutual self-help, which are the cornerstones of the success of credit unions across this province.

Credit unions are not ordinary financial institutions. They are organized by and for their membership. Credit unions provide an alternative source of banking services for many Manitobans.

I would ask all Members of the Manitoba Legislature to join with me to congratulate the many thousands of credit union members for their efforts have ensured the success of credit unions in Manitoba.

Hon. James McCrae (Attorney-General): I would seek leave also to make a non-political statement.

Mr. Speaker: Does the Honourable Attorney-General have leave to make a non-political statement? (Agreed)

Mr. McCrae: Just to speak a little further on the point raised by the Honourable Member for Seven Oaks (Mr. Minenko), and to join with him, today is indeed Credit Union Day and I was pleased and proud to be able to proclaim that earlier this week, on Monday, and also to raise the flag to commemorate Cooperatives' Week.

The Honourable Member made reference to Alphonse Desjardins. As a former Hansard reporter in the House of Commons of Canada, it is a matter of great pride to me to be able to tell you that Alphonse Desjardins was also a Hansard reporter at the House of Commons in Ottawa. Because of the history of Mr. Desjardins' involvement, I have taken a keen interest from that point of view. But I, too, would ask all Manitobans to join with the Honourable Member for Seven Oaks (Mr. Minenko) and myself and all Honourable Members in observing Credit Union Day today and Co-op Week this week.

Mr. Leonard Evans (Brandon Evans): I, too, would like leave to make a non-political statement. I would

just very briefly associate myself with the remarks made by the Attorney-General (Mr. McCrae) and the Honourable Member for Seven Oaks (Mr. Minenko) with respect to this particular day and to pay tribute to this fine organization for the contribution it is making to the welfare of the people of Manitoba and certainly to the Manitoba economy. All the best to them in the future.

* (1420)

ORDERS OF THE DAY

HOUSE BUSINESS

Hon. James McCrae (Government House Leader): Mr. Speaker, I am pleased to remind Honourable Members that we have indeed completed the Estimates for the Department of Community Services.

Some Honourable Members: Hear, hear!

Mr. McCrae: I would like also to express thanks to the Minister (Mrs. Oleson) and to those who have taken part in the discussions on the Community Services Estimates for this fiscal year.

Mr. Speaker, in Room 255, following conclusion of the Estimates of the Department of Community Services, will be the Department of Education this afternoon, and continuing inside the Chamber, the Department of Agriculture.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty, with the Honourable Member for Minnedosa (Mr. Gilleshamer) in the Chair for the Department of Education; and the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair for the Department of Agriculture.

* (1440)

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY—EDUCATION

Mr. Chairman, Harold Gilleshamer: I would like to call the committee to order at this time. This section of the Committee of Supply will be dealing with the Estimates of the Department of Education. We will begin with a statement from the Honourable Minister responsible.

Hon. Leonard Derkach (Minister of Education): Good afternoon, Ladies and Gentlemen. Thank you.

I am pleased to be starting the detailed discussion and debate of my department, the department's Estimates for the current year. Needless to say, as a new Minister, I have been impressed by the immense scope and detail which is involved in this challenging

department. I have enjoyed my first few months as Minister. It has been a time of intense learning, which I suspect will continue for some time to come.

I would say, frankly, that at the outset, for the most part, these Estimates represent the plans that were put forth by the previous Government and, because of the fact that most of the institutions which provide education services are funded on a calendar year, it would have introduced an era of uncertainty and delay to have done otherwise. I will, of course, indicate those very important areas in which our Government has made significant changes.

I would also like to welcome to these proceedings staff of my department, and in particular, my Deputy Minister, Dr. Glenn Nicholls, who I would like to introduce to you at this time. I think most of you know Dr. Nicholls. In addition, we have with us Mr. John Carlyle, my Special Advisor; Mr. Tim Sale, Assistant Deputy Minister for Administration and Finance; Mr. Ed Buller, Assistant Deputy Minister for the PDSS; Mr. Leo LeTourneau, Director of Planning and Research. Is Mr. Bill Claydon here? Not yet? Helen Fast, Director of Finance; and Margaret Buchanan, Special Assistant to the Deputy Minister.

I would like to now turn to the specific areas of the Estimates to which I would like to draw attention. First of all, I would like to deal with public school funding. Provincial support for public schools will reach some \$659.8 million in 1988, an increase of 4.5 percent, or \$28.1 million over last year. This demonstrates, I believe, this Government's commitment to providing students and parents of Manitoba the quality of education they expect and deserve.

A number of changes in provincial funding to public schools have also been confirmed for this fiscal year. The highlights of this year's funding are as follows:

Firstly, a guaranteed minimum increase in funding to school divisions of 1 percent in block and equalization support on a per pupil basis with a maximum increase of 10 percent; an increase in Special Needs funding to provide one Special Needs Teacher Grant for every 160 students, instead of the present ratio of one to every 325 students; a change in the support formula for Small Schools funding to expand the number of schools eligible and ensure that all students in small schools are funded; and a change in Curricular Material Grants to provide further support to distance education and technology.

With regard to public school capital, \$17.3 million has been allocated in 1988 for Debenture Capital Projects. Of this amount, \$10 million will go to school divisions for the construction of new schools and renovations to existing schools. The balance will be used by the Public Schools' Finance Board to support ongoing programs, such as replacing roofs, converting open areas, improving access to schools and other minor renovations.

Grants to Independent Schools: Effective January 1, 1988, per pupil grants to independent schools, will increase from 31 percent to 40 percent of the per pupil amount provided to public schools. Grants for operating

costs in Curricular Materials will rise from \$934 in 1987 to \$1,275 in 1988, an increase of some \$341.00.

Provincial funding for Independent Schools Grants will total \$11.1 million, an increase of \$3.7 million. As was emphasized in the Throne Speech, this Government is committed to increasing the degree of choice available to parents in selecting the most appropriate education for their children. By increasing the support to independent schools we are making this choice affordable, and providing students of Manitoba schools with the best possible alternatives and opportunities in education.

Changes in Tax Remittances of Education Property Taxes: As announced earlier, the regulation governing the remittance of education taxes collected by municipalities on behalf of education authorities has been amended to ensure that they are turned over on a more timely basis. This is expected to result in vastly improved cash flows for many school divisions. I might add, in this instance there should be no significant change to taxpayers because those taxes are the same that are collected in the local areas.

Change in the Fiscal Year for School Divisions: After very careful consideration, including consultation with MASBO, a decision has been made to alter the fiscal year of the school divisions and the Public Schools' Finance Board, to conform with the school year. Effective July 1, 1989, the fiscal year will change from the present calendar year to July 1 to June 30. In doing this, we join seven other Canadian provinces which use the school program year as a fiscal year.

The change is expected to benefit both divisions and the department. Divisions will have adequate time to adjust programs and staff to new opportunities or new realities. Because the budget year will span two property taxation years, divisions will now be able to fine-tune their revenue upward or downward within a given fiscal period. The province will know the requirements of schools for the full provincial fiscal year.

The Education Finance Review is one where major changes are expected to be introduced following the report of the review of education finance now under way. I believe we must increase the sensitivity of our funding system to the great variations in need. Demographic realities and local economic capacity across Manitoba are what dictate these changes.

Specific issues are being addressed by the review. These will include first of all, transportation costs. The current funding system prevents urban divisions from making the best use of scarce dollars by transporting students for good educational reasons and does not adequately address the needs of many rural divisions, where costs far outstrip the grants provided.

In the area of funding for Special Needs, a formula must be found that reflects more accurately the actual costs of these programs. There are divisions now spending some \$2 or more on Special Needs students for every \$1 that they receive in grants. The review will also be studying carefully the ways in which we obtain the revenue to support education.

I am deeply concerned, for example, about the capacity of rural areas to provide adequate levels of

service without having an unaffordable high level special levy. In this context, I believe that we must address the taxation of farm land for school purposes. A modest beginning has been made in this budget to reduce this onerous tax load on the farming community.

In addition, we will be considering the effects of property tax reform, slated to be on the basis of market value assessment by June of 1990, the discriminatory treatment of farm land as opposed to farm buildings, the widening range of tax rates under the special levy for commercial as well as residential property, and the appropriate level of demand on various tax bases.

Funding Policy Commitment: Our Government is committed to providing provincial grants to cover an average of 80 percent of the current year's net supportable expenditures on education. While limited resources may mean that we cannot accomplish this goal immediately, I am committed to making orderly significant progress towards this goal every year. It is also necessary for us to examine the ways in which our system is accountable in order to be able to let parents and the public know clearly what levels of service we are providing and funding.

At this point, I would like to express my appreciation to all the educational groups with whom I have consulted on the many vital issues affecting education in Manitoba. It is my intention to continue seeking information and advice from all those who have a stake in the education system, and foster the excellent spirit of cooperation that now exists.

In the curriculum area, Manitoba education staff are continuing to address the very serious threat which AIDS poses for our young people. It is expected that all students in junior and senior high received instruction in the prevention of AIDS in the last school year, and will again this year. Evaluation forms indicate that the series of regional workshops held last year to assist school personnel in implementing the program were much appreciated. Although the demand may be lower this year, a second round of training sessions is anticipated. The latest information and statistics on AIDS will also be provided to schools this fall.

The department will also continue to provide information sessions and consultative assistance to teachers and administrators on the issue of identification, treatment and prevention of child abuse. Twenty resource people are expected to be trained to provide services to educators, administrators and parents, and a videotape dealing with personal safety and sexual abuse prevention will be produced. In all, it is expected that about 2,000 teachers throughout the province will participate in in-service sessions on AIDS education, child abuse prevention, family life education, and heritage languages. In addition, department staff will deliver in-service programs on a wide range of subject areas to about 13,000 teachers.

In the area of Special Needs, the Child Care and Development Branch provides clinical and consultative services to support the development of children with a broad range of special needs. Over 4,000 individual children receive specific remedial and support services throughout the province. Divisions and the department

spend approximately \$90 million meeting the needs through rapidly evolving programs and techniques, including high-tech equipment. The Special Needs area is very important to this Government. I am considering legislation dealing with the access of parents to information in the placement of Special Needs students, as well as parental participation in placement decisions regarding Special Needs students.

The Native Education Branch develops and adapts curricula for Native and English language development, and Native studies programs. The branch also identifies and develops culturally appropriate curriculum support materials for Native language, Native studies, Native awareness, English language development, career counselling, and early childhood education programs.

In the area of Regional Services, the Regional Services Branch allows Manitoba education to respond to high priority needs in rural and northern Manitoba, in a way which is much appreciated by those in the field. The rural and northern secondment projects, up to 35 a year, have proven to be particularly beneficial and effective.

* (1450)

Inner City Education Initiative: The Inner City Education Initiative Branch provides the department with the means of responding to the unique needs of students and educators in the area of Winnipeg. The branch administers the Manitoba Education Compensatory Support Program, the Winnipeg Core Area Initiative Education Support Services Program, and Manitoba Education's English Language Development for our Native Students Program. It also coordinates the resources available to inner city education through Manitoba Education and the Winnipeg Core Area Initiative.

The Distance Education and Technology Branch supports the development and implementation of programs that meet the needs of remote, isolated and otherwise excluded students at the kindergarten to the post-secondary level. The branch coordinates and develops courses using correspondence courses, broadcast television and video audio teleconferencing and computer-based learning delivered to students who cannot be served through traditional delivery mechanisms.

This year, 40 new projects have been developed to serve 2,600 students. In addition, approximately 10,000 students are being served through correspondence and distant education instruction.

Through Manitoba Educational Television, 345 hours hours of educational television programming is being provided to approximately 25,000 viewers per week.

These initiatives in distance education not only allows students an opportunity to take courses previously denied them, but also enabled the course developers, whether they be educators or representatives from industry, to collaborate. The result is that Manitoba students have access to state-of-the-art programming throughout the province.

Bureau de l'éducation française: The objectives of the bureau include the development and review of

French language policies in education; the development and evaluation of curriculum and learning materials for French programs; the collection and analysis of data for grant purposes on costs incurred for offering French as a first and second language; the promotion of French language education through the Official Languages Program; the delivery of French language library services.

We know that school divisions have appreciated the continuing presence and availability of the division's curriculum consultants who, through their dedication, are providing ongoing support for French language education throughout the province.

In the area of the High School Review, I anticipate that the recommendations of the High School Review panel will result in some changes in the way we prepare our young people to meet the challenges of today and the future. The panel's report is now complete and is in the process of being translated and printed. It is expected to be published later this month. I will be releasing the report to the public for comment and response.

In the area of university funding, as Members know, funding to universities in Manitoba will grow in 1988-89 by 4.5 percent, an increase which means this Government's promise to provide funding at least at the level of inflation. I am pleased that the allocation includes a major increase in capital funding. The universities and the Universities Grants Commission have both been saying for some time that the needs for building repair and modern equipment were not being met. The previous Government failed to address this problem during their term of office, providing no increase at all in the vital area of renovations and equipment.

Over the next few months, I will be consulting with the universities and the Grants Commission to determine what further steps can be taken to ensure that our universities have adequate facilities and the equipment necessary to provide a high quality of education in the province. To do otherwise is a mortgage to our future.

We recognize that universities in Manitoba could make good use of their money. We intend to meet our commitment to funding at least at the level of inflation. I generally support the view that the universities should be able to determine their own budget priorities. However, it may be that we need to target some money to some specific areas of need which are of vital importance to the province. For example, the Government will be looking at ways of supporting efforts by Manitoba universities to be part of the centres of excellence which the federal Government is sponsoring. There may also be some program areas which are of high priority and need some additional support.

At the same time, universities, like all other public institutions, need to recognize that funds are limited and needs are many. There must be continuing attention to the reallocation of existing resources to meet new priorities. In particular, I want to encourage the universities to explore ways in which they could cooperate in various areas so as to improve quality,

decrease costs, or both. I will be consulting the universities and the Grants Commission on these issues as well to see if there are specific actions which we could take to assist their planning process.

Finally, I am concerned about the issue of accessibility. We must ensure that those who are capable and motivated are given the supports necessary for them to get into university and to succeed once they are there. Therefore, I will be reviewing a number of issues related to accessibility. In particular, I want to explore ways of making university education more accessible to rural and northern residents. I also want to be sure that our current policies on tuition fee levels and on student aid are effective in meeting our objective. I look forward to discussing some of these issues with Members during the next few hours.

Provincial funding for Manitoba's four universities will total more than \$184 million in 1988-89, an increase of \$8 million or 4.5 percent. This funding will include \$176.2 million in unrestricted operating funds, an increase of 3.3 percent; \$800,000 for the Universities Access Fund to support increased participation by groups who have previously not been fully represented in post-secondary institutions; \$3 million as the second installment of the \$20 million Universities Development Fund; \$4 million for renovations and equipment; \$7 million in capital funding, the Development Fund and Equipment and Renovations Fund, which represents a 28 percent increase over 1987-88.

In addition, the Athletic Centre of the College Universitaire de St Boniface is expected to be completed this fall. This project has been sponsored jointly by the provincial and federal Governments, which contribute half a million dollars and a million dollars respectively.

As previously announced, this Government has made a commitment to provide \$3 million to fund renovations of the Faculty of Dentistry Building at the University of Manitoba to meet current standards and preserve its accreditation. Design work on the project will begin immediately and completion is anticipated in about three years.

I am aware, however, that a new approach is required to capital funding and I will be carefully reviewing alternative methods of ensuring that our universities are able to maintain up-to-date facilities and equipment. Similarly, I believe there is a need to re-examine our policies on tuition and student aid.

The Post-secondary Adult and Continuing Education or PACE Division of the Department of Education provides leadership to the three community colleges and four branches of the division in the development, implementation and evaluation of policies, programs, operations and services. New initiatives for 1988-89 include a task force on literacy, an expansion of the interprovincial training agreements, renovation of Keewatin Community College, and an enhancement of the opportunities proposed by the Canadian Jobs Strategy Program.

In the area of literacy, as announced in the Speech from the Throne, this Government is taking action on

the pressing problem of illiteracy. A task force has been established to develop long-range strategies to address the literacy needs of Manitobans and to provide new programs to address the problems which are identified. The department has initially committed \$300,000 to fund this new initiative.

The task force will deal with literacy among both native born and immigrant adults and youth, with particular attention to developing a joint youth strategy to ensure our young Manitobans are encouraged to complete their basic education, become fully literate, and gain skills to allow them to become employable in the increasingly competitive market. The resulting policy and programs will ensure that immigrant women receive skills and language training. Our objective is to have in place an effective response to illiteracy by 1990-91, the United Nations International Year of Literacy.

Interprovincial Training Agreements: one of the responsibilities of the PACE Division is the negotiation and administration of the interprovincial training agreements. This is a program whereby Manitoba purchases training places from other provinces in selected areas which are not available in Manitoba training institutions. Conversely, Manitoba sells training places to other provinces to assist them to meet their needs for graduates in certain occupational areas. I view this as an excellent arrangement which exemplifies the spirit of interprovincial cooperation that our Government strongly advocates.

* (1500)

I am pleased to say that officials in the PACE Division have taken the initiative to coordinate a meeting of the six western provinces to explore opportunities to expand the scope of Interprovincial Training Agreement Program to the mutual advantage of all concerned.

For some period of time, concern has been expressed that the residence facilities at Keewatin Community College in The Pas need to be upgraded to better meet the accommodation needs of students attending school there. Provision of a more conducive living and study environment is considered to be a key factor in reducing the dropout rate at the college and enhancing the access of northern residents to college programs. Officials in my department have been working very closely with staff and Government Services to develop a major renovation program in upgrading for this facility. An architect has been engaged to assist with the planning and design work is under way.

The Canadian Job Strategy Program, which was introduced by the federal Government in 1986-87, has had a major impact on the program and financial operations of community colleges. This impact will be most significant in the current fiscal year when the federal monies available under the program will total \$9.6 million. However, these are not new monies being made available for training but rather they represent a redirection of existing federal funds into a new training program that has been evolving for over two years.

In response to the introduction of the CJS Program, the PACE Division has introduced a market-driven

training program which is providing the program delivery and funding mechanism whereby the training institutions can aggressively market their services in response to the needs identified by industry.

As its name implies, this program is market driven and the colleges are working very closely with large and small industries, as well as community organizations, to identify and deliver programs which meet their needs. In situations where individual industries are unable to develop and implement a training program, the community colleges are stepping into the void and functioning as training coordinators which allows employees from a number of small firms to be brought together into a common interest training program for the mutual benefit and advantage.

I am happy to say, Mr. Chairman, that Manitoba's overall participation in this program has been one of the best in the country, which speaks well for the dedication and creativity of the staff in our training institutions. To further enhance and indicate my Government's support for the very important initiative, I have included an amount of \$2 million in the Estimates for the PACE Branch which has been specifically dedicated to allowing the colleges to develop and deliver training programs in response to the needs of the industry.

In summary, our province's complex and varied education system directly touches the lives of over 250,000 Manitobans every year. It provides creative and skilled employment to over 20,000 of our citizens and involves the expenditure of over \$1.3 billion. Our Government has a strong commitment to ensure the continued excellence of this system and to provide policy, fiscal and program support to enable all Manitobans to become and remain skilled and knowledgeable citizens for today and tomorrow.

I look forward to the detailed discussion and debate of my department's Estimates and I thank the Chair for this opportunity to make these opening remarks.

Mr. Chairman: We will now have the customary reply by the critic of the Official Opposition.

Mrs. Iva Yeo (Sturgeon Creek): Mr. Chairperson, I am very pleased to be here to participate in this Estimates process for the first time, obviously. I also am aware that it is the Minister of Education's (Mr. Derkach) first time; the Deputy Minister's last time, I understand.

I would like to take this opportunity to congratulate the individuals in the administrative part of the Department of Education. For a number of years, I have heard what a fine group they are and I certainly congratulate them for assisting the Minister in the preparation of this Budget.

Because of my novice status, I may have more questions that will have the Minister dig a little deeper perhaps, or some of them may be very surface questions. I do not apologize for that. I am certainly trying to gain a better understanding of the workings of Manitoba Education.

In listening to the Budget, I was somewhat concerned about the discrepancy in the Budget Speech. I think

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the statement was that there was a 3.3 percent increase over last year, and yet I know that the statements that have been used recently have stated a 4.5 percent increase. I am sure that as we go through the various appropriations this will become clarified for the Liberal caucus.

I would like to also take the opportunity to thank the Minister of Education (Mr. Derkach) for the meeting that we had, the early morning meeting on August 24. I do have three concerns regarding that meeting. The first concern is that it took me some time before I could arrange for this meeting with the Minister. I had asked members of his department and various individuals several times, and I did have some difficulty in establishing a date, despite the mention in both his response to the Throne Speech and response to the Budget.

Another concern that I have with regard to the meeting is the fact that it was intended to be an exclusive meeting, whereas some of the other Ministers in his Caucus did open their meetings up to Members of the Liberal caucus to assist us in becoming more familiar with the particular department.

The third concern is perhaps my greatest concern, and that was the direction that was given to me to limit my communication to directly go through the Minister or the Deputy Minister. I believe that an individual in the public, anyone, can pick up the phone and contact various members in the department and I found it a little difficult. It has rather stifled my ability to communicate effectively and to answer questions that my constituents or other people in the province may have.

In reading through the Estimates booklet, I was pleased with the comments that were in there about an educated citizenry and a scaled and adaptable work force are our most important aspects in our knowledge-intensive society. I think that is an excellent statement, as is the one that talks about improved linkages with our social and economic systems. I think we have to as a Government, and as an Opposition, try and work very closely with the various levels.

I was also interested to see that the public school enrollment is up. September '87, it was 199,390, and I believe the statement was made that it was up for the past two consecutive years. I am looking forward to hearing what the September 1988 enrollment will actually be. I think this is an important year. The high school graduating class of the year 2000 entered kindergarten last September. I think the demands of those students go far beyond the demands of previous students.

The private school enrollment is up. In September of '87, I believe it was somewhere around 9,800 and it is projected to be 10,000 or more by 1992 and this, too, will have a fair impact.

I do have some major concerns. I do have some areas that are key to me. The Early Childhood education is probably one of the most important, and I was pleased to hear the Minister address his concerns as well for Early Childhood education.

As a teacher, I have seen where students coming into post secondary education settings have been a little more lax although I have had people dispute this. I can tell you they have had a little more difficulty in writing essays. Their grammatical skills are somewhat less than they were when I first began teaching in 1966. The spelling bees of yesteryear are no longer with us as much as they were. I think that the students themselves have said that they are concerned with their inability to spell if they in fact realize that they have an inability to spell.

Computation skills, computer skills—certainly, when the Minister of Education (Mr. Derkach) and I went to school, the computer was not one of the machines that we saw on the desks, whereas the young people of today have computers and are totally fearless in their ability to tackle them. I am certainly impressed with that.-(Interjection)-The Member for Arthur (Mr. Downey) is talking about ink wells. I can vaguely remember ink wells.

Communication skills—I also am very sensitive to the difficulty it must have for the Curriculum Department to try and give direction to the schools in the province. When people are trying to mandate daily physical education, increase in art classes, increase in music classes, how do you fit this all in? I have read in recent articles that in Japan the school year consists of 240 8-hour days. I think that maybe to go into a Japanese method would be a little rigid but I am somewhat concerned about the shortening and the brevity of the school year and the school day.

* (1510)

The Special Needs—I was certainly pleased to hear the Minister of Education emphasizing the special needs concerns. We have heard about the problems with mainstreaming or there are some advocates of mainstreaming. There are some advocates of sidestreaming. There are advocates of total segregation. I think each of these things must be considered. I think in some areas, one is better than the other. I do not think we should move towards all of one and none of another.

The students with a various assortment of challenging needs, the gifted child, I think must be addressed. When the Minister talked to about 4,000 children throughout the province receiving some—I believe he said and I do not have his script so I cannot read from it—4,000 children receiving Special Needs Grants, when you consider 4,000 children and almost 200,000 children in the province, it is not very many. I realize, too, that is a fairly costly type of programming. I welcomed his proposal or his statement of adjusting the formula and perhaps coming up with a better formula.

AIDS education—I received a package from his department. It was basically talking about AIDS education in the high school level. I was also pleased to hear the Minister referring to grades 7 to 12. I would suggest that the elementary schools could have preliminary discussion because it is something that is in the news that they are hearing about. Our elementary school children are very bright young people. I certainly think that is important.

I am concerned that the Manitoba Council on AIDS has been left in the background for some period of time. They were a hard-working, industrious group of people, well-selected and, I think, did come up with some very good suggestions. I would hope that there would be a great deal of communication with that particular group.

Universities—I do share the concerns. There are grave concerns that the students have at the universities and, having four children in the universities in Manitoba today of my own, I, as a parent, certainly share the concerns with the rising tuition fees and hope that there will be some continuing look at how we can address the difficulty with the funding. Some of the programs, I have concerns about some of the programs not being offered.

One specific program that has been brought to my attention several times would be the provision of advanced French in the English-speaking universities in the province. There are many, many French immersion, francophone programs being offered in the various provincial school divisions and there are not many advanced French courses—I will not say there are none, but there are certainly not many for these students to select coming out of the French immersion programs. I have a daughter who is bilingual and she could not find a program to access at the University of Manitoba.

The facilities in many areas—I agree that some of the universities want to build, they want to add on, they are having difficulty merely maintaining some of their facilities, and this is a problem.

I think another area that has to be looked at is the area of research—education research, science research, all kinds of research—because that is really one of the big thrusts for the universities.

The Northern Access—I certainly could not support the idea of building a university in the North when we are having difficulties with maintaining the University of Brandon and the three universities in Winnipeg. I think that certainly access has to be stressed in some form of additional aid to students who would like to go to university either in Brandon or in Winnipeg, or perhaps looking at Keewatin Community College and trying to utilize that facility a little bit better than it has been utilized.

Community Colleges—I think since April 26, or shortly thereafter, the calls that I have received with regard to education have been maybe two to one with concerns for community colleges. The potential of our community colleges in Manitoba has not been met. I would suggest to you that there is a great deal more autonomy needed for these particular individuals. There may be some opportunity for reorganization and, with the president of the Red River Community College leaving and a new individual, I assume, being hired shortly, I would hope that this sort of reorganization and the possibility of greater autonomy—this is a tremendous time for this to be looked at.

The Teachers' Retirement Fund in Manitoba, I think, has been discussed in the House and I think that

certainly we can continue to encourage the federal Minister to take a second look at a proposal that he was suggesting.

We have also discussed student aid in the House, and I would certainly hope that student aid will be given a lot of consideration and that the funds will be utilized. As was suggested to me that there were some residual funds left from last year, I would question then: Are the grants to students being advertised sufficiently so that the student out there knows that in fact there are funds available, and the student in need is not going to have to relinquish his or her spot at university or at a post-secondary education setting because they are lacking in funds.

Robert E. Lee said that the education of man is never completed until he dies. I certainly agree with that. Certainly, as a new MLA, I can tell you the education is continuing. Another individual said that the object of education is to prepare the young to educate themselves throughout their lives. I am a very strong believer in Adult and Continuing Education. I was pleased to see the Minister mention the PACE and the continuing grants to Adult and Continuing Education.

I am also distressed a bit, looking in the Estimates Book, on the grant for textbooks going down. I have looked at some of the past grants. I have looked at the increase in the cost of the textbooks. I believe what the Minister has done is taken \$5 per grant from the textbook grant and has utilized that for the Northern Access Program. I am concerned with the fairly significant decrease in a grant that was already rather underfunded.

When we are talking about textbooks, I think about libraries and I am concerned about the funding for the university library. The students out there have a lot of difficulty. I think the library is an area that is very important.

We have also discussed in the House the need for increased Child Care courses in Manitoba, an increase in places for students who are interested in taking the Child Care courses. When we are talking about increasing day care spaces and not talking about increasing the places for students who want to access Child Care courses, I think there is some confusion there. I think there is a lot of difficulty. I have a lot of difficulty with that.

* (1520)

The changes in the tax remittance, I was pleased because I think it will ensure that school divisions receive their funding on a more timely basis. The statement about not taxing farm lands, I hope that in fact when this is looked at that the land is utilized by the farmers as opposed to land that is being held by developers. I think that is a very important aspect of the tax proposal.

I welcome the in-service proposal for teachers re AIDS education, re sexual abuse, child abuse, particularly in light of the fact that there have been a fair number of reported cases, and who knows how many are behind the curtains that are not reported. I

think that we have to take a very, very close look at our vulnerable citizens and those people who were entrusted to their care. I would hope that the Minister would certainly move ahead in this area very quickly and very thoroughly.

I am wondering, back to the responsibility of the Bureau de l'Education française, if there is any responsibility on their part to look into the advanced courses in French at our non-French universities. If there is, I would hope that they would move forward in that area very quickly, certainly prior to the next university September entrance time. I think it is a little unrealistic to say that they could come up with something by the January entrance, but certainly by the September 1989 entrance period.

I think I will stop there. I do have questions to ask under the appropriations and I will look forward to the next few hours, to quote the Minister of Education (Mr. Derkach). Thank you.

Mr. Chairman: We will now hear from the critic of the Second Opposition Party, the Member for Flin Flon.

Mr. Jerry Storie (Flin Flon): Thank you, Mr. Chairperson. First of all I would like to congratulate the Member for Sturgeon Creek (Mrs. Yeo) for her opening remarks.

I think, like the MLA for Sturgeon Creek, all of us have things to learn on a continuous basis and it is not just new MLAs. I am learning a new role myself, as is my colleague, the Member for Arthur (Mr. Downey). So it is an opportunity for us all to learn together.

I would like to, as well, thank the Minister for his opening remarks. I would appreciate receiving a copy of those remarks. It is customary, when there is a written presentation, to provide a copy to the committee. I would certainly like to have such a copy in case I have missed something earth shattering that the Minister has said that I missed for one reason or another. I am not expecting that, but it may have, in fact, happened.

Finally, the Minister may—and I may have missed his thanks to the Department of Education. I think the 1988 year will once again be a good one for the department. It is staffed with extremely capable people. Professionalism is their motto. If it is not, I just made it up. They are an extremely capable group and I think will serve the province well and this Minister well.

I know that Ministers like to take credit, even I did. But the fact of the matter is that much of the credit deservedly should go to the people in their department, the people who work at Universities Grants Commission, as well as the people in the many groups who support the development of educational policy in the province. So if I sometimes am critical of the Minister of Education (Mr. Derkach), I certainly want it understood that I am in no way being critical of those who serve him or us. That is not what I said when I was Minister, the Member for Arthur reminds me. I certainly never said anything negative about the department—well, maybe once.

I certainly am not going to spend a lot of time reviewing individual items in a line-by-line review of the

Estimates. The Estimates, in many respects, that were developed prior to the April 26 election date, reflect many of the priorities of the previous Government. That is not to say that I am not going to be critical of some of the changes in direction that we have seen in the last few months. We, I am sure as time passes, have opportunity to review, reflect our concerns on directions that this Minister takes, whether it be in the area of tuition or in the area of funding to private schools.

I would like to just indicate to the Minister that I, as an individual and as a Member of the New Democratic Party, am certainly concerned about the direction this Minister has announced in his statement with respect to the funding of private schools. The Minister indicated that the move to 40 percent was going to cost the province some \$3.7 million. That is over one year. If you compound that, of course, it grows to an exceptionally large figure.

My Opposition, perhaps with the exception of the Member for Sturgeon Creek (Mrs. Yeo)—we do not know yet—is proposing that we fund private schools to the tune of 80 percent. If you extrapolate for a minute, you find that if we had moved immediately to 80 percent funding, the cost to the province would have been in the range of \$120 million over four years. I do not care who you are, you cannot tell me, and I do not think you can tell Manitobans, that funding that system is not going to detract from some other service that provided the people of Manitoba, including education services.

The Minister may want to make the case that it is offering a choice. I think that is an unfortunate choice of rhetoric and I think that is the way it has been presented will come back to haunt this Minister, because if we talk about the area of choice in an area which has been public domain for many, many decades, then I ask the Minister: are we going to fund home schooling endeavours; are we going to fund private vocational schools; are we going to fund and support universities; in other words, opens a Pandora's box which has been closed for some time?

Historically, we have had an obligation to private schools and I think, as a Government, took a responsible position toward their needs, but I think the choice of wording and the approach this Minister is taking, does not meet with the wishes of the vast majority of Manitobans; whether they come from Roblin-Russell and the municipality there or the schoolteachers there, or the schoolteachers and trustees who served this province very well from across this province; whether it is the City of Winnipeg or the North.

* (1530)

I know that the Minister has prided himself on the consultations which have occurred in other areas, and I feel relatively certain that there has been no such consultation in the development of this new policy. I know that groups like the Manitoba Teachers' Society and the Manitoba Association of School Trustees, including its president, Mr. Kulyk, are somewhat perplexed and concerned about this direction.

There are others that will have an opportunity to talk during the course of these Estimates, and I do not

intend to prolong them unduly. I think we want to hit the highlights, if you will. There are many other departments before us, but my colleague obviously from Sturgeon Creek (Mrs. Yeo) has something to say about the length of time we will actually be in this committee reviewing the Department of Education Estimates.

I would like to just quickly touch on a number of the areas that the Minister has highlighted for us. I am going to be watching with interest as the Minister grapples with the challenge of providing an equitable funding base for divisions in this province. The Minister was, when in Opposition, sometimes critical, perhaps always critical, of the efforts of the previous Government to meet the needs in a way that was fiscally responsible and yet maintained the principle of accessible, equitable education across the province.

He is finding, I am sure now, and perhaps he will admit later, that he is finding that task is not as easy as it appears from the Opposition benches, but I wish him well because it is an important task. I commend him for not making any precipitous moves in the area of education. I think he was wise to refrain from implementing some half-baked scheme, and I think caution is probably a good companion in this exercise.

The Minister mentioned a couple of areas which are particularly problematic in the development of a funding program for our public school system. He mentioned the transportation problems that rural divisions have. I know that there are divisions out there who spend considerably more on transportation than they receive in grants. We both know that there are divisions spending more money on Special Needs programming than we are providing in funding. The challenge for the Minister will be to do all of this at the same time as he moves to increase the share of the provincial support to education, a real challenge.

I have to say I am somewhat disappointed that the new goal for the Minister is to provide 80 percent of supportable expenditures to the division rather than a higher figure. I recognize even that is only a goal, but I think it leaves open the question of how you are ever going to achieve the kind of equality education across the province, from north to south, east to west, leaving that significant burden on the local taxpayers and ratepayers when we know that their ability to cope with that stress is extremely variable. We have divisions that have no capacity virtually, and others for which that task is fairly easy, so it is going to be an interesting challenge.

We will be discussing the AIDS policy and its implementation, I guess, a bit later in the Estimates process. I was pleased to hear the Minister suggest that he would be proceeding, or may be proceeding, in this Session—or perhaps he said next Session—with legislation to support the right of parents to have access to information, to be involved in one way or another in the placement process, be involved in the educational process to a greater extent. That is something that seems to me has been left to the jurisdiction of school divisions too long, and when I was Minister, I think our Government recognized that either the department plays a more aggressive role, a more directive, a more supportive—I do not know; you

can choose which of those adjectives you want to use—in the area of setting policy, whether it is ACCESS, whether it is AIDS Education, whether it is Family Life, or we put in place statutes that provide clearer direction.

So the Minister has two choices: either he leads by example, or he directs. I gather from his remarks that he may be choosing the latter alternative in that he may be introducing legislation, and we will certainly look forward to whatever the Minister brings forward in terms of providing that support to parents, and pursuing their interests to get involved. I certainly will withhold any judgment until we see what kind of legislation comes forward and what direction it is taking.

Mr. Chairperson, the Minister mentioned the Regional Services area and how satisfactory the Professional Secondment Program had worked in taking people with expertise in local divisions and putting their talents to use, and I hope that we will be able to expand that. I know it is always difficult to allocate additional resources to areas like Regional Services but it is one area which I think needs support. I think for most teachers in rural Manitoba, particularly in the North, it is difficult to access professional development opportunities, difficult to grasp new ideas and grapple with them in the classroom without that support, and I hope that those initiatives will continue and will expand.

I will not do this often, but I would like to commend the Minister for the support that he has given to the Distance Education Initiative. The Minister probably knows that was a pet project of mine. I believe that the Distance Education Technology Branch, that approach to delivering services to students regardless of their age in rural and northern Manitoba, is going to be extremely beneficial.

It may take some time to work the bugs out and we will talk perhaps in more depth about the specific projects that are under way when we get to that portion of the Estimates, but I did want to say that I commend the Minister for targeting that area. I hazard to guess that it is partly because of his rural background and his own roots, but it is appreciated nonetheless.

Mr. Chairperson, I want to indicate that we will be asking the Minister for some specifics about the new priorities that he has for Education. To date we have seen the implementation in many respects of policies that were in progress at the time of the election, being developed or ready to be implemented. I would like to know from the Minister what specific new areas this Minister and this department will be following in the coming year?

Moving on to the university funding and colleges, I know that the University Grants Commission had prepared a role admission statement which tried to define more clearly the role of that body, tried to do that in a way which did not offend the university sensibilities when it came to autonomy, academic freedom and all of those things. We will want to ask the Minister how he sees that proceeding, whether, as he suggested in his remarks about the problem that confronts the university, if there is any hope, or any desire I should say, on the part of this Government to become more directive, to become more involved in the issues that plague our universities?

Some few months into the term of a new Government, we have demonstrations in front of the Legislature, students who are concerned legitimately with the problems that face universities, the lack of resources that they have. I am not going to lay the blame for that solely, and I emphasize solely, at the feet of the new Government. I may over time but I will not do it today. However, those problems are serious and I do not think the Minister showed any particular sensitivity to those problems at Budget time. I have not heard anything from the Minister that would lead me to believe that those concerns are foremost on his mind, and I remain to be convinced otherwise.

The fact of the matter is the Minister has announced a capital grant to the Faculty of Dentistry for some much-needed renovations there, but I will want to know what has happened to the Manitoba University Development Fund, that \$20 million fund, and whether the Minister intends to proceed with that as a basis for additional support to the university.

* (1540)

The Minister mentioned the importance that tuition fees, student aid, played in maintaining accessible universities. I will certainly want to talk to the Minister about his tuition policy. I know that he met with a group of university student presidents today. I met with them as well and would be interested to hear from the Minister how he intends to proceed, whether he has any new ideas on how to control, maintain a reasonable balance between the revenues that are generated through tuition and the other revenues universities have.

Mr. Chairperson, there are a couple of other university-related issues that we are going to have to discuss, as unfortunate as that may seem. One of them is the potential for a northern university, a northern polytechnic institute in the North. I hope the Minister is not of the impression that it is only the NDP or northern MLAs, or myself as a former proponent of that type of an institution, because he would be sadly mistaken if that were the case.

The fact of the matter is that virtually every group in northern Manitoba supports the concept, whether we are talking about the political organizations of the Natives in northern Manitoba. I will not try and pronounce the word but the acronym is MKO or the Swampy Creek Tribal Council or the Flin Flon Indian Metis Friendship Centre or the municipal councils in all of those communities. Certainly the municipal councils in Thompson, Flin Flon and The Pas are excited by the prospects of having an institution that we can call our own.

I am a little surprised, taken aback, by the Member for Sturgeon Creek (Mrs. Yeo) who lives in a community where there are two universities and a community college which are accessible for her children, but says that she is very concerned about an institution in the North. I hope that what she was referring to was some kind of monstrosity of a building, the bricks and mortar, rather than the idea of an institution. We are moving into a time frame where delivering education no longer requires, at least in the main, bricks and mortar. So

let us be flexible, I hope, on that score. I did not hear the Minister reference it to any great extent in his remarks. I just want him to know that it will be an issue, and it has to be an issue for northern people.

The Minister did not mention the role that the department is currently playing in the Northern Development Agreement discussions. The Minister may know that the Northern Development Agreement is in its final year, concludes March 31, 1989. I think that is right—I stand to be corrected on that—but I believe that is the official end date for the Northern Development Agreement. Within that agreement, it was \$186 million, five-year agreement, more than half of it was set aside for human resource development. Much of the money for the training, for the educational programming that goes on in northern Manitoba, comes from that agreement. The Department of Education has played a role. I am hopeful that the Minister will be indicating later on that the department is playing a much more active role in the negotiations, that they intend to ensure that there is a new agreement, a more expensive and comprehensive agreement and that much of the money, if not most of the money, is used to support those educational programs.

If the Minister is at all interested, and I hope he is, in a northern institution supporting the needs of northern people and with the involvement and direction of northern people, then it is important that he get involved in those negotiations. It is important that he, along with perhaps my colleague from Arthur, the Minister of Northern Affairs (Mr. Downey), take the lead, provide some direction because much of the money to support this institution can come from that agreement. Some \$20 million of training has already been provided in the North through a number of vehicles. There is no reason, at least in my mind, why an institution cannot be developed from that core of support through the Northern Development Agreement. So I want to know where the Minister is at with respect to the Northern Development Agreement.

The Minister did not reference the Post-secondary Education Conference, the national Post-secondary Education Conference that was held in Saskatoon in the fall of 1987, and whether there has been any follow-up from that forum. The Minister has probably seen the little brochure that was developed which was essentially a provincial position with respect to the needs of our post-secondary institutions and some perspectives, a Manitoba perspective, of what was needed at a national level.

What is important, I think, about that position paper—and I have a copy here—I think is that it reflects a consensus of opinion on the part of business and labour and students and faculty and university administration. Our delegation and the other members who created this position paper did so with a lot of soul searching. It represents a position that is Manitoba's and perhaps could be used by this Minister in his discussions with the universities as he attempts to help them and himself grapple with their problems. It could be used with discussions at the federal level because it does represent a kind of unique document of the Manitoba position.

So we will be asking some questions about where and what has happened since the forum in Saskatoon on October 25-28. With respect to the community colleges, the Minister rather glibly passed over the minor problems that are being created by the federal Government's decision back in late 1985 to eliminate much of the direct purchase of spaces in our community college. I believe by now, and the Minister can correct me if I am wrong, there has been some 40 percent reduction in the direct purchase of spaces at our community colleges. It created some havoc and I want to have the Minister flesh out for me what courses have been eliminated, what other changes have come about because of that policy direction change at the federal level.

He mentioned that this year it was having its greatest impact. I know that the money that was originally going to be diverted completely, now has become available to community colleges and solved some of the problem, but I will want to know more details on what its impact has been.

The Minister also mentioned that he had allocated or had provided the community colleges with a \$2 million fund. I am assuming that what he has done is got permission from Treasury Board to advance that kind of money in support of its market-driven training or its search for opportunity in the private sector to provide training. The Minister perhaps can answer that question sooner rather than later.

Finally, I would like to spend the last few minutes on the High School Review. I did not hear the Minister make any comment; I came a bit late. I am certain that he would have certainly made some comment and not have overlooked something as important to the future of education as that review.

* (1550)

I think, like most people who were involved in it, whether they be the panelists, the members on the Review Committee or people who made presentations or who are interested in the problems that face the school system are looking forward to its result. My colleague from Sturgeon Creek (Mrs. Yeo) quite rightly identified a number of problems that I think face the school system, serious challenges. She mentioned the computer literacy, the use of computers in our school. I guess the need for our students in the final analysis to be adaptable, flexible, thinking human beings, and we certainly have an opportunity to change the school system to create those end results right now. People are anticipating, I think, some sound recommendation from that committee.

We need to make some changes and I am hopeful that sometime, before we finish these Estimates, that we may actually receive a copy of the final report and recommendations of the High School Review Committee, because I think it would be extremely useful for us and perhaps for the Minister as we examine the spending of the Department of Education and perhaps lend some assistance to the extent that we, as lowly critics, are able, to the directions that might be chosen, to the decisions that the Minister is going to have to

make when it comes to establishing Estimates for 1989-90.

If we are going to have recommendations, if we are going to start moving on them then now is already too late to start that planning. We are already behind the eight ball because of the lateness of that report, but I think it is important that we get it and have a look at it because we would not be doing our jobs as Opposition critics if we did not want or we did not need that report before we concluded the Estimates.

So with those few remarks, I will allow my colleague from Sturgeon Creek to begin some of the line-by-line review of these Estimates. Thank you, Mr. Chairperson.

Mr. Chairman: I would like to thank the Honourable Minister and the two critics for their opening statements. I would remind Members of the Committee that debate of the Minister's Salary is deferred until all other items in the Estimates of this department are passed.

At this time, we would invite the Minister's staff to take their places at the table by the Minister.

On item 1. Administration and Finance, \$4,192,300, consists of the central administrative, financial and computer services necessary for the operating programs of the department. Provides strategic and operational planning and policy support for the department; maintains records of teacher qualifications and certification and student academic records.

Item 1.(b) Executive Support: (1) Salaries, \$311,100—shall the item pass? The Honourable Member for Sturgeon Creek.

Mrs. Yeo: Excuse me, Mr. Chairperson, but I have had three page locations directed my way and I would kind of like to know just where we are at.

Mr. Chairman: Well, we are on item 1. Administration and Finance.

Mrs. Yeo: What page?

Mr. Chairman: Are you using this book?

Mrs. Yeo: I am using this book.

Mr. Chairman: It is page 25. We are on item 1.(b) Executive Support: (1) Salaries. Shall the item pass?

Mrs. Yeo: I would like to ask the Minister who the people are under Administrative Support. It is indicated on that page that there are five individuals. I would like to know who they are and where they work.

Mr. Derkach: In this area, we have three secretaries. You want to know their names?

Mrs. Yeo: No, just where they are located. Is it in your office?

Mr. Derkach: Three in my office and there are two in the Deputy Minister's office.

Mrs. Yeo: The second question I have is, I notice that there is 138,700 in 1987-88, and it is listed here as

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117,500 this year, and I am wondering why there is that decrease other than just one staff year fewer, or is that it?

Mr. Derkach: In the previous administration, the former Minister had additional staff because he had also another area of responsibility in the Constitutional Law or Constitutional Affairs, whichever it is, and since then we do not have that responsibility in that department at the present time.

Mrs. Yeo: I have another question. I am sort of going up and down here and I apologize for that. Under Managerial, one individual, the increase in salary is something in the neighbourhood, I believe, of 9 percent. I would assume that was the Deputy Minister.

Mr. Derkach: Yes, that is correct. That is the Deputy Minister.

Mrs. Yeo: Am I right—is it unfair to ask the Minister, the MGEA staff are only getting a 3 percent increase this year?

Mr. Derkach: The difference here is that there was the standard increase in salaries, plus added to that was an increment.

Mrs. Yeo: I certainly want to go on record as saying I am certainly not knocking the Deputy Minister, Mr. Chairperson. I think this individual has done a tremendous service to the Department of Education and it is my understanding that at this point in time, I do not know whether he has submitted his resignation, or whether he -(Interjection)- No, it is my understanding that his position has been posted and I have no idea the circumstances surrounding that. My question to the Minister, through you, Mr. Chairperson, is: Has the Deputy Minister's position been posted?

Mr. Derkach: Yes, of course, it was with regret that the Deputy Minister is retiring because he certainly has been a valuable asset to the department and especially to myself in coming into the department. Yes, we have posted the position.

Mrs. Yeo: May I ask if this is an affirmative action posting?

Mr. Derkach: Of course.

Mrs. Yeo: May I ask if this is indicated on the bulletin?

Mr. Derkach: I do not think that was included on the bulletin, but certainly the attitude is that it is an affirmative action position.

* (1600)

Mrs. Yeo: I find it difficult that attitudes can be insinuated when there is nothing written on the bulletin and nothing specifically stated. I am wondering if the Minister could tell me the number of visible minorities that are actually hired and are on salary in the Minister's office, the chief administrative individuals?

Mr. Derkach: Mr. Chairman, there are no visible minority individuals in my office at the present time, as you know. You know the Deputy Minister. We do have persons of ethnic background, but certainly not anyone at the present time of a visible minority.

Mrs. Yeo: I am not going to hammer this too much harder but I am concerned with the fact that the affirmative action was not actually posted on the posting for this position. I am wondering what target populations the Minister might be considering in evaluating candidates for this particular position.

Mr. Derkach: I have to say quite frankly that we are not at that stage yet. I have not received the applications to date nor have we done any screening in terms of the interview process. I really do not know what the specifics of the question are or what the Honourable Member is leading up to.

Mrs. Yeo: I am not really leading up to anything. I am not really trying to ask any trick questions or to pull the wool over anybody's eyes. I am just concerned with the need for a broad representation and I think the question was a fair one. I will leave it at that. I would like to know what the deadline is for applications for this particular position.

Mr. Derkach: The application deadline, I think, is October 24.

Mrs. Yeo: Are there any bulletins outside of the province at this particular point in time or are you looking in-house and in-province, to begin with?

Mr. Derkach: Yes, the position has been posted in The Globe and Mail, Ottawa, Toronto, Regina and Saskatoon. The university bulletins were also posted as well.

Mrs. Yeo: When you say the university bulletins, are you saying across Canada university bulletins or are you indicating just in Manitoba?

Mr. Derkach: Yes, across Canada.

Mr. Storie: Mr. Chairperson, I am not sure whether I missed it or not, but perhaps the Minister could indicate what additional support by way of executive assistant or special assistant he has in this area. He mentioned that he had five staff. Are all of those secretarial?

Mr. Derkach: In the Administrative Support, Mr. Chairman, the five that are indicated in the SY are secretarial. In the Professional/Technical, I have an executive assistant, a special advisor, and the Deputy Minister has a special assistant.

Mr. Storie: Could I have the names of those individuals?

Mr. Derkach: Do you wish the names of all the positions?

Mr. Storie: No, just the last three.

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Mr. Derkach: The last three? Miss Kostiuk, Ms. Buchanan, Mr. Carlyle.

Mr. Storie: Mr. Carlyle?

Mr. Derkach: Carlyle, yes, C-a-r-l-y-l-e.

Mr. Storie: How do you spell the first name—I am sorry.

Mr. Derkach: K-o-s-t-i-u-k.

Mr. Storie: Thank you.

Mr. Chairman: On item 1.(b)(1) Salaries—shall the item pass?

Ms. Avis Gray (Ellice): No. Do not worry, Mr. Chairperson, I will be in Health Estimates next week.

I have just a further question on the Deputy Minister position which has been bulletined in response to the Minister's comments. He has indicated that the attitude is that the position is affirmative action. Could he then indicate why that designation was not indicated on the bulletin?

Mr. Derkach: I think I am of the opinion that it is implicit that all positions within the department are affirmative action positions. This one certainly is not excluded. I have to indicate that we try to accommodate and to make sure that we give all individuals an opportunity to apply for a position as important as the one for Deputy Minister.

Ms. Gray: For clarification, when the Minister is indicating that he takes the view that all positions in his department are affirmative action, is he then saying that with all positions that all target population should be considered for those positions under the affirmative action policy?

Mr. Derkach: Could I ask the Member to clarify her question, please?

Ms. Gray: I am responding to the Minister's comment. I am asking for clarification. I believe he was saying that all positions within his department should be considered affirmative action. I am wondering if he means by that that all positions that come up for bulletin then should be open to all of the affirmative action target groups.

Mr. Derkach: Yes, of course. I do not foresee at the present time why they would not be.

* (1610)

Ms. Gray: Well, then I guess with that comment I question the Minister's understanding of affirmative action.

My understanding was that in fact positions within a department are designated affirmative action with various target populations because it would depend whether various groups were underrepresented

according to a specific data that had been obtained a couple of years ago. So as an example, you obviously would not designate some of the clerical positions for women, since the majority of women are in clerical positions. So this is why I was asking for clarification from the Minister.

A second question is, if the Deputy Minister position is considered an affirmative action targeted position, which affirmative action target groups are considered to be underrepresented at that level, is it all of the groups or is it just some of the groups?

Mr. Derkach: The Honourable Member knows that I have only one Deputy Minister and therefore I suppose in that light all target groups are underrepresented, if you wish to look at it that way.

Ms. Gray: Could the Minister indicate if a Deputy Minister position within the Civil Service, if all the target populations are underrepresented?

Mr. Derkach: I have not really studied the Deputy Ministers in the rest of the Civil Service. I mean I am very much concerned with my Deputy Minister and what goes on within my department. I can honestly say there are Deputy Ministers who I do not even know.

Mr. Chairman: Shall the item pass?

Ms. Gray: No. More questions.

Could the Minister then tell us, is it the Government policy, either from the Civil Service Commission or from his department, that positions are targeted for affirmative action only after applications and the screening process begins.

Mr. Derkach: The question confuses me somewhat, but I guess I could say that I really do not know where the Member is coming from. I am just indicating now for the record that, yes, we will consider all applications and in fact affirmative action is certainly applicable in this particular instance and in all instances within our department.

Ms. Gray: The reason for my question was the clarification on the position the Minister had stated and he indicated to the Member for Sturgeon Creek (Mrs. Yeo) that once applications had been received and there would be screening, then there might be a designation of that position as affirmative action. I guess what I was wondering, if there was a change—

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

Mr. Derkach: The Member should check Hansard tomorrow, but I think she will find that I said we have not, as yet. The applications have not closed and also we have not done any screening on any individuals.

Ms. Gray: Could the Minister indicate to us, with the fact that there has been no screening done on these positions obviously and the applications have not totally been received, what that has to do with the fact of

whether the position and when the position will be designated as an affirmative action position?

Mr. Derkach: I guess I could say that it is really the responsibility of the selection committee, first of all, in the screening and selection process to determine the appropriate weighting of affirmative action in a particular competition.

Mr. Chairman: Shall the item pass? The Member for Sturgeon Creek on item (b)(1) Salaries.

Mrs. Yeo: I would like to ask the Minister who is designated as being on the screening committee, on the selection committee?

Mr. Derkach: That has not been determined as yet.

Mrs. Yeo: Am I wrong in assuming that the final choice will be left up to the Minister?

Mr. Derkach: This is a Civil Service competition.

Mrs. Yeo: Whose signature will be on the—

Mr. Derkach: O/C.?

Mrs. Yeo: —agreement?

Mr. Derkach: Mine. Of course, it is an O/C. position and my signature will be on that O/C.

Mr. Storie: I was not going to get involved in this but I think the Minister has me intrigued. Is the Minister saying that only civil servants will be doing the review?

Mr. Derkach: No, that is not the case.

Mr. Storie: Could the Minister indicate who is going to be on, from whose office? Whose offices will be sitting in on the discussion, the final interviews?

Mr. Derkach: I think that we should be very clear about this. What we are attempting to do in the selection process of a Deputy Minister is ensure that we have a fairly broad range of representation in terms of how we select a position. As we said, we wanted to make sure that ours was an open type of Government and, in selecting these positions, that we had input from people who would be working with this individual, and certainly that does include myself.

The Member for Flin Flon (Mr. Storie) is very much aware of how, when he was Minister, he selected Deputy Ministers, or his Government selected Deputy Ministers. As I can say at this time, that selection committee has not been established and neither has the makeup in terms of the representation on that committee.

Mr. Chairman: Shall the item pass? The Member for Flin Flon.

Mr. Storie: I agree that the criteria for selection are pretty well understood. We want the best person for the job. I just did not want to leave the impression that

the Civil Service Commission made the decision, or that they would be the only ones doing the interviewing and assessing the qualifications, if you will, of the applicants.

My final question is, does the Minister have a target date at this point to have someone in place? Has he, in his own mind, developed a time frame for making a selection?

Mr. Derkach: I think it is fair to say that the Deputy Minister and I have discussed this on many occasions and he has been very kind in extending the date of his intended retirement to accommodate the department in the best way possible and we have discussed several dates. At this time I cannot tell you that we are going to have a new Deputy Minister in place by December 1 or December 15th. However, we are going to try to move as quickly as we can so that Dr. Nicholls can take his retirement as he deserves. I think he has not had a holiday in a long, long time and deserves a good long one as well.

Mr. Chairman: Shall the item pass? The Member for Flin Flon.

* (1620)

Mr. Storie: I cannot resist. Forgive me. The Minister, like George Bush, does have a choice here. I hope that the selection of his first appointment, a former Progressive Conservative candidate, to chair a task force on literacy does not mean that the new requirements for this position will be former P.C. candidacy. He has a choice in this matter, too.

Mr. Derkach: Mr. Chairman, I somewhat resent that comment because I think that all in all our objective is to try to attempt to, as much as possible, depoliticize the Civil Service. I think the Member for Flin Flon (Mr. Storie) need not laugh at that comment. My intention, in terms of the Deputy Minister, is to get the best possible person, the most capable individual, who will be able to lead the department into place as quickly as possible.

Mr. Storie: Mr. Chairperson, I simply wanted that on the record. I hope that is in fact the objective for the sake of the department and the public school. We will wait and see, suspend judgment of course until a final decision has been made.

Mr. Chairman: Shall the item pass? Pass. On item 1.(b)(2) Other Expenditures \$67,100—the Member for Sturgeon Creek.

Mrs. Yeo: I believe just a couple of questions. Of course, often the answers will precipitate further questioning I think is understandable. I did have a concern when I was looking through the list under Other Expenditures, seeing that the transportation figure is more than half the total Other Expenditures, I am very curious to know what sorts of things are under transportation. Are we leasing cars or what?

Mr. Derkach: The variety of modes of transportation I guess, Mr. Chairman, included in this figure would be

the use of Government aircraft for transportation throughout the province, to destinations where it is difficult to reach by car. (Interjection) The Member for Flin Flon (Mr. Storie) says to Roblin-Russell. Yes, Mr. Chairman, there are times when a Minister does have to perform a function or staff have to be transported for that matter, because we may have to be back for other functions or be elsewhere. I do not apologize for using Government aircraft for those occasions, and I think the Member for Flin Flon, when he was Minister, used Government Air extensively. He does not need to apologize for that either.

Mrs. Yeo: Mr. Chairperson, may I ask approximately how many trips are anticipated in Government aircraft and to what particular locations?

Mr. Derkach: It is very difficult for anybody to say how many trips there are going to be throughout the province. I can tell the Honourable Member that any Minister would certainly want to visit, for example, such places as the Limestone, or the Northern Training Unemployment Agency area in Thompson, and the Keewatin Community College. There are other important places throughout the province or schools in the province that a Minister may have to visit. I have been invited to speak at Keewatin Community College to attend graduations there. There are times when it is impossible to spend eight hours in driving to a destination, and time is certainly a very critical factor when you are a Minister. It even is for staff. There are times when you can get staff to a location—and I use the example of The Pas—you can get staff there for an in-service and get them back the same day. If you consider that as opposed to spending two nights of hotel rooms and the cost of driving a vehicle to that location and having staff away from office for that length of time, it is certainly sometimes a lot more prudent to use aircraft, but I cannot honestly tell you the specific number of trips there are and specifically to what locations.

Mrs. Yeo: I do not argue with the need for making the best use of one's time, and I certainly cannot argue with the occasional need for utilizing the Government air services. However, I see that there is a fair increase here, and I am hopeful that the Minister will be very selective and very cautious and show concern for his fellow taxpayers in making such trips for himself and for his entourage. Included in the transportation figure, are such things as gas and mileage and car allowances included here, or is it strictly the aircraft?

Mr. Derkach: I would like to begin by indicating that certainly I try to use discretion in the use of Government aircraft, and I can tell the Member that I do spend about eight hours a week in a car driving from my home to the office. Certainly I do not use aircraft to fly home for a weekend or any other purpose, unless it is one where I have to perform a function as Minister and I have to get back. The Member asked whether gasoline and that sort of thing was included in this figure. I can respond to the affirmative, Mr. Chairman.

Mrs. Yeo: I can certainly appreciate the Minister spending eight hours travelling back and forth, in that I happen to be married to a native of Roblin and I—

Mr. Derkach: Good people.

Mrs. Yeo: Yes. The Minister says they are good people, and they are good people. I am not sure that the roads are so good.

Thinking of the aircraft, and I realize that I am asking perhaps difficult questions, but I said in the onset that I have not done this process before, and I am now somewhat curious. Can the Minister tell me, would he anticipate a once a week, a once a month, strictly during the Sessions? Would he utilize—I have a few questions here—the transportation services in-between Sessions? Would this be a necessity?

Mr. Derkach: That is very difficult to answer. Yes, sometimes the aircraft is used once a week; sometimes it is used once a month. If necessary, it will be used in-between Sessions. It just depends on the situation, I suppose. I guess it also depends on how many functions you have to be at in a short period of time and how quickly one must get back. I know that the Honourable Member is trying to ask a very sincere question but certainly I do not have—I can give the Member a breakdown, I suppose, but certainly—

Mr. Chairman: On a point of order, the Member for Flin Flon.

Mr. Storie: Yes, perhaps I can shed some light on this.

Mr. Chairman: State your point of order.

Mr. Storie: My point of order is that the Member may be misunderstanding what this figure represents. That is a serious point of order. The fact is that the way Government Air charges its services is a charge-back system. This represents about 18 trips to Flin Flon. It is \$2,000—a charge-back system. That is not what it costs the province. It sounds like a lot of money but, believe me, it is not. I am defending the Minister; I do not know what is wrong with me. Forgive me.

Mr. Chairman: The Member does not have a point of order, but we thank him for the information.

* (1630)

Mr. Derkach: I would also like to thank him for the information. I might just use an example in a trip that was taken earlier this fall when we had six people travel to The Pas, including a Member of the NDP Party who came along. We had room in the aircraft and certainly instead of having him drive all that way, it was much more practical to have him hop on board the aircraft and travel with us and back. We had six people who went to The Pas and back the same day. Had we driven, it would have meant staying overnight and expending a lot more money on hotel rooms, meals, gasoline and vehicle in order to get there and back. So we try to be as prudent as we possibly can in the way we spend our money.

Mrs. Yeo: Yes, I was being very sincere in my question. I do thank the Member for Flin Flon (Mr. Storie) for

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the clarification on behalf of the Minister of Education (Mr. Derkach). I was not aware of those responses and now I feel much more comfortable. Thank you very much.

I am also a little less comfortable in that the NDP were invited along. I do not think that there was any invitation forthcoming to—

Mr. Derkach: On a point of order, Mr. Chairman.

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

Mr. Derkach: That is correct. The Member of the NDP caucus was not invited. He knew we were going—he is the sitting MLA for the area—and asked whether he could attend the function. I see nothing wrong with that.

Mr. Chairman: I thank all Honourable Members. Order, please.

Mrs. Yeo: I knew you acknowledged that the Minister of Education (Mr. Derkach) had a point of order.

I would like to ask with regard to the Communications, if I may. Again, a sincere question. I see that it is an identical amount for 1987-88 as budgeted for '88-89. I am wondering what is included in that particular area.

Mr. Derkach: This figure represents primarily telephones and the IN-WATS line.

Mrs. Yeo: In the area as Other Operating, again, I am wondering what is included there and why the fairly significant increase?

Mr. Derkach: The 4,800 is a computer and supplies. The difference that we see in the figure was a salary-related adjustment and an increase in the Pay Equity area.

Mrs. Yeo: Sorry, I do not understand what you mean by a salary-related item.

Mr. Derkach: There was an error made whereby the Salaries were recorded against Operating.

A salary-related adjustment for Pay Equity, which should have been shown in Salaries, was recorded against Operating in error. A transfer to Salaries will be made during the year.

Mrs. Yeo: I do not want to paraphrase but I am assuming when the Minister said there had been an error, he was not saying excuse me, I have made an error. He is saying that on page 25, in the Estimates booklet, there was a typo, an error in serving the—

Mr. Derkach: It was an error, I guess a staff error if you like, that was made, and if you take a look, it was made in the \$311,100.00.

Mrs. Yeo: It was put in the wrong place.

Mr. Derkach: Yes. It was just a wrong figure put in the wrong place.

Mr. Chairman: Item 1.(c) Research and Planning: (1) Salaries \$385,300—shall the item pass?

Mrs. Yeo: I am looking over on page 26 at the term "Key Stake Holders," and I wonder if there could be some clarification who are the "Key Stake Holders"? What is meant by that statement?

Mr. Derkach: Could you identify the line?

Mrs. Yeo: Under Activity Identification, the bottom statement.

Mr. Derkach: Key Stake Holders would be associations such as MASBO, MAST, MTS, Parent-Teachers, etc.

Mrs. Yeo: Moving back up to the objectives, have the emerging needs been identified in the past two years where it talks about emerging needs? I am wondering what these emerging needs are and have they been identified?

Mr. Derkach: Sure, there have been identified emerging needs. I guess there is a variety, whether we talk about access or such needs as I have indicated.

Mrs. Yeo: Can you tell me at what levels these emerging needs occur at? At which levels do they occur?

Mr. Derkach: This is a fairly general and broad question and perhaps I could just give the Member some indication of the types of things. First of all, the completed revision of the Manitoba Education's draft policy on AIDS, background research for school boundaries study, development of policy options for adult participation in high schools and on and on. Do you want a more complete list?

Mrs. Yeo: No, I have an idea of just what was meant by that. I am wondering if the results of the High School Review will come into this sort of development of emerging needs as well.

Mr. Derkach: I do not think we could say that the High School Review package per se would fall under these emerging needs, but certainly there could be areas that come from the High School Review that would fall into the emerging needs area.

Mrs. Yeo: So that the Minister is saying, if I am correct in interpreting what he is saying, that there may be identified by the High School Review Committee some needs that will be included in this particular area?

Mr. Derkach: Most certainly there may be, but we do not know that at this time.

* (1640)

Mrs. Yeo: Again under Objectives, the next objective, I am wondering if the Minister could explain to me what is meant by the "results-oriented approach" that is indicated there.

Mr. Derkach: I think the objective there is to identify specific results rather than deal in generalities.

Mrs. Yeo: Is anything being done to make the department more results oriented? Is there anything sort of aggressive that is being done or that you can foresee being done to make the department more results oriented?

Mr. Derkach: We have quarterly reports or quarterly management reports, and I think that is fairly specific in terms of the objectives and in terms of reporting and so forth.

Mrs. Yeo: Has each section identified the desired results for their own area, of expertise?

Mr. Derkach: Yes.

Mrs. Yeo: Who else decides what results may be appropriate? Who makes the decision as to what the anticipated appropriate results might be?

Mr. Derkach: Of course, it is the senior staff that establishes the objectives and the results and the final approval for a strategic plan is of course done by the Minister.

Mrs. Yeo: Have there been any in-services conducted so that these expected results, anticipated results may be properly, effectively evaluated?

Mr. Derkach: The director himself provides in-services in terms of planning on a continuing basis, I guess, from time to time. There are planning sessions and in-service sessions throughout.

Mrs. Yeo: I asked about the evaluation of the expected results, the results-oriented approach. Back to evaluation, I am wondering if the Minister could outline some of the criteria that might be utilized by these individuals for evaluation.

Mr. Derkach: In the Quarterly Report that is received, there is a statement of the objective; a statement of the desired result; then there is the explanation of the planned activities; then the results achieved for the fiscal year; and if there is a variance there is an explanation of the plan. That goes to the Assistant Deputy Ministers, to the Deputy Minister and then, of course, to the Minister.

Mrs. Yeo: Is there a timetable in place for accomplishing these results?

Mr. Derkach: Each of the divisions have an operational plan which, I guess, is sort of a one-year plan, then there is a three-year mid-basis plan and then a five-year plan as well.

Mrs. Yeo: Can the Minister tell me if the one-year plan, the target is on target? Are you where you thought you would be as far as the timetable goes?

Mr. Derkach: Yes, Mr. Chairman.

Mrs. Yeo: Sorry, I bounce around, but as I have gone through this book several hundred times, I have notes

upon notes and I am now at another set of notes under Activity Identification.

Under Survey, the second line, I am wondering what topics are presently under Survey.

Mr. Derkach: One of the surveys that was done was the High School Follow-up Survey; in other words, determining what students are doing a year or two after they leave high school. Within the mainstreaming area, Mr. Chairman, there were several surveys that were conducted. There was also the analysis of the high school final exam practices completed, a study of the public versus the private transportation—so items of that nature.

Mrs. Yeo: Perhaps it would be easier just to ask if sometime in the near future one might obtain a list of the surveys and reviews that have been done.

Mr. Derkach: Yes. We can provide that information.

Mrs. Yeo: I would like to ask the Minister: who has established the various criteria for the review? I would assume it would be the heads of the different departments?

Mr. Derkach: Could I ask the Member to clarify what review she is talking about?

Mrs. Yeo: In the various reviews that are done, I am interested to know who establishes the criteria that is followed in attempting the reviews. Whose responsibility is it?

Mr. Derkach: That all is done by the senior staff of the department.

Mrs. Yeo: Would the review possibly—some of the reviews, because I think we are talking about more than just a review—would any of the reviews have other aspects incorporated in, I am thinking of, just for example, community input and that sort of thing? Would that type of thing be incorporated into the review?

Mr. Derkach: As an example, in the mainstreaming review, there was representation or input from organizations such as MTS, MAST, etc.

Mrs. Yeo: Perhaps in the report or perhaps the Minister is able to answer right now, I am wondering what actions have been taken in this past year as a result of some of the reviews that were done in the previous year.

* (1650)

Mr. Derkach: I guess a variety of approaches are used. For example, if you take the High School Follow-up, that is distributed to the schools. With the mainstreaming, we are waiting for the groups to get together and then make their own determination as to what they are going to do with that particular aspect. In the transportation area, for example, that is going to be used in terms of determining the future transportation policy and also assisting in those kinds of decisions.

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Mrs. Yeo: I do not want to put words in the Minister's mouth. When he talked about the evaluation of the mainstreaming review that was done, he made a statement something to the effect that there were parents, individuals involved with children, on this review and they were waiting for these people to say what they wanted. Am I getting from that, that the parents of children who want mainstreaming are going to be sort of given what they want without more significant input from people who have been working with children with special needs?

Mr. Derkach: In the case of the mainstreaming review, it is the groups such as MTS and MAST who will be getting together and then will be making recommendations or representation to the department and to me, as Minister.

Mr. Chairman: Shall the item pass? The Member for Flin Flon.

Mr. Storie: The Member for Sturgeon Creek (Mrs. Yeo) had requested a listing of the research activities, the analyses that have been done by this Research and Planning Branch. Is it possible for us to get that in a short period of time or do we have to wait until we next meet? If that is not possible, given we have only 10 minutes, perhaps just a quick listing of the items that have been reviewed, with the understanding that we will get a full listing for our next meeting.

Mr. Derkach: We can provide the listing for you tomorrow, if that is acceptable.

Mr. Storie: Perhaps we can just read it into the record and that way I will have it tomorrow then. I just want a quick overview. There are several areas where I expect some research will have been done and I would like it confirmed.

Mr. Derkach: I will just read these for your information: Revision of the Manitoba Education's draft policy on AIDS. Background research for the school boundaries study has been completed; review of the department's small schools policy has been initiated, planned to be completed in February of '88—that is completed now; the review of use of Curriculum Assessment results; review of role and mandate of the transportation section; study of mainstreaming is completed; the analyses of the high school final exam practices has been completed; the study of the public versus the private transportation costs has been completed; the review of literature pertaining to post-secondary education access issues has been completed; the consultation and data analysis for Montcalm, Manitoba adolescent treatment study has been completed; the consultation for Souris Valley School Division high school graduate follow-up survey has been completed; the data analysis and report preparation for Regional Services study of Interlake, Eastern region Language Arts curriculum implementation project has been completed; and the consultation for Manitoba Education's computer system has been completed; and also the consultation for Seven Oaks personal safety program has been completed; and one more, the

coordination of the province-wide high school graduate follow-up survey.

Mr. Chairman: Shall the item pass?

Mr. Storie: That is a substantial list. Is the department or the professional staff, at least, in the branch involved in other areas, other reports that would not be referenced here?

Mr. Derkach: There are a few activities. I guess matters which were relating to the Education Council of Ministers, literacy, also student aid, and international students as well.

Mr. Storie: Mr. Chairperson, the Minister mentioned something that had been done on the Council of Education Ministers. Could he clarify what has been done on behalf of whom?

Mr. Derkach: The branch does an analysis of reports that are put out by the Council of Ministers. In the analysis, they will present us with their findings or their conclusions.

Mr. Chairman: Shall the item pass?

Mr. Storie: Mr. Chairperson, my intention would be to look at a few of these in detail and develop some understanding of what the objective was in doing the analysis, and what the final results were and how that is going to make any difference to our public school system.

I would just start with the AIDS policy paper. I am wondering what changes have come about as a result of the analysis. What changes have already been implemented? What will be implemented in the future as a result of the analysis done by planning and research?

Mr. Derkach: With regard to the AIDS policy, the branch did the structuring, I guess, of it, and then it went to MECA and then from there it was recommended for implementation to the Minister. As you know, that policy has now been implemented in the school system.

Mr. Chairman: The hour being five o'clock, it is time for Private Members' Hour.

Committee rise.

* (1700)

* (1430)

SUPPLY—AGRICULTURE

Mr. Chairman, Mark Minenko: I call this section of the Committee of Supply to order, please. We are continuing to consider the Estimates of the Department of Agriculture. We are presently considering item 6.(e)(1) Manitoba Farm Lands Ownership Board: Salaries—the Honourable Member for Fort Garry.

Mr. Laurie Evans (Fort Garry): I believe we were in the midst of this particular discussion on this board when we reached five o'clock on the past day.

One final question that I would pose to the Minister on the Manitoba Farm Lands Ownership Board, and this relates to the specific Act: does the Minister feel that Act will come under any pressure, or will it be an Act that will not suffer any consequences under the Free Trade Agreement?

Hon. Glen Findlay (Minister of Agriculture): It is our understanding that any provincial Act that is in place prior to December 31, 1988, is grandfathered and is not subject to any interference because of that.

Mr. Laurie Evans: I am asking this simply for clarification, Mr. Chairperson, because my understanding is that under the Free Trade Agreement there is quite an increase in the flexibility in terms of the type of companies that can be purchased without them being investigated. I guess my concern lies in whether land, when it is owned by a company that is being considered for sale to an American firm, whether the land is actually separated out from the other assets of a company when it is being looked upon for that type of a purchase?

Mr. Findlay: In your question you may have been thinking of all land, but this Act applies strictly to farm land and any sale of farm land to anybody outside the country since the Act is grandfathered would come under the jurisdiction of that Act, farm land.

Mr. Bill Uruski (Interlake): Can the Minister indicate, and he did privately, is he intending to replace—I guess it would be the executive director of the board since one Richard Loeb, who died suddenly of a heart attack here just several months ago—and when does he anticipate that replacement to be in place?

Mr. Findlay: It is the intention of the department to fill that position in due course.

Mr. Uruski: Can the Minister indicate, does the Farm Land Ownership Board keep any statistics on farm land prices? Is there any information that he may be able to share with us as to trends of farm land prices in the last, say year or so over last—we know that land prices have been, in fact, dropping over the last number of years, but I seem to recall seeing some statistics that prices are starting to escalate somewhat and whether the Farm Lands Board has been doing any tracking in this area?

Mr. Findlay: Statistics are kept on farm land prices by the Statistics Branch of the department, not necessarily by farm land's ownership. That is the source of the data, from the farm land's ownership.

Just a general comment about movement of what is happening in price, there is no indication yet that it is starting to move up. There are figures that are coming in; there are some up, some down depending on what part of the province. You may have noticed in the newspaper not too long ago, a comment from the Royal Bank which indicated they were selling land quite aggressively. They were fighting a good market for land. I do not recall that they commented on price that they

were selling it at, just whether they were selling it at a higher price or not.

Certainly the belief out there in talking with producers and leaders of organizations, the belief is that there is a pent-up ability to buy, that once the signal becomes apparent, the producers feel we are in the turn-around phase, that there will be an increased level of buying because many potential buyers have held off not knowing the security of their investment or the security of the future. But now with higher grain prices, certainly if there is any, I would say, amount of moisture in the next number of months I think there might be a swing to a greater level of purchase and that will naturally start to push the price of land up. There is still lots of land available through financial institutions, both Government and non-Government, so there is lots of land available. Lots of people who want to retire who are prepared to sell.

Mr. Chairman: Item 6.(e)(1) Manitoba Farm Lands Ownership Board: Salaries—pass; item 6.(e)(2) Other Expenditures—pass; item 6.(f) Agricultural Research (1) University of Manitoba - Grant—the Member for Fort Garry.

Mr. Laurie Evans: I will declare a potential conflict of interest on this particular item and absent myself while it is under discussion.

Mr. Uruski: I would like to ask the Minister in terms of the grants and I will deal with both of them and the Rural Development Institute - Grant. What process and guidelines have been established now between Brandon University and the department and has any money actually flowed to Brandon to set up the Rural Development Institute or are discussions still under way, and if they are, can the Minister give us some overview as to timing of payment and work that he expects from the Rural Development Institute?

Mr. Findlay: Certainly the Rural Development Institute has received considerable attention since we took Government. I have had two meetings with the president of the university, and our staff has continued to have meetings with their representatives on the committee, getting this Rural Development Institute in position so that it can become functional once these Estimates are passed. They are waiting for a letter of confirmation of the moment these Estimates pass. They have their search committee ready to advertise for an executive director. We have requested that executive director be full time and that they look at projects that are in consultation with the agricultural community and the Department of Agriculture. I would just like to introduce Bruce Dryburgh, and he has just demonstrated he has a tie.

In this committee that is working with the university, Bruce Dryburgh and Wayne Digby are on it from the department. I would like to say also that we felt the Institute would work best if they could attract funds from other directions. They certainly have attracted some money from private industry. In my last discussion with the president, he indicated he had been to Toronto very recently and had talked with 10 corporations there.

With eight of them he had discussed the RDI and had received some reasonable indication that there might be something forthcoming from his business contacts to assist the RDI on the nature of projects that have been discussed in general terms so far about what the RDI might do.

I have already said that they will work closely with the department in developing projects and also work fairly closely with other universities in the province and work in conjunction with them on projects where there is an overlap. So I think, through the discussions that have happened so far, I have a high level of optimism that we will be able to look in a futuristic sense at a number of issues that are important in rural Manitoba to the agriculture industry as a whole not specifically just farming. I am thinking of the overall agricultural industry and the rural communities. I think there is some good hope here that some good work will materialize. We are looking at a period of time of roughly three years through which this will be under surveillance as to whether the objectives that we have now can be met.

* (1440)

Mr. Uruski: Would the Minister, in his development of guidelines and working with the university in this whole area, does he expect the Institute to be off the ground before the end of the calendar year? Is that his hope?

Mr. Findlay: The honest expectation is that they will get it off the ground before the end of this fiscal year, somewhere between the beginning of '89 and the end of March with a full level of activity in the following fiscal year.

Mr. Uruski: I am pleased that the Government is proceeding with the commitment that was made by our administration to set up the Rural Development Institute. Through my years in office, I want to indicate that there is information that within Government, in its attempt to develop programming, certain areas of information that are from time to time lacking on Government programming and their impacts on rural communities, not only, as the Minister indicates, agriculture, and the questions of off-farm employment and where people move and how, for example, the bankruptcy rate that is occurring in rural Canada, its impact on rural communities and those who live there, and ideas for changes in programming and the like is what is necessary. I am pleased that they are moving ahead with that.

I want to ask the Minister whether, if there are projects, and there will be from time to time specific projects in addition to the \$100,000 funding that this institute puts up, will the Minister consider at any point in time additional funding, for example, if projects overlap, using some of the \$875,000 that now goes to the University of Manitoba? Will that be a consideration if there are specific areas that the Minister may wish to see accomplished, and maybe in concert with the University of Manitoba, whether some of the monies that are now going to that university might be channelled in a joint effort or study?

Mr. Findlay: I do not think that I could honestly say that we would be prepared to reduce the funding to one university to go to another in terms of dollars. In terms of projects that interrelate, I think that is a feasible option that could happen. I think it is safe to say that I put a high level of value on research and the need for research to carry us into our future challenges in the agricultural industry as a whole, and I am prepared to do what I can to improve our level of funding to research in general. Now we really have two research grants going to two of our universities here in the province, and I think that my attempt would be to increase research funding in the future, as opposed to cutting one and increasing another. I would just be looking at trying to interrelate them, get them to work together, so that overlapping interests and activities would be done in conjunction with each other.

Mr. Uruski: I certainly was not suggesting cutting one or the other but if there were projects which were desirable, and in the whole scheme of applications that are made and discussions made with universities, that when the Government sets its priorities in terms of the scope of research that is done, that one could say, look, maybe this one worked together with Brandon for us has a higher priority than the list you have provided us, and how about taking this one on. That is the kind of scope that I am referring to, and I am pleased that they are following through on our commitment.

Mr. Chairman: Is it the will of the Session to pass item 6.(f)(1)? The Honourable Member for Radisson.

Mr. Allan Patterson (Radisson): Yes, our Agriculture critic, having absented himself because of potential conflict of interest in this particular item, asked me to fill in for him more or less at the last minute. So if you will just forgive me for asking what might appear to be a naive question. I think it has been answered from the interchange just completed that this is not yet—I am talking specifically about the Rural Development Institute, an up-and-going organization, the institute at Brandon University. Just looking at it, I am wondering where the initiative for this came from. Was it from the department or from the University of Brandon? What types of needs was it seen to fill that could not be filled by existing institutions?

Mr. Findlay: I think it is fair to say that the initiative came from the Brandon University to do the kind of research that I have already mentioned in terms of looking at projects in a community sense, interrelationship of the farm industry in terms of dealing with issues that they are going to have to face in the future, as opposed to the kind of technological pure science kind of research that is done at the University of Manitoba.

There is no question that what we are dealing with here in Brandon could possibly have been done at the University of Manitoba, but we really, in this province, have three universities and Brandon is located right out in the middle of the rural area. I think they deserve an opportunity to demonstrate their ability to do this kind of futuristic looking at Agriculture and the

interrelating factors that producers and the industry have to deal with. So it is an initiative from Brandon University. It is not up and going yet. It will be up and going fully by the end of this present fiscal year, the end of March '89.

* (1450)

Mr. Patterson: I was thinking specifically of, since it is the last two items and expected results, the study of the issues pertaining to the delivery of health care and examination of policy and programs related to the use of natural resources, it seems to me that these are things that could be well taken care of without any great, if any, increase in resources by the respective departments, the Department of Health and the Department of Natural Resources.

Mr. Findlay: What the Member is looking at is a list of possible topics that might be considered by the Rural Development Institute. Certainly it is our desire that these projects that they are going to be involved in become as closely as possible related directly to agriculture as opposed to, as you mentioned, health care and natural resources. We are going to have two people on the advisory committee from the department, along with people from the Brandon University and some citizens at large. So the projects that you see there are not specific, they are not the ones which definitely are going to be done. They are just some suggested ones and we are looking at a number of other ones. I can just throw one at you. Looking at the issue that happened in the R.M. of Springfield in terms of the ability of municipalities to put in by-laws that have a strong impact on the rural and urban communities at the same time, and I am referring to the by-law on the disposal of manure.

That has created an issue of right-to-farm legislation and the interrelationship between urban and rural communities, and the understanding of each other's interests. There is certainly some work needed to be done there to be able to further educate both the urban and the rural of what each thinks about odour and the levels of odour that we can allow in and around our urban communities. So there is one issue that has come up recently that I think this Rural Development Institute could have some part to play in.

Mr. Patterson: I can understand that approach, Mr. Chairman, I just want to express a concern that I have always had though when some type of need arises, particularly when times are good, and this happens in the private sector, as well as in the public, when times are good we tend to create new institutes or departments or bureaucracies or whatever to look after these and then the next thing you know they have grown. One might really question the specific need for them in the first place; to use an expression, "if you love it," by academics in my former profession, one I have never particularly liked though: "We remain lean and mean, then we do not have to suffer the cutbacks when times do get tough."

I would just like to raise these questions and be given to understand that there is a real and substantial need

here that cannot be filled by existing resources and institutions, wherever they may be, either at the University of Manitoba or within the department here, or at the University of Brandon.

Mr. Findlay: In terms of dealing with the issue that times are tough is one of the reasons that this institute has sort of seen a need to fill a role. Farm families are facing some incredible challenges in terms of income stabilization, maybe having to scale down and scale out of agriculture to a complete or lesser degree, and they are facing horrendous challenges and it is another one of the issues, or areas of activity that the institute could clearly get involved in, is that helping farm families interrelate with the challenges they have in front of them, of the financial stress, particularly, and the emotional stress and the family stress that comes from the kind of circumstances they are in.

So that is what, as much as anything, stimulated the thought that we need this sort of institute. Our small communities, our rural communities are getting smaller all the time because of the economic stress and circumstances, and there are issues that need to be dealt with in terms of whether we should have health care in all the communities we have now; we should have education in all the communities we have now. How can we adjust, what is the rational way to adjust?

Elevators are closing, railways are closing. How do we adjust to those and rationalize to those kind of decisions that are made beyond our control in some cases. That is what the role of the institute is, and it will not duplicate anything that is presently going on, either in the Department of Agriculture or other Government department, or University of Manitoba, or University of Winnipeg. Its job is to pull together and coalesce the resources in specific areas of interest that the institute has, because \$100,000 does not duplicate an awful lot. The role is to pull together and focus where we need to have focus put on particular problems of the rural community, the rural family, and the agricultural industry.

Mr. Patterson: Mr. Chairperson, I agree with the views expressed by the Honourable Minister and although I am not a native Westerner, I have lived here in Manitoba, in the West, most of my adult life. It really just hurts me to see some of the deterioration of the small towns and communities with all the attendant problems that you have mentioned, over largely the post-war decade. This type of change, of course, is inevitable but certainly we must see as a society that there is some kind of, say, sort of a soft landing or help given to those who are adversely affected by these changes.

I would like to repeat something I said some weeks ago I believe in the Budget Debate. It was a particular delight for me to be up at Arborg at—what was it? Exhibition Days or whatever—

An Honourable Member: The Arborg Fair.

Mr. Patterson: The Arborg Fair, along with the former Minister. Never having been in Arborg before, it was just a delight to see a thriving, prosperous prairie town. They still do exist.

One other point, and I would like to raise it again. I have a concern that the strength and integrity of our major agricultural research and educational institutions be maintained and not seen to deteriorate. Here I am speaking of our Faculty of Agriculture here at the University of Manitoba, similarly in Saskatchewan and Ontario, my own Alma Mater, and these are the major sources of our strength and research and so on in agriculture. While new institutions and resources might be needed from time to time, we still must maintain the strength and integrity of these existing and strong institutions.

I note that the budget for the University of Manitoba really has remained level. If you take out the \$100,000 that represents the funding for the Rural Development Institute, it really, remaining at the same level of current dollars, is somewhat of a decrease in cost of dollars to the University of Manitoba, which has been for some years under severe resource constraints. I am wondering just what effect this maintenance of level dollars is thought to have on the university.

Hon. Leonard Derkach (Minister of Education): The Member asked about total commitment to the university in terms of research dollars. In terms of the University of Manitoba, in addition to what you see on the present lines we are talking on, there is Agri-Food money going into crop evaluation, trace minerals, Sol Sinclair Institute, and vegetable storage, research, which totals for the '87-88 fiscal year \$263,000, and total commitments over the past three years have been some \$518,000, and future commitments for the next year and a half, some \$465,000.00.

* (1500)

In addition, the University of Manitoba gets a number of grants from federal, federal grants, and it also gets other grants from industry, and certainly this is an area where university and Government research funding has an increase from, it is from the private sector and it has been increasing. There are outfits like United Grain Growers certainly, and Pool Elevators are putting some money into research. I think there is room for growth there and I think that the future will also see us having a request from the producers at large across the western Canada for a check-off on the commodities to go towards research. There has been interest in this in the past. There was a general vote held, when it was turned down some five years ago, maybe, something of that order. There is interest in generating funds for research, but I do not think provincial and federal Governments can always be the sole source of research. I think that you will see more and more research money coming from the producer level and from private industry.

Our level of funding to the University of Manitoba over the years, although in some quarters it may be criticized as not large enough, I think the kind of results we have gotten from the university in terms of its profile in the agriculture industry across Canada and internationally is a very enviable one, one for which they have to be congratulated.

I think at the same time we have to be very conscious of the dollars we are spending and what sort of return

we are getting from those dollars. I do not think it is always good enough to just throw dollars and say, go do something. You want to know what you are going to do, what benefits are going to come from what you are doing, and is it the right avenue to follow. That is where consultation with producers and the industry at large is helpful in determining the direction that the research will give the greatest benefit for the dollars spent. We have to look, yes, at some more dollars, but also at streamlining the effectiveness of the dollars spent.

Mr. Patterson: I fundamentally agree with what the Minister has said, but I just want to be assured that the integrity and strength of the faculty is being maintained. In these times of restraint and short dollars at all levels, not only faculties of agriculture but of science generally and universities as a whole, are going out to the private sector. To a great extent, we might say that it is not just the University of Manitoba Faculty of Agriculture, there might be some institutions or even other faculties in the university all hitting the same private sources, and the funds there are not unlimited either, although there is, I certainly agree, a real need and we might say, an obligation in Canada on the private sector to contribute more of their gross revenues to research and development which is very low in relation to other advanced or western countries.

I just want to be assured that they say the strength and integrity of the faculty is not diminished.

Mr. Findlay: Certainly there is no way that we will ever want to see the strength or integrity of that faculty diminished in any way and I do not believe it is. I think the challenge that they are facing of having to go out and relate with the industry and with producers looking for funds is a healthy one for them. It puts them back in touch with the people they are supposed to be doing the research for, in terms of the public at large. I can tell you that Dr. Mallea from the University of Brandon, the president, and I had mentioned earlier had been to see 10 companies here just recently in eastern Canada and he said that he was one of four universities who are going to see that corporate head that day. So the university is out beating the bushes and—I mean, if you do not get in the door and talk, you will not get considered. So there is a heavy level of activity on their part and, as I say, I think it gets them back relating with the people that they have to satisfy in terms of the kind of research they are doing.

So there are some directions that are going to come to universities, over what direction they are going to move in the future in the specific areas, and I think specifically in agriculture. I think a strong relationship between the Faculty of Agriculture in the University of Manitoba with the producers in the province is healthy in directing that faculty as much as any other activity that they can have. I do not think the department should always be directing; I think the producers should have an opportunity of input too.

Mr. Chairman: Item 6.(f)(1) University of Manitoba - Grant—pass; item 6.(f)(2) Rural Development Institute - Grant—pass. Item 6.(g)(1) Family Farm Protection Act: Salaries—the Member for Interlake.

Mr. Uruski: Can the Minister indicate the number of clients that are before the board presently? Are those statistics available and how many of those clients are in fact what I would consider referrals from the Federal Debt Review Board who have in fact been before the Federal Debt Review Board and are basically coming to the provincial board presently?

Mr. Findlay: Mr. Chairman, I would like to introduce the Executive-Director, Swain Westdal, for The Family Farm Protection Act.

In answer to the question, at this time there are 467 cases in front of the mediation process and approximately a year ago, 57 percent of the applicants had been previously in front of the federal Debt Review Board and the present figure in terms of percentage is 49 percent of the present applicants have been in front of the federal board.

Mr. Uruski: Can the Minister indicate what the breakdown of—there are 467 cases, what the breakdown per board member is at the present time, how many each are handling and what kind of a backlog. Or has the Minister expanded the panel reviews beyond those that were in place before and where a board member would go out with other people who had served previously on the volunteer boards that we had, on the voluntary mediation process, where one board member might sit with two other farmers. Because if you have got a board of—what are there seven or eight, nine—you break nine into 467 you are looking at, even at an average, at over 50 cases per board member.

* (1510)

Mr. Findlay: Just a further explanation on the figure of 467. Of those 467, some 205 have been completed, that leaves 262 active cases. Of the 262, 93 of them were under Part 3, and the 169 were under Part 6. So for the 93 there would be a board member in each case, chairing a panel of three. If you divide, say, eight board members into 93, you have a little over 10 cases. But they are not all in the same stage of process. They occur over a period of time. Let us face it, there are going to be more cases undoubtedly coming in, in the coming period of time. There is no doubt the workload on the board persons is going to be fairly heavy. It is my belief that the vast majority, if not all of those board members have had good experience, one way or another over the last two years in dealing with debt review cases and are reasonably experienced. We are going to need a fair number of panel members to complement them, to handle all the cases that are going to have to be dealt with.

Mr. Uruski: Can the Minister indicate, in light of his comments, why he would have made the wholesale—well, wholesale with the exception of one—removal of the board members under The The Farm Lands Protection Act, which was created through extensive consultation with all Parties in the Legislature. In fact, even the Leader of the Liberal Party submitted a number of names, his caucus submitted a number of names and only one of the nine members, if I am not mistaken, on the board was left and that happened to be one

of those names that his group had submitted. The real issue here is not that he does not have the right to appoint new members to the board, I have never disputed that issue. It is the right of the Government to appoint the board members. But this board was somewhat different than most boards appointed by the Lieutenant-Governor-in-Council. We tried to make this board, really, to cross Party lines, if one can put it that way, as much as possible because of the diversity of opinion and the diversity of experience in agriculture. There were a large number of cases.

I had one of the board members come to me and say well, we were here on the 3rd or we were told on the 3rd, that on the 8th that we were finished five days before that and all those cases that were there, that we had on our plates are left hanging, created a lot of uncertainty in the farm community and difficulty for those farmers who are already going through a lot of difficulty. Mr. Chairman, I am disappointed that the Minister would have made such what can be only construed as clearly a partisan political change on a board which, I have to say I probably took too long in establishing, but it was worth the effort in terms of having all of the consultation and the work with Members of the Legislature.

Mr. Findlay: Certainly the process of removing board members in this certain circumstance is difficult at anytime. There is no question there are certain disruptions that are going to occur.

I can tell the Member that the board members that were in place did serve up until the 10th. There were some that carried on. Panel members that were in place prior are still there serving as panel members—panel members that were appointed during his period of time as Minister. There is no doubt that it would have created some disruption. There was no easy time to do it. I would appreciate the fact that there was an attempt to keep the crossing of Party lines. I did not accomplish it at the board, but we are going to try desperately to accomplish it in the involvement of the panel members.

Mr. Uruski: Is the Minister indicating that he is prepared to utilize the board members that he has removed as panel members? Is that what he is saying and if he is, I certainly appreciate those comments?

Mr. Findlay: I have given that instruction to . . . chairman that I would appreciate it if he did because of the experience they have obtained and that they may well be valuable.

Mr. Uruski: I thank the Minister for that. I think all Members who have served in various capacities dealing with the financial difficulties that many of our farm families are in, that their experience can be most valuable and insight can be most valuable in dealing with the delicate discussions and negotiations that have to take place over a relatively short period of time if some operations are to be salvaged.

Does the Minister see any difficulty in terms of having to expand the board from what is occurring now and over the next number of months? Does he feel that

there will be a greater—is there an escalation in the numbers coming before the board? I guess that is really the question I am asking.

* (1520)

Mr. Findlay: The way the legislation is set up, the limit on board members, or in other words people who can be chairmen under Part 3 is nine, so it cannot be expanded. But those cases that are under Part 6 does not require a board member to be chairman, so anybody that is a panel member can serve on those cases.

If you remember the figures of the active cases, the majority are under Part 6. So the people who are presently panel members can take those cases. No question that there are cases coming forward at a fairly active rate right now at half a dozen a week kind of thing. We are entering the season where you would expect farmers to be looking at their financial affairs and their creditors contacting them about lack of payment as the next two or three months go by. The pressure will increase. There is no doubt in terms of cases. I have to anticipate that some of the cases that were resolved in the past year, because of the drought, will become somewhat unravelled and may require reassessment if there is potential to keep them in a state of salvage. The workload will increase. The legislation prevents us from going beyond nine, and I certainly intend to discuss it with the board chairman about how he views that potential circumstance, and if there is a problem, we may have to make an adjustment there in some fashion.

Mr. Uruski: Is there any significance in terms of numbers as to the drought, in terms of regional numbers? Are there some regions that have higher than the average in terms of applicants coming before the boards? Are some areas higher than others?

Mr. Findlay: Just under Part 3, the majority are in the Southwest Region, second is the Central Region and then Interlake, Eastern and Northwest are all relatively low and about the same. I will just give you the relative figures: 58 in the Southwest, 53 in the Central, 18 in the Northwest, 13 in the Eastern and 14 Interlake, under Part 3.

Under Part 6 it is 95 in the Southwest and 79 Central. Here is where the Northwest is somewhat higher at 99. Then Eastern and Interlake are again quite low at 24 and 33. So the majority of the applications are coming from the Central and Southwest where the drought certainly had a major impact this year.

Mr. Uruski: Is the Minister considering any other measures other than those now in place, especially in those areas in which the numbers are as expected, I guess, but as difficult as it is to accept the numbers any other measures that he considers might be considered at this point in time to assist those families?

Mr. Findlay: I will not be critical but in the past two fiscal years, \$6.5 million was in the Budget, each time it was not spent. Naturally I recognize there are growing pains in the process. Now the process has evolved to

a sense of maturity where the money allocated can be put out into circulation. I think, through activities of staff, and boards of the present and past, there are four programs in place which we are going to put emphasis on being sure that these programs, which I will read in a minute, are operated in a fashion to get the money into circulation, to assist producers that are salvagable with their debt problems.

The programs are to deal with guaranteeing land loans; secondly, to guarantee lease back arrangements; thirdly, to guarantee security of a fixed amount; and, fourthly, provisions for operating credit up to \$10,000.00. The new emphasis will be to put the \$3.5 million into circulation, into the farm community through these programs for viable units, naturally recognizing some unfortunately that will not be viable, but we want to get that money into circulation which will hopefully pull us through this period that we are in. Now that the commodity prices have risen some, provided we get adequate moisture next year, it has to look somewhat more promising than the last three years.

Mr. Laurie Evans: In that same area, and that is, is the Minister satisfied that the 3.5 million that is identified, is going to be adequate this year considering the fact that we are looking at an abnormal year with the pressures that are put on producers with the drought, particularly those who may not have had crop insurance or even participation in other insurance programs because of their perhaps inability to have the cash flow that was necessary to participate?

Mr. Findlay: It is virtually impossible to project what is going to happen two or six months down the road but to this point in time there have been allocations of some \$652,000 of this emergency relief money of the \$3.5 million to 16 individuals under Part 3, and 46 individuals under Part 6 of The Family Farm Protection Act.

So it is our belief that the \$3.5 million for this fiscal year will be sufficient. Now, with those commitments that I just gave you over the course of five years, which most of the agreements are, is a total of \$2.3 million committed, but only \$652,000 in this present budget. The rest will be in the future budgets.

I guess I would say there are financial institutions that have a brighter outlook on things now than they did even in the spring because when cash flows were projected in the spring on farm plans, the low dollar value on an average yield, the yields went down and the dollar values went up, particularly with oilseeds and to some extent with wheat. I guess I would have to say definitely with barley because feed barley was worth \$1 a bushel in the spring and it is now worth \$3.25 for malt. I can tell you the smart producers who kept some feed barley over last spring are now selling it at \$3.25 for malt, so that is a substantial increase.

* (1530)

There is a reasonable level of optimism that there will not be wholesale financial problems because of the combination of an increased price to offset some of the decreased production that occurred in some parts

of the province. We are getting to hear that there are patches all over the place and even in the central and southwest where little bits of rain had a significant impact on getting reasonable crops. So, you know, you take the northwest region, and a good part of the Interlake has had a pretty darn good year, higher prices and average, or sometimes above-average production.

There are pockets of difficulty, no question. But it looks at this point that the amount of dollars in this area will be sufficient to meet the needs that we have. As we move along in the next two or three months, we will certainly be looking very carefully at our ability to project into the next budget as to the amount that will be needed to serve the need that we want to put this to.

Mr. Laurie Evans: One of the commonest complaints I hear is that even those clients who have gone through the Mediation Panel and both sides are satisfied that a reasonable proposal has come forward, then find themselves in tremendous difficulty getting the level of refinancing that is necessary in order for that proposal to be implemented. With this \$3.5 million going through MACC, does MACC have any different criteria when they are looking at a client who has come through this mechanism as opposed to those who are dealing with MACC through the normal procedures of seeking mortgages, grants, etc., or is there any mechanism in there that they are, in fact, given a little better opportunity to have another chance?

Mr. Findlay: There is no question that MACC has to operate from some level of financial responsibility. They do put these individuals into some special level of classification, but they use the same loan criteria for dealing with them. Now, there is no question that they will not be able to loan to these people to refinance or give them another chance without the special assistance money being available.

So special assistance money does give MACC a better opportunity to give them some degree of consideration in terms of refinancing, but at the same time if a given individual has a track record that is considerably very poor by any financial institution, they have to consider the liability of refinancing with that particular individual. I would say as long as a person has an average or above average track record, I think the MACC is doing the very best they can, given the resources of this program, to refinance those kinds of individuals. If there are specific problem cases, individuals, they have to protect their assets by putting in maybe some one or two little more restrictive qualifications. If the person does not want to put up with those qualifications or restrictions, then they may not be able to get refinancing. So MACC has got to look after two sides of the issue, their own corporate responsibility in addition to trying to do the best job of refinancing those individuals who have gone through the process and the particular resolution has been found and recommended. As long as the proper funds are attached, they can get involved in the refinancing, if the individual's credibility, his credit rating, is sufficiently adequate.

Mr. Laurie Evans: I appreciate the Minister's comments on there. The other concern that I have is that it appears

that after some of these arrangements have been made that frequently there is the impression left, or the one what I get, is that what appeared to be potentially a viable unit before the individual got into difficulty, by the time they have arranged a settlement, he may in fact be looking at something that on the surface appears not to have any viability left in it because of either having to give up part of his operation because of the settlement that was made, that land is turned over to a creditor, that type of thing. How close is the monitoring in order to take a look at these settlements and decide whether the decision that has been made ends up with a situation where it is just not viable because it is not the size scale that is necessary based on the attempt that the person made before where they had a larger unit and had difficulty, why would they assume that they reduced the size of their operation, they could become viable at a later date. It seems to me that some of them are just not very realistic in terms of what they are willing to accept.

Mr. Findlay: Many of the cases—we are generalizing now—come with very heavy debt loads. That is why it was not financially viable, it could not pay its bills. Through the process of negotiating what was going to happen to that debt, quitclaiming the land, and be reducing the size of the operation, the debt load is reduced tremendously if not eliminated. Then the ability to repay the loans or the financial obligations on the basis of the size of operation that is left makes the operation much more viable on paper. It may be decreased in size, but the debt load has come down considerably, so that they may in the new structured situation, where there may be a smaller asset base, actually has a positive net worth instead of the large negative net worth that they came into the mediation process with. In that sense they are viable from an ability to cash flow the operation that is left.

Now I know the automatic feeling is, well, if I had a section and a half and they cut me back to a half, I cannot make it, but on the basis of financial ability to service the debt that they have left, they are in a much more viable position than they were before.

One other thing, I forgot to mention when I was up before, that not only is MACC supplying refinancing but some of the private institutions, given the kind of support through the mediation money that is available here, are also offering refinancing packages.

Mr. Uruski: Mr. Chairman, is the Minister aware of any loan sharking in the area of farm refinancing?

Mr. Findlay: Certainly the Mediation Board is not aware of any loan sharking. If it came to the attention of any of the board people, they would certainly be advising the producer not to get involved with any individual who would try to loan shark. We are not aware of any. We would not condone it, and if the Member has a specific example, we would like to know about it.

Mr. Uruski: Mr. Chairman, I am raising it as a concern. It has been reported in Ontario that there have, in fact, been agreements made by farmers who were strapped for cash and could not receive financing. As we

discussed here, the Member for Fort Garry (Mr. Laurie Evans), the Minister and myself, we were raising the area where MACC will not take on all comers, neither will any other institutions. Farm families, being in the desperate position that in fact they are in, notwithstanding the kidding that was going on from the Member for Lakeside (Mr. Enns) or the Member for St. Vital (Mr. Rose), people are desperate at that point in time wanting to save their operations. Someone may come along who will produce an agreement which on the surface the interest rate may even be a good interest rate, but the terms of that agreement may be so stringent that if—as in the case in Ontario—where one payment is missed, the farm is gone.

* (1540)

Mr. Chairman, that is a form of loan sharking because people are put in the position of getting into an agreement really at a time when they have virtually no choice, no other options. And so I say to the Minister, while they are not aware—and I am not alleging that it is, in fact, going on—but I am raising the concern so that there be some alertness by the board and members of the board that if there may be some private deals going—even though the farmer will be the one advocating that this deal go through—that there be some assistance provided by the board to at least assist the farmer in reviewing that agreement that he/she are getting themselves into, because at that stage of the game the farmer, while not having any choice, will be prepared I am sure to sign anything, virtually anything to have that farm continue. And so, while I do not make any direct accusations, it is clear that it has been occurring in other provinces and that there should be vigilance from our side in terms of, not only the mediation process, but watching out as to what farmers in fact may be getting themselves into.

Mr. Findlay: I appreciate the Member's comments warning us to be on the alert for looking at the kind of agreements that producers will bring forward as a resolution to the situation they are in, and there is no question that we do not want, or ever will condone, that sort of activity and will thank him for the information and we will definitely pass that information back to the board because they deal with a variety of circumstances. As far as we know, the money for refinancing either comes from public institutions like MACC, or SCC, or private lenders, but money does come from families, and hopefully that does not happen there.

But if somebody attempted to realize on, say, land as an example, they would still have to come back through a Part 3, so there is still that so-called protection to go back to mediation. They cannot just automatically come in and take it anyway, so the presence of the Act does protect them down the road from, let me say, a premature seizure or anything of that nature, or unjustified seizure, so I think there is protection down the road. But we will definitely alert the board members to be aware up front in looking at any agreement that producers are bringing forward as a method of refinancing.

Mr. Uruski: Mr. Chairman, just one point. There is no doubt that any foreclosure action will have to come

back through the board, that is true, but I just wanted to alert that, in the event that there are outside agreements being formulated, that there be just a word of caution and a note of checking into some of the terms of those private agreements, should they exist. There may not be any in Manitoba, and I am not suggesting that there are, but clearly of what has occurred elsewhere, we should be vigilant.

I thank the Minister for his comments.

Mr. Chairman: Item 6.(g)(1) Salaries—pass; 6.(g)(2) Other Expenditures—pass.

Resolution No. 12: Resolved that there be granted to Her Majesty a sum not exceeding \$2,819,200 for Agriculture, Policy and Economics Division, for the fiscal year ending the 31st day of March, 1989—pass.

I direct Members' attention to item No. 7., Resolution No. 13, Federal-Provincial Agreements, 7.(a) Agri-Food Agreement.

Mr. Laurie Evans: Just a couple of questions here, Mr. Chairperson. First of all, can the Minister indicate the time frame of this Federal-Provincial Agreement? Is it now entering its final year of the five-year program? I am not positive of the termination date.

Mr. Findlay: I would like to introduce Alf Chorney, the coordinator of federal-provincial agreements. In answer to the Member's question, the present five year agreement terminates March 31st of '89, next spring, but the monies can be spent up till the end of December of 1990, so it would be a year and-a-half beyond that to complete the projects that are under way at that time.

Mr. Laurie Evans: Recently, one of the Maritime provinces, and I cannot recall which one it was, signed a similar agreement. I was a little surprised to see that it was effective July 1st of this year, but when you read the fine print it indicated that the previous one had terminated the prior October. So there had been apparently a fairly lengthy gap between the two agreements. Could the Minister indicate, what is the stage of negotiation in terms of a further agreement between the federal and provincial Government? Can the Minister give us any assurance that there will be a new agreement so that there will not be this gap between the termination of one and the beginning of another one?

* (1550)

Mr. Findlay: The present Agri-Food Agreement will be followed by one of a number of potential initiatives. Right now we are looking at a Soil and Water Accord which is in the process of negotiation; a Farm Management Initiative as well as basic continuation of this present Agri-Food Agreement. Under the Farm Management Initiative and the Soil and Water Accord, some of the projects presently within the Agri-Food Agreement will be conducted under those new agreements or potential new agreements, as well as a third potential is the negotiations are going on with

the continuation of the Agri-Food. So there are at least three levels of negotiation going on about specific directions for the kinds of projects that are presently under the Agri-Food.

Mr. Laurie Evans: Again for clarification, if my memory is correct, this current one was for 38 million split; I think it was 23 million approximately from the federal and 15 from the provincial Government. I guess where I do not quite understand, it is the 1.3 plus the 328,000 that is identified in the note below still only adds up to 1.6.

My question is: if it is a five-year program, and you are looking at 15 million provincial over that five-year program, what is the explanation for the annual amount being 1.6 approximately? I would have thought it would have been closer to double that or is it a phase-in, phase-out arrangement, or just how is this explained?

Mr. Findlay: Of the 38.3 million that the Member identified, he is correct; some 15.3 million provincial and 23 million federal. It was a five-year agreement, but really the expenditure money is going to occur over a total of about seven fiscal years with the added-on portion at the end, as I mentioned earlier, from '89 through till the end of '90.

Okay, and one other component to remember is that Natural Resources has 4.5 million out of the 15.3 provincial money. At the end of December 31, 1990, the expectation at the present time is that of the provincial money allocated, about 85 percent of it will end up getting spent. Of the federal money, almost the same, about 82 percent will end up getting spent. So there will be some unspent portion both federally and provincially over the course of the seven fiscal years.

Mr. Laurie Evans: I have the summary of the approved Agri-Food projects dated the 30th of June, 1988. Of course one can go through there, and I think in general terms be very positive about the type of projects that have been supported. So I certainly have no criticism there. But where I do have some concerns and I am not sure if the Minister is—I am sure he is aware of it, but from a personal standpoint the mechanism that was used last time to get to the point where these projects were approved to me is a horror story.

I think that if one were to calculate the number of person hours that went into the development and the proposals that were actually submitted and the tremendous procedure that was established, and then to look at the end result, there was an awful lot of wheel spinning went on in the generation of the ideas that were finally funded. Just as a word of advice if the Minister is so interested, there has to be a better way, to put it simply, that this was not, in my opinion, a very suitable way of determining what would be the type of projects that would be funded.

I think the overall initial intent was good. It was the idea of trying to generate a wide range of ideas from the so-called grassroots research area, the Extension Branch and all the rest of it, and bring this up, but I do not think anyone ever anticipated the size of response that would be generated from that approach.

The result was a lot of people I think who were disappointed and a lot of letters came back saying yes, this has been a very good idea that has been generated, but unfortunately it cannot be prioritized high enough to fund and the other good words that go along with it. There were certainly a lot of disappointed people in terms of what was and was not funded.

While I certainly do not approve of the concept of a top-down arrangement on all of this type of thing, I still think there has to be some sort of a moderate approach taken where the priorities of the two levels of Government are identified and perhaps some instruction given as to the areas in which research proposals should be submitted if a similar program is going to go on to supplant this one, which I hope will be the case.

Mr. Findlay: Mr. Chairman, certainly the Member's comments are taken in the light of how he gives them in terms of just advice for the future. There is no doubt that there was a high level of expectation, a lot of projects come in—some 357, some 200 eventually got looked after. It was a slow process. There was not as good a turnaround time and I guess all we can say is that I think it was the right approach to let them be generated, rather than dictated from top down. Maybe some better indication of what the priorities will be will help to be able to decide ahead of time whether they will apply or they will not apply.

(The Acting Chairman, Mr. Ed Mandrake, in the Chair.)

I would say that I had a discussion here just a couple of days ago with some municipalities in southern Manitoba who were very positive on the Agri-Food Agreement. They were very positive on the Agri-Food Agreement and really encouraged us to continue with the same approach because they saw a lot of spin-off in their area, increased productivity. Really in their minds, things just got rolling now. It would be a bad thing if it ever came to a stop because they just felt that it is on the ground and it is going. There has been some good response out there and hopefully that whatever we are into in the future, which will be something similar to this, there is no doubt in my mind, will be done in a fashion that the expectations of people can be met.

* (1600)

Mr. Laurie Evans: Just a brief comment, Mr. Acting Chairperson. I certainly do not want to be on record as being negative at all. I am very positive with this program. I think it has done a tremendous lot of good and certainly the projects that have been undertaken in some of the conservation areas I think we all applaud. They have been tremendous initiatives taken by individuals in those communities and certainly I would hope that the Minister and his staff will very seriously consider providing continuity of funding to some of those because certainly I think it would be a serious mistake if many of them were, in fact, terminated because a decision was made to shift emphasis and some of them were dropped. I think they have been tremendously beneficial and should be continued.

Mr. Uruski: Mr. Acting Chairman, I want to ask the Minister, have we found a way yet of developing a project by which we could convince both our own bureaucracies in the farm community along the Trans-Canada Highway between here and Portage la Prairie to have a soil conservation program, namely, a shelter belt program to really do away with the virtual annual whiteouts that occur during wintertime. If ever there was a need of one project—I guess I have spun my wheels on with little or no success—I hope that my colleague, who is now the Minister of Agriculture, can say, yes, we can get something off the ground and have some shelter belts along the Trans-Canada that will benefit, not only the farm community, but certainly all Manitobans and those who use our highways.

Mr. Findlay: I am glad to hear that you will support us as we attempt to do that sort of thing. I can tell you the Member for Arthur, the Minister of Northern Affairs (Mr. Downey), has talked to me about it on more than one occasion and he supports it very strongly too. (Interjection) Especially when you get your whiteout. We got caught in one of those last year, as I recall last March.

I had a bit of a discussion the other day with these municipalities that I was with about it and I asked them point blank, I said, would you favour a tree planting program along the edges of the 99-foot boundary that you have for—soil conservation is what we were talking about at that time. But their immediate answer was, no, because it would maybe hold snow that they might have to plow.

I have also asked the Department of Municipal Affairs what their thoughts would be if we were to promote the idea of planting trees on the edges of the municipal property, not only on the highways, which are further back from the road, but the municipal areas in general, because, when I travelled a little bit in southern Ontario and I saw all the nice trees along the roads, it looks pretty and it is going to reduce the erosion and, certainly, you reduce the snow blowing, but their answer was, no, too.

So, on one hand it is a good idea, I support it wholeheartedly. It would be an advantage for a number of reasons to do it, but then when you look at the area of where it should be put, the people say, no, because it is going to interfere with the efficiency of working land if you put it back in the field. If you put it on the fence line they say it interferes with keeping the road clear. So we have some more convincing to do, I guess, because you know what will happen if we say to producers, well, let us put it 50 feet, or 100 feet back into your field—they are the same people that ditched all the potholes and cleaned out all the trees so that their equipment could go back and forth efficiently working the fields. So the idea is right. I think everybody will support the idea, in principle, until you say, I want to put on this piece of land; and then they say, but not in our area, so we have some work to do there.

Mr. Uruski: Just to add to what I have said, we should be attempting not only to say, and I am not sure that I totally disagree with councils—it would help even on the right-of-way, however, the more I guess beneficial

area would be well into the farmer's field. And I guess what we have to do is basically try and convince people to say: "All right, we will pay for the maintenance until the shelter belt gets established, until the growth rate," and it would be an ideal summer project in terms of some of our STEP money and the like, even through Agri-Food, for three or four years, and to convince farmers that the type of trees that we are planting will not, in fact, take away from the crops, because I know the trees that are generally being promoted have been the Siberian elm or the elm. Their roots are outreaching and as a result crops do suffer, but the ash tree, although it is more susceptible to frost and the like, is a tap-rooted tree and I think there is some education that has to be done.

It may take, and that is something that I guess I sort of lament about, that we did not go and talk to every producer in a couple of municipalities along the Trans-Canada Highway and come to some agreement of both maintenance and under the Agri-Food Agreement or whatever agreement that it may take, and in the long term assist them. Maybe in the short term, we would have some concerns, but assist them and the rest of the public and it would be a worthwhile expense on the rest of the public to do the maintenance and pruning whatever is necessary till the trees are high enough, without having any disbenefit to the farmer because of drifting of snow, because there is no need to have in the way the planning occurs now.

So I just put that idea again over, because it is one that I have for years attempted to put into being. I know that our staff have been doing a lot of work with municipalities, providing equipment or money for equipment to do the tree planting and some of the maintenance under Agri-Food, but this one in terms of the amount of traffic and the amount of area that were there, these major highways, we just have to see that we can accomplish something in the next number of years.

Mr. Findlay: Certainly, I appreciate the Member's comments and we wholeheartedly agree, there is no question on this particular issue. You can rest assured that we will attempt to follow up on that. Hopefully, we can get some level of success and I can assure him that next month when the U of M is meeting here, I intend to bring it up at the convention to ask them to consider what they can do to promote the concept, not only in that area that you are talking about, but on a broader scope across the province, because of the soil drifting we have seen here in the 1980s has been incredible. I, for one, have to believe that maybe we are into a slightly changed weather pattern. The dry, low snow falls and dry springs with the accompanying wind will continue to give us this problem in the future so we intend to follow it up. Hopefully we can get some acceptance and some action in the years to come.

Mr. Uruski: I noted that the Minister is indicating that the agreement will go on until 1990. Has work begun or is it premature to begin the work for a follow-up agreement?

Mr. Findlay: Yes, considerable work has been done on a follow-up agreements of Agri-Food nature, farm

management nature, soil water accord, so that there has been considerable discussion with my staff between the province and the federal Government in the follow-up phase. No question of that.

The Acting Chairman (Mr. Mandrake): Pass?

Some Honourable Members: Pass.

* (1610)

The Acting Chairman (Mr. Mandrake): Resolution 13: Resolved that there be granted to Her Majesty a sum not exceeding \$1,315,000 for Agriculture, Federal-Provincial Agreements, for the fiscal year ending 31st day of March 1989—pass.

Item 8. Income Insurance Fund (a) Beef Stabilization Plan—the Member for Fort Garry.

Mr. Laurie Evans: I anticipate this may be one of the more—not necessarily contentious but certainly one of the more interesting aspects of the entire debate—and the Minister is on record as having agreed in principle with his Agriculture Minister counterparts across the country for the National Tripartite Beef Stabilization Program, and as a beef producer himself, I am certainly not going to attempt to tell the Minister anything about the beef industry, but I think he knows full well that the major concern that is out there with producers relates to the whole situation as far as the feedlot operator is concerned and the issue was brought up yesterday with the Carberry site shutting down and now there is some speculation that the companies that are currently on strike, as far as the packing industry is concerned, there is some speculation that one or more of those if pushed a little harder may shut down their operations.

So I just like to throw it out as a relatively general question to the Minister, how does he anticipate being able to move comfortably into the tripartite—the cliche that is used is the level playing field—and of course we are faced with the high levels of subsidization in neighbouring provinces and the necessity either of convincing our neighbours to reduce their level of support or increasing our own and along with that is the problem that has been identified over several years of many calves moving out of the province. I understand this year we have a situation where in Alberta because of the luxurious program they have, that there is something approaching 10,000 calves or more are actually moving into Alberta from the United States as opposed to only being purchased and brought in from neighbouring provinces.

So it is a very general question, Mr. Acting Chairperson, but I would certainly welcome the Minister's overview as to how he sees this thing settling out over, hopefully, a relatively short period of time.

Mr. Findlay: I would like to introduce Neil Hamilton, Policy Economist with the Stabilization area.

What the Member for Fort Garry (Mr. Laurie Evans) has identified is certainly more than the, if not the key issue on our agenda at the moment. As I have

commented in the past, I would just review what I have really said before, that this was one of the major areas that I wanted to see action on to be able to improve the ability of the feedlot industry to compete here in the Province of Manitoba with what is going on across the rest of the country. As he well knows, Manitoba is the only province of the major beef producing provinces, who did not have some degree of stabilization for the feedlot sector like the Manitoba Beef Plan looked after those who had their own cows and carried their own animals through to the finish.

We have had considerable degree of dialogue in terms of trying to arrive at this level of playing field, and it is my belief that if we do not get to the level of playing field, any level of stabilization we may well offer in the Province of Manitoba would be neutered by whatever other provinces would want to do. If we try to compete our provincial treasury against other provincial treasuries, we are not going to win and it would not be advisable to even attempt to do that for the good of the industry either. Because you get away from supply and demand and market-driven forces, you are just producing to a stabilization program rather than to a market.

Back in July, the Ministers of Agriculture met in Toronto and it was the major issue on the agenda. It was on the third day and everybody knew when they went into the room that the issue of the level playing field was either going to fly or die at that meeting and I would say within half an hour, there was really a very general consensus that everybody believed that we had to have fair trading practices across the provincial boundaries of Canada and that the level playing field with regard to stabilization was the right way to go.

Since then, since that agreement amongst Ministers, there have been meetings held at the staff level. The Assistant Deputy Minister was in Toronto at the end of July for meetings at that staff level. The Assistant Deputy Minister and the Deputy Minister were in Vancouver a month later dealing with the same issue, dealing with putting the ingredients of the agreement together in terms of what the cap would be for stabilization, how the injury panel would operate and what the phase-out would be for programs that would be above the cap in other provinces, like Alberta.

That was on an agenda for completion in early October when Ministers would get back together again to deal with the final issues. Of course, the Minister of Agriculture changed just prior to that. The day I found that out, the day it happened, I wrote the new Minister of Agriculture asking him to stay on the agenda of early October, getting together with the Ministers to finally resolve, having everybody in a red meat tripartite stabilization program across the country.

I have since spoken with him and there have been numerous communications at the staff level pulling the final details together, and I can assure him that there are letters and phone calls going repeatedly at this point in time between provinces, as we work on the final irritants, if you want to use the word, with regard to putting this agreement together.

I would say it is very, very close to happening in terms of getting the level playing field and a phase-down

period from the other provinces, which will give us an opportunity to compete in the future in this province. We will be in a stabilization, tripartite stabilization plan in this province in the future for the feedlot industry and basically for the entire cattle industry.

Whether we phase out of the provincial plan immediately or we carry it through to the end of the eight year period, where all the indebtedness is legally forgiven, is a decision that will have to be made. We will make the decision on the basis of what are the right economics from the standpoint of the Government. That will be made probably before too long once the agreement is arrived at.

I have a very high level of optimism. I spoke to Mr. Mazankowski last week and it is certainly his initiative to get this thing brought to a completion. As you well know, the irritants of the past always come forward when you get down to the final hour, and it is Quebec and Alberta. I think there is a much stronger will at this time, because we are dealing not only with cattle, but we are dealing with the hogs and we are dealing with sheep at the same time.

I think if we can get that level playing field our industry will come back. Carberry feeders, they have closed the doors for economic reasons. They are not bankrupt. They will reopen when they see the economics as being right.

I think that is true with—where the majority of our cattle are fed, are fed on farms with 50, 100, 150 head. That is where the majority of our cattle are fed. A survey was done about two, two-and-a-half months ago, a telephone survey which indicated that we have a surprising number of cattle being fed in small lots all over the province. Not as many calves are being fed here now as we would like. Certainly it has an impact on the slaughter industry in terms of the cattle not being killed here, if they are not killed here, if they are not finished here.

I have a high level of optimism that this will come together. It is probably not—I am not at liberty to talk about the details that are being worked on in the final moments, but we will have a cap of 7.5 percent that has been publicly mentioned, and the cap we are going to end up with I think it is safe to say it is around the 8 percent. We have been able to keep that cap as low as possible. I think that is an accomplishment because if the cap would have been up to 12 percent, it would not have been a level playing field.

I have seen figures here not too long ago about the cost of production of producing of hogs across the country, province by province—the lowest cost of producing hogs right here in the Province of Manitoba. So if we can get a level playing field in terms of stabilization, we have the comparative advantage in the feeding industry. That is why we have got to push so hard to get our producers back to that level playing field particularly in the beef feedlot sector.

Mr. Laurie Evans: I appreciate the Minister's comments on this because I think he is being very open with us in this regard.

I know that the Minister has had representation from the Manitoba Cattle Feeders Association. I am sure

that they are aware that this particular item is on the Estimate—we were talking about it today, so I think the Minister probably is as realistic as anyone else that he is going to be bombarded very, very quickly. I am wondering if the Minister can in fact put his comments into a time frame.

I suspect that what he is telling us is because of the change in Minister and the upcoming federal election, that the likelihood of feedlot operators being able to look at this current year as being one with the significant change is probably out of the question. I think more apt to be what they are looking at is this so-called level playing field going to be in existence in time for them to be looking favourably at the fall of 1989, or does the Minister, by the expression on his face earlier, I got the impression that maybe he thinks that there is still a good chance of being able to paint a bright scenario even for later in the present calendar year? So I would certainly appreciate a comment from him on that regard. It may satisfy some of the members of the Cattle Feeders Association to have something on record that gives them a little better idea of what he anticipates the timetable to be.

* (1620)

Mr. Findlay: I guess there are two things that I could put on the record in this respect. I can assure the Member we have had more than one discussion with that group. Certainly they have a very legitimate concern. They are trying to operate in an industry where it is virtually impossible for them to compete with the external bidding that is coming in from outside the province, but never lose sight of the fact that the guy who is selling the calf to the Province of Manitoba is pretty happy with what he is doing. So there is always two to sides to the picture.

In terms of the feeders in Manitoba buying calves or animals to finish now, if they are buying this year's calf crop they really are not going to go to market until May, June, July of next year. Really the Tripartite Agreement requires them to sign up 60 days before market. One scenario is that if they do not market till next June, they really do not have to sign up till next April. So there is significant time for us to put the thing in place. I am of the belief that it is going to come together here very soon. I cannot give you a date, but I think it will happen. I see reason to be optimistic before the election, put it that way. I think after the election there will be a dead period of time because who will be the Minister? No matter who wins the election, there will be a period until the new Cabinet is formed which will be a further delay if we do not get it done before the election.

Another thing is that there is no question that there is discussion going on about when the effective date of the agreement will be. There is certainly desire on the part of some of the participants to have it retroactive to some particular date. That is maybe something that should not be commented on too much. There is reason to believe that when the agreement is signed that it will have some degree of retroactivity so that the sales that actually occurred sometime in the past may be covered. That even applied when the beef plan was

brought in, in 1982. There was a period of retroactivity that producers had to supply receipts and receive stabilization accordingly. That is on the table for discussion now and I would say it is realistic to believe that there may be something in that nature as part of the agreement. You may say, well, you are just asking the producers to spend money to buy feeders and carry on a feeding program on a wing and a prayer that this will all come together. That may be true, but realistically there is a strong meeting of the minds among the major cattle feeding provinces of Alberta, Saskatchewan, Manitoba and Ontario, that this shall come together.

B.C. and Quebec are also a significant portion of the discussion but they are minor components in terms of the feedlot industry. Those four major provinces are of a basically similar mind and I am very confident that this will come together.

Mr. Uruski: Mr. Acting Chairman, just along this line, the 7.5 percent to 8 percent cap that the Minister speaks about, does that cover I guess what is commonly known in the Civil Service jargon, both top loading and bottom loading?

Mr. Findlay: Yes, I guess to put it in another slogan, it covers all direct financial transfers to farmers. There is a long list of ways and means in which money goes to farmers to assist them. That is included in developing what the total degree of provincial participation and stabilization is. That cap not only includes what any province is doing in top loading, bottom loading, or whatever you want to call it. It includes also the stabilization payment at the federal level and the stabilization level at the provincial level, so the tripartite stabilization payments from the two levels of Government plus any provincial additional programs have got to be within that cap.

Mr. Uruski: Mr. Acting Chairman, just to understand it a bit better. Would programs such as the gasoline rebate in Alberta, the Crow offset, and programs of that nature, would they be included in that 7.5 percent? I guess in the time I have been around, Alberta certainly wanted to move away at least but was not prepared to give up its programming, especially in the debate that they I guess may have backed off, or at least settled down between themselves and Quebec, because those were the two protagonists. If ever there were any protagonists in this debate, it was the Province of Alberta and the Province of Quebec.

Does he really believe that within the next 30 to 60 days that there will be a national agreement with a phase-out announcement for provincial programming? In an aside, where does Manitoba fit in, in terms of its level of support as it relates to the 7.5 percent or 8 percent cap on the industry, whether it be cow-calf or feedlot?

Mr. Findlay: Yes, to his first question, is the answer. The gas rebate and the Crow offset are included in the calculation of the provincial contributions to the cattle industry, in terms of calculating the cap. You might ask the question, what about our fuel tax here that we do not charge farmers? That is not considered a negative

to us because there is no fuel tax in Alberta, so that evens out the playing field.

(Mr. Chairman in the Chair.)

The contributions here really, what is going into the beef plan is 2 percent, but that is prorated over everything and it will come out to something less than 2 percent contribution in the total sales in the province. Our contribution, when it is calculated as to how much each province is putting in, we are the lowest contributor in terms of Government support at this time. It is naturally in our interest to keep the cap as low as possible.

Mr. Uruski: That is precisely what I was getting to. If we are at that very low end and we are not funding at all, at this point in time, any support for the feedlot industry, what is really to prevent us from putting in a modest program that has been advocated by the feedlot industry over the last couple of years? And we did have a modest budget for a feedlot plan which would not even come close to, I venture to say, the 5 percent, if one was to put in a modest program in the province and still be within that range.

That is the difficulty that I see in terms of coming out with this so-called level playing field, because even at 7.5 percent Manitoba will be at the low end in terms of support for the industry, recognizing although that we have the comparative advantage and have built up over the years efficiencies in, whether it is hogs or poultry, Manitoba historically has been the province in which most national cost of production formulas have been developed, has been used as the model for the lowest cost producing province. Those efficiencies are here. What is preventing the Minister now from saying, okay, if this is going to be the name of the game, what has prevented the Minister from saying, let us have a modest program for our feedlot industry right now, especially in light of what is going across the country, and still be well within, if the numbers are known, the cap that the federal-provincial agreements are working towards?

* (1630)

Mr. Findlay: Certainly what the Member is saying is right. We are at the low end, and even when tripartite is in place there is still room for us, and I would say demand that we do something as a province because other provinces are still going to be doing small components. I will say that my feeling is we have gotten into this discussion and been negotiating, and maybe I am naive, I do not know, but I believe that if we are ever to jump in with an interim program we would be breaking the spirit of the coming together in the negotiation. Let us face it, you know as well as I do that this negotiation is delicate and I do not want to break the spirit of it because we, as a province in Manitoba, have the most to gain by getting the level playing field and giving us a chance to exercise our comparative advantage.

So that is why I resist the temptation to jump in in the short-term. The other thing is, as I mentioned earlier, that the agreement when signed may well contain a

reasonable component of retroactivity which will, in the retroactive sense, give them the stabilization they could not have at this particular moment. I know that is not something to take home and eat or chew but I just do not want to break the spirit of the negotiation by doing something that would be considered to be contrary to the intent that we have on the table.

And I will tell them that at the meeting in Toronto, I came away feeling really good that the spirit was right and the mood was right to get to this agreement that we have close at hand. I have seen Quebec and Alberta, I think, from what the previous Minister saw, I think the attitude and the desires—the attitude is better and the desire is stronger now than it was. So it has been tempting for us to jump in and do something because the pressure is getting strong. But I do not want to break the spirit of trying to get to the level playing field and, even after we are in, there will be a need to look at smaller programs of specific nature of getting us really up to that level, that cap of stabilization so that we are on a true level playing field, because the basic premiums under tripartite can be a maximum of 3 percent provincial, 3 percent federal—that gets you 6 percent right away. So the additional add-in provincial, in my mind, technically is 2 percent. But there is room there to put some special programs in place.

Mr. Uruski: Mr. Chairman, I am not even advocating that the Minister go beyond the 3 percent provincial and that whatever program comes into play just gets melded over or subsumed within the new federal program. In effect, I guess, what would be done is that—I know in the discussions that we were having, we were looking at some model at the time in which the federal portion of contributions in terms of feedlot industry could have been counted as a shared premium between producers and the province. And then when the federal contributions came into play, both the producers and the province's contributions would lessen.

I guess I want to ask the Minister—and timing is very critical here—if nothing happens, say, by the 1st of December which will be the dead period as the Minister himself has indicated, is he prepared to in fact reactivate the proposal, or at least some semblance of the proposal that was in the Budget this spring that his group defeated and during the campaign—I mean, I know all the rhetoric that went on. We are not helping the cattle industry. The cattle industry is going down the tubes. Now, Mr. Chairman, what has happened? Absolutely nothing has happened, but I am prepared to give the Minister the benefit of the doubt in the hopes that there is some semblance of a federal-provincial agreement. I have no difficulty with that. If there is a chance that there be a level playing field, so be it. I will not stand idly by and let the Minister say wait another month, wait another month, wait another month, that when his so-called dead period comes up, the proverbial saying is, let us do something or get off the pot. We will be waiting to see the Minister and his action in this area.

Mr. Findlay: I take the Minister's comments in a good-natured spirit demand that they are. He is on the line;

we are on the same line. We know our time line is short. Probably, it is past the time line that I had personally.

We are assessing it as the phone calls and the letters flow as to whether we are moving forward or we going to hit a stalemate. There has to be something done this fall. There is no question in my mind. Our commitment is that we are on this agenda that we are on. If it looks like it is going to weaken or it is going to take longer than you say, the 1st of December, we are prepared to do something that is going to be constructive to the feedlot industry for this province. I know it should have been done last week or the week before.

Mr. Uruski: Can the Minister indicate for me whether or not there has been a reduction in the use of the Beef Commission in terms of marketing? What are the statistics in terms of marketing through the Beef Commission?

Mr. Findlay: I would just ask to what context you are referring—over the last year, or the last two months?

Mr. Uruski: The Minister made what I would call fundamental changes in marketing to the beef plan on July 1. He probably has records, maybe certainly not for October but possibly has records for September. So we have July, August, September. He would have a quarter of a year. Perhaps he can compare that to the previous year's marketing to have some semblance in terms of whether it has been a move away or the opening up of a plan to have everyone participate in the marketings of cattle.

* (1640)

Mr. Findlay: With regard to what has taken place since July 1, in the month of August of the 4,455 head of slaughtered cattle that were handled, 53 percent of them were marketed direct by the producer and 47 percent through the central selling desk. But over the entire period, from April 1 to September, comparing this year to last year, our total marketings are down some almost 10,000 head. We had, in the previous period in '87 about 28,000 marketed and in the comparable period this year, 19,000 head marketed. So what that means is that a lot of producers really sold their cattle as calves or as 800 pound, 900 pound—instead of finishing them because there was a good attractive price—and that was before the April 1 date. So there has been a probably bigger number going to direct marketing than I thought there would, but we realize that conditions of the strike here in Winnipeg have changed the ability to market cattle direct by the Commission very difficult right now. They are this week assembling load lots which they are marketing wherever they can find, to the West, to the South or the East, wherever they can deliver those load lots. Then they will be rail-graded and there are pooled lots of roughly 30 head.

The Commission is attempting to market right now, even with these two packers closed and they are encountering some difficulty but are trying to find mechanisms to get around it. It is not my opinion that

the central selling desk is—I have no opinion on it really.

We are going to see how it can adjust and there are producers who believe in it. There are producers who will use it one time and not another time and we are prepared to give it reasonable opportunity to see how it is used. I think under these particular conditions right now, the central selling desk by pooling loads, taking, say, five animals here, and six animals there, and eight animals somewhere else, will collectively be able to market them in a fashion that will get those producers a better price than having to just market here where there are not as many bidders as there could be if those two packers were open.

Mr. Uruski: When the Minister gave me the statistics, he gave us the marketings of slaughter animals I am assuming, a year-over-year where there was a 10,000 reduction. What has been the reduction in terms of marketings or has there been a reduction in marketings in the unfinished categories in terms of the over-the-calf weight?

Mr. Findlay: In the same period, in totals we had finished and unfinished, it was 63,000 the year before and 51,000 this year. So overall reduction has been some 12,000 head.

Mr. Uruski: Is the commission having difficulty in terms of, with some reductions in the finished animals? It appears that they are still doing a fairly sizable marketing which shows the credibility of the Commission and that is fine. However, at what stage will the Minister make the decision that it is not a viable venture in terms of continuing the marketing arm of the Beef Commission when in fact he has opened it right up and basically made it another Commission agent, because that is essentially what has been done.

In terms of the farm community, I am not sure that another Commission agent is what is necessary. What is necessary is additional buyers, not additional sellers. We do not require an additional selling agent because every farmer can market for himself, for that matter, and has in the past. We know what the historic results for the farm community have been. We have had to subsidize or come in with deficiency payments or the like because the marketplace has never returned an adequate amount. I ask the Minister, when do you make that crucial decision to say it is either going to stay and we are going to make the fundamental decision of either pulling out or continuing at what stage?

Mr. Findlay: I will say that I have no guidelines about termination. I think we are in a changing and turbulent period of time with regard to marketing livestock, that the strike has accentuated that. As I said earlier, I see the commission having a challenge now in terms of packaging and marketing wherever they can get the highest bids. I do see them playing a role continually in the future in that direction. They are an assembly unit to commission these cattle and market them in selective lots, particular grades and sizes or types to whatever market they can find, the eastern market maybe eventually, a couple of years out into the Cargill

plant out in Alberta. I think we are meeting challenges and changes, and we have no guidelines to terminate their actions.

We are just asking them to respond to the conditions. As long as they respond to the conditions, are able to deliver a service that producers will use, they will stay there. So really the producers will make the decision by their use of the commission. I can assure him that there will be producers that will at times use the commission, at other times not. You may say that is destructive to the commission but everybody has to compete for business. I think the commission is in the same category as anybody else, competing for business of getting animals that they can market to whatever markets they can find, either internally or externally in this province.

Mr. Uruski: There is a fundamental difference between the commission and everybody else in the marketplace. The Minister well knows that. The commission deals with public funds, and public subsidy dollars to an industry that historically, in order to exist, has required subsidy dollars. They are not like anyone else in the marketplace. They do take taxpayers' dollars and support producers when the market price falls below a cost-of-production formula that has been in place. So the commission serves while on one side it serves as a marketing arm.

I guess the question that is not answered in this whole debate: is the Minister at any point in time prepared to strengthen the role of the commission; that if producers are supporting the commission, and in order to get the most out of the marketplace, is he prepared to make a decision some time down the road and we will let time decide, to say like Duff Roblin did with the Hog Marketing Commission, all hogs that are marketed in Manitoba will go through the commission, and at that stage give the kind of clout in the marketplace that the Minister says the commission now is working towards in terms of finished animals?

There is the other aspect to this whole debate and that is the regulatory role that the commission plays in terms of the unfinished animals and the ability to keep track of animals that may attempt to bypass the commission's screening, so to speak, in terms of making sure that the premiums are collected and the like. I believe that the Minister may have created a fairly extensive loophole for some, and I do not think it is the majority of producers.

* (1650)

It only takes a handful to, as the saying goes, screw up a good thing. It is those who will and have continually looked for loopholes in a way to get around and, of course, not pay the premium, that is essentially what it is. Then when they, especially during times of higher prices, when you have to pay back what you have received in the past, you bypass the system and sell your cattle privately or through whatever other means, not pay the premium, and when market prices drop, of course, you are going to market through the commission because there will be a subsidy to be paid. That is where the difficulty comes in in terms of the

opening up of the system. It will be interesting to know how the Minister views keeping track of those who are intent on by-passing the system?

Mr. Findlay: Mr. Chairman, the Member is talking about the Commission and to me the Commission has two functions. One is the central desk selling or the marketing side. The other is the administration side. Certainly even before we made the change on July 1, if somebody wanted to duck out because they did not want to pay the agreement, they could. They could attempt to. The Commission was having difficulty then as they always have had when those particular scenarios develop that will tell him that we reduced the premium level and even that out amongst the different classes of cattle at 4.5 percent, so that stopped people from trying to duck from one category to the other. The extra 2 percent did serve as a bit of a deterrent to finishing cattle. If you were concerned about how much premium you were making, you would sell it as unfinished or would not finish it and sell it earlier. I do not know whether that has had an impact but psychologically it did, so that evening out of the premium did try to accomplish that.

The future is an unknown commodity as to whether the administration component will stay in the tripartite scenario of the future. That remains to be seen. I think the marketing side, to me the two are separate. On the marketing side we are prepared to give it a chance to evolve. I think it will evolve to play a role and we are giving them the challenge to move in that direction. The administration side on the beef plan, always will have the difficulty, because you collect a premium at the time the animal is marketed. On the tripartite side you pay the premium 60 days before the marketing, so you do not have that problem of collecting or chasing people when the market price is above the stabilization. I think the tripartites worked fairly well in the other provinces. I believe there is a \$35 million surplus in the plan involving Alberta, Ontario and P.E.I., so they are collecting even when prices are high. The future will unfold as it shall unfold.

Mr. Harry Enns (Lakeside): I believe it is appropriate, Mr. Chairman, to put a few general thoughts and concerns that I have about the cattle industry on the record at this time. What I have to say will be nothing new to the Minister. I do not necessarily solicit a response. However, seeing as how his Estimates are speeding along as they are, I know that he will not mind this brief interruption.

I want to begin by commanding the Minister and the Government for their efforts in attempting to establish an even playing field in terms of beef marketing in this country, one that is badly needed, and certainly encourage the Minister, and I know how hard he is working at bringing that about, but Honourable Members, let us reflect just for a moment of what a tragic situation has developed in what once used to be a thriving industry in this Province of Manitoba. Where were we 20, 30 years ago? We were known throughout this country, throughout North America for what we once had in this province in terms of a packing industry, beef industry, feedlot industry. Where are we

today? You know, Mr. Chairman, I remind Honourable Members that most of this has happened in last 20 years. I painfully remind myself that my Party has not been Government for most of those 20 years, and I do not say this in any overly unkind way. When people talk about business climate, when people talk about management efficiency, when people talk about union responsibility, all play a share in the demise of this once great industry in this Province of Manitoba; it is not for circumstance that we have just simply lost that industry. I remind you again, we once had it.

You know that today it is virtually impossible to have a cow slaughtered in Manitoba, a single cow that perhaps got lame or crippled on you as a producer? The two small plants that we have operating in the province in Winnipeg are on strike. If the Burns plant is busy with a steer run, they will not interrupt their run to take on a single animal so you are left with a small scattering of individual packing house and slaughtering house facilities that we have throughout the facility. This is what has happened to the city that was known as the Chicago of the North with their terms to when it applied to the packing industry. This is what happened when we had successive Governments not paying attention to what we were doing to the business climate in this province.

An Honourable Member: It is all related.

Mr. Enns: All related. When speeches were made in the past about the effects of a payroll tax, a punitive payroll tax, this is the consequence. We are dealing now and the former Minister is dealing now at length. I am not suggesting that what we are trying to do of course is save what we have, trying to help those in need. All the tinkering with Beef Marketing Commissions and other subsidies is not going to bring about, not going to restore that once robust industry that we had in this province.

I have said this before. What I have always failed to understand is that while if the Members of the New Democratic Party want to accept this criticism or not or whether it is totally valid, but certainly in terms of their representation in this Chamber, it was understood by those of us who opposed them, that their interest lay mainly in the urban population where they had their significant representation from. But even here I could never understand as we watched Swift's, as we watched Canada Packers, as we watched the industry go down the drain. I know the Honourable Member is going to say Swift's closed down their shop during the short period of time that we were in office. I remind the Honourable Member that we had the fortunate experience of being in office for only four years out of the last 20 years at a time that not only this province but the country went through one of the worst recessions since the 1930s.

A successive attitude of anti-business, a successive building into our labour laws, prejudice and bias that discouraged badly needed reinvestment in this province. A great deal of the responsibility of the demise of our packing industry lies on management—I would be the very first one to acknowledge it—those who were responsible for the management of Canada Packers,

of Swift's. While we had the advantage of having the industry first in this province, that of course meant that we also were getting the older and the more efficient plants as time wore on. It was their responsibility, it was their responsibility to see that those plants were updated, that efficiency, a new technology was maintained in this province.

But what responsibility did we have in this Chamber when we blindly closed our eyes to some of their concerns and passed law after law and created a tax regime that specifically put Manitoba out of step, out of sync with our sister provinces, particularly those to the west. The packing industry is not dead in Canada. It is growing in Canada, but not in Manitoba.

So, Mr. Chairman, I say, management, union leadership, but we are speaking in this Chamber about our responsibility and I simply want to put on the record that we have not too far to look as to how this Chamber contributed to the demise of the packing industry in Manitoba. I say this very advisedly because it can easily be taken out of context, and I want to make very sure that it is not, but you have in this instance a very graphic illustration of what the free trade deal is all about. We did not respond to the challenges of the future as our packing plants were being outdated and getting old; management did not, or were not encouraged to; or were led to place their confidence and their dollars elsewhere, principally in western Canada and the Province of Alberta, to a lesser extent Saskatchewan.

We did not take seriously enough the fact that unless we continued in an efficient manner to produce a basic foodstuff, processed meat, that that industry would not always be with us. And so, instead of having 8,000, 10,000, 12,000 well-paid jobs in St. Boniface in our packing industry, or scattered throughout other parts of the province, we are down to some—I will have to check with Mr. Bruno Zimmer, but I think it is some 1,200 packing house workers in this province. And these were all supporters of the Government of the Day for most of those 20 years. They permitted a check-off from their union dues to politically support the activities of the Government that showed them precious little concern as that industry was self-destructing.

It gives me no pleasure, there is no pleasure in walking through the province—it is my privilege to do that occasionally as an active cattle producer in the sales barns—meeting with those few feedlot operators that we still have, individual cattle producers, and to listen to the pessimism, the gloom, the sadness that once was a flourishing industry. We were the leaders of this country, we were recognized internationally for our position in the packing industry, and 20 years of benign neglect, no, Mr. Chairman, 20 years of deliberate closing our eyes to the effects of the kind of laws that we pass in this Chamber, have seen that industry virtually destruct.

* (1700)

So, Mr. Chairman, I hope that at least from that quarter that was responsible for 15 out of those 19 years while this was happening, that they sit back; indeed, even let some of the newer faces here offer us some fresh advice, offer us some new ways of

attacking this problem, but in this instance certainly supporting the Minister, certainly supporting the Government and the Department of Agriculture in trying to recapture what we once had, in trying to ensure that Manitobans can work at those well-paying lucrative jobs in the packing industry and that the cattle producers can producer cattle with confidence and that grain producers will have an additional outlet for what all too often—although it has not happened in the last year or two—could also happen is a surplus commodity.

Mr. Chairman: Order, please. The hour being 5 p.m., the time for Private Members' Hour.

Committee rise. Call in the Speaker.

IN SESSION
COMMITTEE REPORT

Mr. Mark Minenko (Chairman of the Committee of Supply): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Burrows (Mr. Chornopyski), that the report of the committee be received.

MOTION presented and carried.

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

PRIVATE MEMBERS' BUSINESS
DEBATE ON SECOND READINGS—
PUBLIC BILLS

BILL NO. 2—THE BUSINESS NAMES REGISTRATION AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 2, The Business Names Registration Amendment Act; Loi modifiant la Loi sur l'enregistrement des noms commerciaux, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

Mr. Jim Maloway (Elmwood): I would like to close debate on this Bill at this time. We have had a fairly broad-ranging debate on the Bill. There have been nine speakers so far—

Mr. Speaker: Order, please. I believe this is to remain standing in the name of the Honourable Attorney-General (Mr. McCrae) and that was agreed upon.

BILL NO. 3—THE CORPORATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act; Loi modifiant la Loi sur les corporations, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

BILL NO. 13—THE MANITOBA HYDRO AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Flin Flon (Mr. Storie), Bill No. 13, The Manitoba Hydro Amendment Act; Loi modifiant la Loi sur l'Hydro-Manitoba, standing in the name of the Honourable Minister of Finance (Mr. Manness), would there be agreement to leave it standing in the name of the Honourable Minister of Finance? (Agreed)

The Honourable Member for Selkirk.

Mrs. Gwen Charles (Selkirk): Thank you, Mr. Speaker. On the Hydro Amendment Act—the Bill put forward in this House—this Party would, in general, like to applaud the direction that the Bill is taking, although we do have some reservations. Certainly, coming from a community with a thermo-plant just across the river from ourselves, I am very understanding of the need for not only employment but the use of hydro in the Province of Manitoba.

We are very concerned on this side of the House—I guess both Opposition Parties—on the effect that the Free Trade Agreement will have on the hydro maintenance in Manitoba. I understand that this Bill was put forward to basically oppose the Free Trade Agreement and its impact that it will have on hydro in this province. Certainly, we understand the indication of the Party that put this forward and we, too, would join in their fear that the Free Trade Agreement, as proposed now, will have some impact on our hydro that will not necessarily benefit the province nor its people.

This province is very rich in its ability to produce power, having fast-moving fresh water that is very capable of being dammed in so many sources in order to provide hydro. We have to be very careful of what we do with our resources, and water is one of the richest resources to come in the future of all the world as humans are tending towards ruining our water rather than preserving and protecting what we have.

When we do produce hydro, in most cases, it has to be by a damming system, and dams do not always have a beneficial effect on the environment. So when we are looking at the cost of hydro, we are certainly looking at the cost of the environment. We, obviously, have entered into many agreements where we have decided to offset the price of our environment against the price of not having an efficient and continuous supply of electricity.

Indeed, that is a challenge for tomorrow to decide which way we will go in producing electricity. It would seem as if, in this province, that certainly an ongoing source of electrical hydro will be the water supply and indeed where we get the term "hydro" from. We have to make sure that we control what we have of those resources. In order to control it, we have to look at how we sell it, and to whom we sell it, and what price we sell it. Those are all questions we have to look into when it comes to the Free Trade Agreement, because under the agreement we are not assured that we can have control of our hydro resource.

* (1710)

The problem with the Bill, as I see it as introduced, it has some limitations on what the Government will be able to do with producing and opening the options for the province and the hydro ability, so I have some problems with the Bill because of the way it is worded. I hope that the amendments that have been talked about being put forward in committee will have the ability to correct the Bill and correct the direction of the Bill. If we are having to produce hydro, which I think is understandable, for our needs in the future, we have to be very protective of how we do so.

As I have mentioned previously, not only our resources, our environmental resources, but the ability to challenge ourselves to what we are going to do with the future of hydro electricity in the province.

We have to make sure that hydro is economically beneficial to the province. We do not want to put it in place just to produce a source of electricity for American supply. I do not think any of us would say that we should ruin our environment just to supply another country an electrical resource, unless that is the only option left to us for economic purposes, and I hope that that will never be the case.

I think that the intent of this Bill though, as I have said, is in essence a Bill I would agree with the intent, that instead of really opening the resources of the Government, it reduces and does not maximize what we have, but reduces the level of the Government's options. We have to make sure that the Government can weigh off what we have and how we are going to produce it, that the water levels that we are maintaining to produce electricity have to be guaranteed to be supplied by the Government and not guaranteed to be supplied by the usage and need of the United States.

I would hope that we can, when we take this to committee, look at this Bill, have some discussion on the intent of the Bill and bring it into a structure that will not limit the Manitoba resources but will indeed allow the Government of the future to maximize what we have and to look at all the reasons why we are producing hydro, and hopefully they will all be to the benefit of Manitobans and to Canadians, rather than just to our American neighbours.

Mr. Jerry Storie (Flin Flon): Perhaps the Government House Leader (Mr. McCrae) could indicate whether they have any intention of speaking on this amendment. I have been waiting patiently to see some response from Members Opposite. The Member for Selkirk (Mrs. Charles) has indicated that this is an extremely important piece of legislation and in fairness to private Members who introduce Bills, I think we deserve some response. Is there any intention on the part of the Government to deal fairly with these matters?

Mr. Speaker: Order, please.

Hon. James McCrae (Government House Leader): If the Honourable Member is raising a point of order, I would be happy to respond, if you see fit. Otherwise

I will leave it for you to decide whether the question requires an answer.

Mr. Speaker: The Honourable Member does not have a point of order. The Honourable Minister did indicate that they were going to respond to it.

BILL NO. 16—THE REAL PROPERTY AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 16—The Real Property Act Amendment Act; Loi modifiant la Loi sur les biens réels, standing in the name of the Honourable Member for Lac du Bonnet (Mr. Praznik). (Stand)

BILL NO. 20—THE WATER RIGHTS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Member for St. Norbert (Mr. Angus), Bill No. 20, The Water Rights Amendment Act; Loi modifiant la Loi sur les droits d'utilisation de l'eau, standing in the name of the Honourable Attorney-General (Mr. McCrae), the Honourable Minister of Industry, Trade and Tourism.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): I am pleased to rise to speak today to this Bill. This Bill, introduced by my honourable friend, the Member for St. Norbert (Mr. Angus), is at the behest, no doubt acting as the lackey of the Member for Winnipeg South. When he raised the question of water in the House of Commons and the fact that the Free Trade Agreement would somehow tilt Canada so that all the water would run into the United States and that we are going to have wholesale movement of water across the border and that Canada is going to be left with none, despite the fact we are getting the greenhouse effect, Mr. Speaker, that is ludicrous.

Acting, no doubt, I guess as I said earlier, as the lackey of the Member for Winnipeg South appearing—I happened to be in the House of Commons the day that Mr. Axworthy raised the question of water in the context of the Free Trade Agreement. My colleague, the Honourable John Crosbie, stood up and said to that Honourable Member in the House of Commons that he thought the water had gone from his knee to his brain, because nowhere in the Free Trade Agreement is there any mention of the movement of waters other than in a bottle.

There is no mention in the basic body of the Free Trade Agreement dealing with waters, except those listed in Schedule 22 of the tariffs. If I can just refer to those, it says that water is simply natural or artificial mineral waters and aerated waters not containing added sugar or sweetening matter, nor flavoured, and ice and snow, Mr. Speaker.

Well, we do export ice and snow every time there is a wind from the North. Ice and snow blows across the border and that is the question that my honourable friend seems to be concerned about. It goes through

his constituency, from mine to his and onto the U.S. border. We are going to have ice and snow transported. But we do on occasion sell bagged party ice. We do on occasion do that and that is what is contemplated under the Free Trade Agreement, not the question of wholesale movements.

I can just see the City of Winnipeg loading all the snow in the winter time and trucking it down to the border so they can sell it to the Americans. And at what price, I wonder. I mean there are millions of dollars expended every year in the City of Winnipeg to truck the snow and they have trouble finding a place to put it. Manitobans, Winnipeggers in particular, balk every time there is a snow dump to be created in their area. Are they now going to have to truck the snow to the border and sell it to the Americans? Is that a concern, even if it happened? I mean, here is an opportunity at least to get rid of it. We have trouble every year when that occurs.

So I think my honourable friend did not think when he introduced this Bill, at least did not contemplate what he was really doing, because it is ludicrous to suggest for a minute that under the Free Trade Agreement there is going to be any wholesale transfers of water.

Now the Federal Minister of Trade indicated time and time again, hundreds of experts interpreting the Free Trade Agreement also considered the question of inter-basin transfers of water, large sale transfers of water, and all of them said that the Free Trade Agreement did not contemplate this in any way, shape or form.

Even any definition of trade does not contemplate such things. All the definitions that we have researched indicate that there is no contemplation of diverting bodies of water to the U.S. or wholesale transfers of water to the United States as contemplated by my honourable friend in bringing in this particular Bill.

But even if it was not true, even if the concerns that my honourable friend has come to pass, we still have protection under Article 409 of GATT. I could read the long detailed explanation of Article 409 under GATT but I will not because it does take up a lot of time and it is difficult certainly to understand. But basically what it says, it permits the host country to take any measure relating to the conservation of an exhaustible natural resource or products in general of local or short supply. So Article 409 of GATT permits us to do those two things which would certainly prohibit the export of water at any time that we so choose.

I think my honourable friend, while his intentions may have been good, probably received bad advice from his friend, the federal Member for Winnipeg South or took the wrong cue from that Member in attempting to introduce this Bill. Alternately, he may well have taken his cue from the Premier of Ontario who also introduced a similar Bill into their Legislature on the suggestion of inter-basin transfers of water.

* (1720)

It is interesting that the Premier of Ontario, the same person who was concerned about this and who has

been, not lately, but it has been some weeks and months in the past concerned about the Free Trade Agreement, has been pretty silent on the whole issue of free trade because he appointed a President's Council which he himself chaired—The Honourable Mr. Peterson, the Premier of Ontario. The President's Council came out in favour of free trade, something that the chairman of that council had previously opposed. So I do not understand where my honourable friend for St. Norbert (Mr. Angus) is coming from with respect to this Bill.

So we have seen that we have protection under the existing Free Trade Agreement. There are hundreds and thousands of things under the Free Trade Agreement; for instance, there is nothing in there that does or does not require us to issue a mineral licence for a particular body of ore. There is nothing that does or does not, within the Free Trade Agreement, require us to give a cutting licence for a particular stand of timber.

Now is my honourable friend going to bring in a Bill now that will regulate whether we should have governance for those kinds of things because they are not specifically mentioned the Free Trade Agreement? I do not think so. I do not think my honourable friend does. I see that the Opposition House Leader is shaking his head.-(Interjection)- I think that is the case. My honourable friend from Lakeside (Mr. Enns) indicates that it might have had something to do with playing politics, and that, I would not want to attribute any motives to my honourable friend across the way that he would do such a crass thing as bring politics into an issue such as this. I am sure, wrong though he is, he has a genuine concern over the inter-basin transfer of water within Manitoba under a Free Trade Agreement.

I hope that at least some of the things that I have said today have had some impact on my honourable friend and that he has been able to understand and perhaps learn a little with respect to the question of inter-basin transfers of water.

My honourable friend from St. Norbert (Mr. Angus) and I have been acquaintances and friends for a long period of time. We worked together in another political forum. At that time, on occasion, as a matter of fact, we were a member of what used to be the former gang of 19 or 18 or however many it was, at the time when it was the Independent Citizens Election Committee. As a matter of fact, Mr. Speaker, we collectively provided excellent Government for the City of Winnipeg during that period of time. But notwithstanding those facts, which really should be put on the record from time to time, to remind people into the future that there were such stalwart people able to provide that excellent leadership that was required in those early days of Unicity.

But apart from that, I want to also point out to my honourable friend that after all of the things, the Bill from Ontario, the raising of the question of water under the Free Trade Agreement in the House of Commons by his federal colleague, after all of the expert testimony that was put on to the record by hundreds of individuals, schooled in thought, in terms of the wording of GATT and the wording of trade agreements and trade operations around the world, after all of that information

was put on the record, the Minister said, look my honourable friend, the federal Minister of Trade said, look, if everyone is still so concerned, and the fact that misinformation and fearmongering and all those sorts of things are put on to the record by the Liberal Opposition and the New Democratic Party Opposition, both in the federal House of Commons and in this Legislature, Mr. Speaker, that he would provide legislation to prohibit that situation, and he did.

Bill C-156 was introduced into the House of Commons and passed therein, detailing what can and cannot happen in terms of water exports. Those, and let me quote a couple of items from that particular Bill: "No person shall export any water that exceeds one cubic metre per second or 20,000 cubic decimetres per year." Now that indicates the kind of inter-basin transfers of water that are allowed by licence by the federal Government under this Bill. As a matter of fact, I would not want to presume on reflecting on your office or your consideration of whether this Bill is acceptable or not acceptable in this House. But my suspicion is that the Bill presently before us, Bill No. 16, is probably here illegally, that Bill should not even be before this Legislature because it contravenes federal jurisdiction. Even if the Bill were passed in this House, which I urge Members not even to consider, that even if it were passed in this House, that this Bill could become ultra vires because it treads on federal jurisdiction. That, Mr. Speaker, is something that I, again not wishing to presume to impinge upon your consideration of whether this Bill should or should not be before us, but a legal opinion might indicate to the Members of this House as to whether or not this Bill should even be here being debated.

But notwithstanding, Mr. Speaker, I do not want to impinge upon the activities of my honourable friend and the Members of the Opposition, if they want to introduce such legislation into this House that is their privilege and their right under the electoral process that we enjoy today.

We have seen all kinds of fearmongering, we have seen all kinds of issues raised, bogeymen raised in the minds of the public, both before the election and since its call federally, that try and scare Manitobans into believing that all of a sudden something is going to happen that is going to take away their water. Such is not the case, and as I have indicated, under the Free Trade Agreement, it is not contemplated period. We do have protection under GATT. Even under GATT, Mr. Speaker, and even if that does not work we still have the protection of Bill No. C-156, which is rightfully in place as federal legislation dealing with federal water issues.

So I see that this Bill at best is frivolous and a cheap attempt at some kind of political haymaking with regard to putting it before us, trying to once again stir up the people to create some bogeyman or some concern that is not there, ought not to be there, the experts say is not there and federal legislation is in place to make sure it is not there. Those are the kinds of things that ought not to be before this Legislature. They ought not to be in the House of Commons but productive, good legislation ought to be there. My honourable friend I

am convinced has certainly the interest and the ability to bring forward good, solid, contemplative legislation instead of this kind of potential fearmongering and, in fact, may not even be legitimately here should federal jurisdiction intervene.

Mr. Speaker, just on that point. If, in fact, it turns out that it does become in conflict with federal legislation, federal jurisdiction, then what is the purpose of bringing in a Bill into this Legislature that does that? All it does is create more work for constitutional lawyers, more problems related to federal-provincial relations, and a waste of both of the time of this House and a waste of the time of the people of Manitoba when no such Bill is required, because adequate protection exists in a number of areas as I pointed out.

Thank you very much.

* (1730)

Mr. John Angus (St. Norbert): Given the remarks of the Minister and in relation to the camaraderie that we felt, would he permit, by leave, a question or two?

Mr. Speaker: Order, please. The Honourable Member's time has already expired. Does the Honourable Member have leave? (Agreed)

Mr. Angus: Mr. Speaker, I appreciate your tolerance and I appreciate the comments the Minister has said and the leave that has been offered to me. The questions are in two parts: (1) does the amendment do anything but confirm what the Honourable Member has been indicating is the position of his Government; and (2) if the federal Minister, Mr. Crosbie, is introducing legislation, should not the Province of Manitoba introduce legislation that is at least comparable to give us that protection?

Mr. Ernst: Mr. Speaker, I am not an expert in constitutional law nor, I suspect, is my honourable friend, but common sense tells me this. If federal jurisdiction is contemplated in this situation, which it is, mandated by the Constitution, then federal legislation is what is necessary in this country to exactly do that. If there is a concern, Mr. Speaker, and there was, and that concern again after having been detailed through hundreds of experts attempting to allay the concerns, still were not allayed, then the Honourable Minister of the Environment in the federal House of Commons introduced legislation which said that we will protect our water supply so that the concerns raised by my honourable friend and others would be allayed. He did that as is his right, as his responsibility if, in fact, that occurs. We ought not to be contemplating legislation in this House when federal legislation has in fact been implemented.

Mr. Speaker: On the proposed motion of the Honourable Member for Concordia (Mr. Doer), Bill No. 22, The Liquor Control Amendment Act.

* (1730)

Mr. Jerry Storie (Flin Flon): I would like to take this opportunity to speak to Bill 20.

Mr. Speaker: That was already done by agreement.

Mr. Storie: Mr. Speaker, I am reluctant to say that it will remain standing in the name of that giant legislative black hole, the Attorney-General (Mr. McCrae).

Mr. Speaker: Order, please; order please.

Mr. Storie: Before this heads for the rhubarb, Mr. Speaker, I will withdraw those remarks.

Mr. Speaker: I would like to thank the Honourable Member for Flin Flon.

Mr. Storie: They were meant somewhat in jest.

The last speaker, the Member for Charleswood (Mr. Ernst), was on his feet lecturing the Member for St. Norbert (Mr. Angus) about the question of whether this legislation was appropriate. Perhaps the Member for Charleswood needs to be reminded that the last Government, not private Member, to bring in legislation which ultimately proved to be ultra vires was the Conservative Government under Sterling Lyon who had the legal expertise and the staff to make sure that they did not make a mistake.

The fact of the matter is that this legislation along with the legislation which was introduced with respect to amending The Manitoba Hydro Act, was brought in because of a very deep concern for the impact of the trade agreement on Manitoba. No other reason. The Member for Charleswood wants to suggest that politics is being played because Members on this side are anxious to have legislation introduced and passed this Session which we believe will protect us in some small way from the ravages of an agreement which we do not support, which we do not like and which many, many Manitobans, hundreds of thousands of Canadians, do not want to see implemented on their behalf. I resent being lectured to by the Member for Charleswood about my responsibility or my obligation when it comes to defending the interests of Manitoba or Canada. I resent that. I have said on other occasions that my motives and I believe the Member for St. Norbert's motives in bringing in this legislation is impeccable.

I want to deal also with the comments of the Member for Charleswood with respect to the content of this legislation. Mr. Speaker, forgive me, just coming out of committee and using Mr. Chairperson all of the time, I will try and refer to you correctly. This Minister, the Minister responsible for Industry and Trade (Mr. Ernst), reflects in his comments today on this Bill the same kind of attitude that he has taken whenever the issue of free trade has arisen. He was talking about the fact that he could get legal opinion which he believed would show this to be ultra vires. Well, Mr. Speaker, I have asked that Minister, I have asked other Members of that front bench to bring forward one shred of evidence that what we are suggesting is the implications of the Free Trade Agreement is in fact not so with respect to Hydro most particularly.

We have seen legal opinion across this country suggesting that the sovereignty which we have enjoyed

for some 127 years is being undermined by an agreement that few people can define, that the proponents of which will not provide information to support their conclusions. One can only draw the conclusion that the Member for Charleswood and his ilk have chosen to support the Free Trade Agreement in a blind and toadying fashion which does not become them as Members of an independent Legislature and citizens of an independent country.

The Member for Charleswood (Mr. Ernst) would have us believe that somehow the Americans do not possess the technology to transfer water from basin to another. Mr. Speaker, I hate to inform the Member for Charleswood but that technology has been with us for 2,000 years plus, and for him to dismiss our concern about the intentions of both our Prime Minister, unfortunately, and the Americans, when it comes to fresh water, our resource, then I think we have a right to be suspicious, I think we have a right to be cautious and perhaps an obligation to be cautious.

The Minister of Industry, Trade and Tourism (Mr. Ernst) would have us believe that no such thought has ever crossed the minds of the Americans. I can tell the Minister again that in the 1970s there was a group called Technocracy Inc. which was in Canada promoting a continental hydrology policy, and some of us that were at university in those days recall the seriousness with which those proposals were put forward.

The Minister responsible for Industry, Trade and Tourism (Mr. Ernst) would have us further believe that the Bill introduced by the federal Government, Bill C-126, is somehow an adequate response to those concerns. We know, and I believe the Minister knows, that many critics have suggested that the real amendments need to be in the Free Trade Agreement itself and not in the legislation which was introduced by Mr. Crosbie.

The fact that Mr. Crosbie took the initiative to introduce the legislation, nonetheless, is significant because it shows that the Government is sensitive to Canadian concerns about our water resources. Unfortunately, we have not seen the same kind of sensitivity by this Government of another resource which Manitobans in this case cherish, and that is Manitoba hydro and our right as a province to protect it, to utilize that resource in the best interests of Manitoba and the best interests of Canada.

I put those things side by side because I, like most people in this Chamber, am a Canadian first and a Manitoban second, and I believe that as individuals, we have a responsibility to our federation, our country. I believe that in attempting to suggest that we, as Manitobans, either with respect to Bill 20 or The Hydro Act amendments, should somehow consider the interests of Canada is not out of line.

* (1740)

I find it regrettable that a Minister of the Crown who represents the people of Manitoba and their interests would treat the amendments in this Bill in such a cavalier way that this Minister and this Government refuses to provide information supporting their position and their

support for free trade. They give us rhetoric on a daily basis. They refuse to provide legal opinions which support their position, despite the fact that Members on this side have tabled opinion after opinion after opinion which suggest that we are being sold down the river. It is unfortunate that Members on this side have felt obligated to present this kind of legislation to this House.

I would also be remiss if I did not say that as a private Member who has submitted what I believe is a responsible Bill—and I know that the Member for St. Norbert (Mr. Angus) feels likewise—that we seem to be stalemated by the Government of the Day that there does not seem to be a willingness to consider these Bills in an expeditious way—move them onto committee, have some public comment.

I want to know what this Government is afraid of. Are they afraid that a public review of the contents of this piece of legislation or the Manitoba Hydro amendments is against the public interest? Are they suggesting that this should not go forward because the public might have some views contrary to the Government on these matters? What are they afraid of? Would it be so prejudicial to their position to have this go before a committee and have Manitobans given the opportunity to come and look at the contents of these Bills and reflect upon them?

Mr. Speaker, I know with a great deal of certainty that if Bill No. 20, if the hydro amendment, Bill No. 13, I believe, went before a standing committee, that public support would be forthcoming for the intent behind the legislation.

Mr. Speaker, I do not know how much time I have remaining because I did also want to speak to some of the principles of this Bill.

Mr. Speaker: The Honourable Member will have five minutes remaining.

Mr. Storie: Thank you, Mr. Speaker. I would not want to have my very short time to reflect on this Bill pass by without commenting on the principles of the Bill. I have said that in principle I support the legislation, I support the intent of the Member for St. Norbert (Mr. Angus). However, I have some concerns about the substance of the Bill.

The Member for St. Norbert expressed his concern about Bill No. 13 and I reminded him privately that Bill No. 13 paralleled legislation brought in by the Liberal Government in Ontario. However, I believe he said in his concluding remarks that in principle he supported it and that with amendments that the Liberal Party could support that particular piece of legislation.

Mr. Speaker, I think the same can be said of this piece of legislation. However, I do want to put on the record that there are some major qualifications to that statement. Some reservations need to be put on the record as well. First of all, we are getting into an area which has not been dealt with in the past in this Legislature. The specific clauses of this legislation are similar to and perhaps cross jurisdictions with authority, with other pieces of legislation already in existence,

whether it is The Natural Resources Transfer Act or other similar Acts of the Manitoba Legislature. They also may conflict with some federal legislation, although I am sure that given a reasonable willingness on both sides to make this proceed, we can correct those flaws.

However, I want to move to another one which causes me even greater concern, and that is the suggestion in the legislation that we give the Minister almost sole discretion over what transfers occur and under what conditions. I, for one, do not want this Minister of Environment (Mr. Connery) or this Minister of Natural Resources (Mr. Penner) or this Government making those decisions in the privacy of the Cabinet room or in the privacy of the Ministers' offices. I, for one, want this legislation to include the right of the people of Manitoba to review and hold court on any transfer of water from any basin to any other basin, from any part of this province to any other part of this province, and certainly from this province to other jurisdictions.

Mr. Speaker, if there was a major failing in this legislation it is to recognize the important role that the people of Manitoba deserve to have when it comes to tackling issues this sensitive, this fundamental to our quality of life. No one can deny that water and our water resources are not only an essential part of our life, but a fundamental part of our recreation, our heritage, our way of life, beyond being sustenance for the body.

So in my final minute, I will simply say that the onus that this Bill places, the obligations, the responsibilities that it places on the Minister have to be balanced, in our opinion, on the part of the New Democratic Party, with the right of the public, the obligation of the public, to make the ultimate decision.

So we need in this legislation reference to the public, the requirement that public hearings be held across this province on any similar matter, but with that, Mr. Speaker, suggesting that we could support, in principle, the Bill, that the intention is honourable but we need to ensure that the discretion is not left solely with a Minister of the Crown, I think we can perhaps see this Bill off to committee. I am anxious to hear from other Members, including Members opposite who have views on this, whether they share similar concerns. Thank you, Mr. Speaker.

Hon. Jack Penner (Minister of Natural Resources): It certainly gives me pleasure to be able to rise on this very important issue and I am somewhat surprised at the support I hear from Members across the way on The Water Rights Amendment Act. It is also very interesting to realize that those who support the Bill as it is drafted now, or the proposed Bill as it is drafted now, need to understand that Manitobans, at least some Manitobans, depend to a very large degree on sources of water outside this province.

Those of us who live in southern Manitoba would realize and recognize that we have, over the past 25 years, bought water from the United States. Would the intention of our American friends be similar to the views held by Members opposite here? Those towns and villages now dependent on water from the American

sources—which we pay for by the way and have paid for for the last 25 years—would simply be out of water and we would have to close those communities down. I am somewhat surprised that our honourable friends who live and reside—although they run in areas that are not part of the City of Winnipeg—but they live and reside here, they pay no attention to what goes on outside the city limits, and pay very little attention to the needs of Manitobans, rural Manitobans. For if they did, they would recognize that the waters flowing down the Saskatchewan River into Manitoba come from outside of the boundaries of this province, and those communities, such as The Pas and others are virtually dependent on agreements that we reach with other provinces, and the friendliness with which those other provinces deliver water to this province.

The people living in western Manitoba depend on water originating outside of Manitoba for their very livelihood, and I refer to villages and towns that live on the Pipestone Creek, for had it not been through the good graces and the graciousness and the good graces of Saskatchewan, the Government of Saskatchewan, we would now probably be forced to evacuate some of those small towns and villages because they would have no water, but Saskatchewan did release 5 cfs of water over the last two months and we did not have to pay for it. It was given to us free of charge.

* (1750)

Let me say this, that our American friends and those of you who think that there is water flowing out of Saskatchewan into North Dakota via the Souris River need only to get in your car and go down and see the river at North Dakota-Saskatchewan boundary, and you will find that it is a bit dry and has been dry for the last three months. And Manitoba has still received 20 cubic feet per second of water at the North Dakota-Manitoba boundary. Why? Why?

Hon. Clayton Manness (Minister of Finance): Where is it coming from?

Mr. Penner: Because our North Dakota friends decided to construct a facility that would retain water and have agreed to, out of the goodness of their heart, without us paying for it, deliver that water to Manitoba. We have a situation now down the Red River where the towns and communities and everybody living in them and around them, depend on the Red River for their source of drinking water. And the industries that are developed in those areas depend on that water for their very existence.

How much do we pay for that water? It is international water, American water coming into Manitoba, which the Americans export to Manitoba. And what do we pay for it? Nothing. The quality is such that we can actually drink and swim in it, and that is more than we can say about some of the waterways right in this province.

Now let us look at the agreement. Are we still afraid of exporting water? Virtually the only water that we export right now probably ends up very close to the

USSR because the water froze down the Nelson River into the Hudson Bay and out into the Antarctic Ocean and where does it end up? That is the water we export now and how much do we get for it? Well, I would propose to my honourable friends across the way that we are paid quite handsomely for it because we have been able to, throughout the years, establish hydro-electric power sources and dams on that very waterway, which you and I and everybody in this room depends on for the very light that we have in this room.

Let us look at the Bill, at the proposed amendment that is being struck. I was surprised to see my honourable friend across the way talk about rights, about this Legislature having the right to amend or the control of water. The very amendment or The Amendments Act speaks to the rights of taking that responsibility away from this Legislature, taking that responsibility away and designating it to a specific Minister.

Clause 5.1(1) speaks to payments for transfers of water, that a licence for the transfer of water out of a drainage basin in Manitoba may be issued subject to the payment to the Crown of such amount as the Minister considers appropriate.

The reality of the situation, Mr. Speaker, is that the Lieutenant-Governor-in-Council currently has the right to assess fees and charges under Section 26 of the current Act. This Clause transfers that right to the Minister, to the authority of the Minister.

Clause 5.1(2) of the current Act now again transfers the right from the Lieutenant-Governor to the Minister.

Clause 5.1(3) of the current Act, again we have the same thing where we transfer the right from this Legislature to a specific Minister.

And then we go on to speak in the amendment about our ability to sell water or not sell water. Well, I say to you in this Legislature that we have the authority now that is designated to this Legislature that will restrict—or we have the ability—to restrict that sale of water regardless of what kind of law that is passed with the free trade deal.

It is very clear to everybody that the free trade deal speaks very clearly to water rights and the rights of provinces to retain authority over that water. It goes a bit beyond that because we talk about the very fish that live in the water that we have our rights over under the free trade deal. What will we do with those very fish when we catch them in our nets or when our northern friends, those that some of you represent, some of you Members opposite are supposed to represent and whose best interests you are supposed to represent—what do we do with those fish?

Well, most of the fish that we catch in this province, Mr. Speaker, are sold to our American friends. They

end up on the restaurant tables in New York and Chicago. That is where they end up. Under the free trade deal, those very fish, the \$60 million worth of business that the fishery creates in this province, will move to the American market tariff free. No tariffs.

The Americans have very clearly stated that they will impose large tariffs if we are not going to enter into a free trade deal. I say to my honourable friends opposite that if they are as concerned about their friends out there and their constituents out there as I am, they would be out there supporting and signing an agreement that will stop the Americans from imposing the large tariffs that they are talking about now. That is what this whole deal is all about. That is what the amendments to The Water Rights Act speak to, and we should be speaking to our very existence and ability to survive as a nation.

There have been many things said about water in this very Chamber in the last while, but never have I seen a proposed Bill that will be more detrimental to Manitobans than this very Bill. This Bill, if our American friends and our Saskatchewan friends and Ontario would pass similar legislation in their respective Legislatures, it would restrict our ability and our people's ability to access the very waters that our people are so dependent on. Therefore, it surprises me greatly, Mr. Speaker, that we have people in this province who would want to restrict flows of waters and streams, whether we export water or not.

We are looking at the development of a water retention mechanism in this province, a system in this province that will again be an international joint venture hopefully and we will store water in this province. Some of that water, yes, might actually flow across the boundaries into the United States, because those communities in the United States are also dependent on good clean supplies of water.

Therefore, I propose to you, Mr. Speaker, that we should ask our honourable friends opposite to reconsider even introducing legislation such as this because it is redundant, it is detrimental to Manitobans, and it is certainly not in the best interest of all Manitobans. Therefore, I ask them kindly to reconsider and withdraw this kind of proposal

Some Honourable Members: Hear, hear!

* (1800)

Mr. Speaker: Is it the will of the House to call it six o'clock? (Agreed)

The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow morning (Friday).