



Fifth Session - Thirty-Fifth Legislature

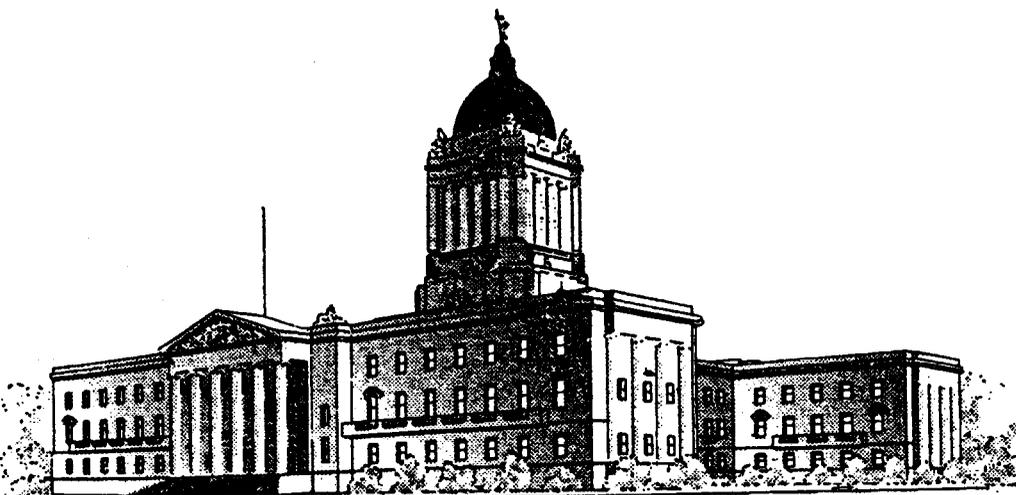
of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

(Hansard)

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The Honourable Denis C. Rocan
Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	St. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 9, 1994

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the R.H.G. Bonnycastle School sixty-five Grade 5 students under the direction of Mrs. Rasmussen. This school is located in the constituency of the honourable Minister of Justice (Mrs. Vodrey).

Et aussi cet après-midi, nous tenons à vous signaler la présence, dans la galerie publique, de 22 étudiants de la sixième année de l'École St. Germain sous la direction de Madame Allard. Cette institution est située dans la circonscription du député de Seine River (Madame Dacquay).

[Translation]

Also this afternoon, we have twenty-two Grade 6 students from the St. Germain School under the direction of Mrs. Allard. This school is located in the constituency of the member for Seine River (Mrs. Dacquay).

[English]

On behalf of all honourable members, I would like to welcome you here this afternoon.

* (1335)

ORAL QUESTION PERIOD

Grain Transportation Proposal Impact on Port of Churchill

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister.

Since 1992, we have been opposed to the reduction in support for the railways in the transportation of grain that was announced in the original statement by Mr. Mazankowski in the

previous government. This reduction in payments has been accelerated in the last federal budget, and we have been given notice that the federal Minister of Transport intends on cutting some \$650 million from western producers. [interjection] If the Liberal Leader (Mr. Edwards) wants to defend the federal Liberal government, that is fine by us, Mr. Speaker. We are here to defend the farmers, the railway workers and the Port of Churchill.

Mr. Speaker, we have one federal minister previous to the election promising a million tonnes of grain. We have another federal minister, the Minister of Agriculture, meeting with agricultural producers and railway workers across western Canada and consulting with them, and a third federal minister promising to cut \$650 million out of the budget for transportation. The federal Minister of Transport says farmers will now have to haul grain by trucks. The last time we looked, in the province of Manitoba there was no road to Churchill.

I would ask the Premier (Mr. Filmon) what impact this will have on the Port of Churchill to have this massive reduction in transportation subsidies to the railways and the transfer of grain by truck in terms of the Port of Churchill?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, I certainly thank the member opposite for this kind of a question today because—[interjection] The member for Dauphin (Mr. Plohman) is very right. This is a very serious issue. It has hit us like a lightning bolt. We did not expect in any fashion that the federal Liberal government would do what they are doing to us today.

In my previous life as Minister of Agriculture, we talked about changing the method of payment. We never, ever talked about eliminating the payment. The past two federal budgets have eliminated 15 percent, and that is moving towards

our commitment to the GATT process. Nowhere in the GATT process was there any request that we must eliminate the entire support to western Canadian agriculture.

This present Liberal government is talking about doing away with safety nets, which have kept grain farmers in business the last four years and for the next two or three years. Now they want to do away with the transportation subsidy. This is our birthright in terms of Confederation in western Canada.

Mr. Speaker, we have a U.S. government who is out there maligning us all over the world in terms of what we are doing in the grain industry, and we get a federal Liberal government that is playing right into their hands by taking away our subsidies that will cause us to collapse in western Canada in the grain industry if they follow through with their agenda that Mr. Young announced yesterday.

Government Intervention

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, members on this side of the House were opposed when Mr. Mazankowski made the first cut, and we are further opposed with this massive cut by the year 1995.

Mr. Speaker, after the GATT set of negotiations, the federal Minister of Agriculture said, and I quote, that no producer, no farmer would lose any income as a result of the GATT negotiations.

Today, the federal Minister of Transport is saying that we will have a situation where \$650 million is reduced from the railways without any indication of what alternatives will be in place for grain.

I would ask the Premier (Mr. Filmon), will he be contacting the Prime Minister to get a handle on the two conflicting messages from the Minister of Agriculture and the Minister of Transport, and ask the federal government to put this \$650-million cut on hold, so we can have an intelligent debate in western Canada and keep the payments to the railway and keep Churchill viable in the province of Manitoba?

* (1340)

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, what this will cost the western grain industry is approximately \$20 a tonne, or 50 cents a bushel will be taken right out of their income side to pay for what the federal government is taking away from western Canada.

Both the Minister of Agriculture (Mr. Enns) and the Premier (Mr. Filmon) and our entire government are very, very concerned about what direction we are going in at this time. I want to table the letter that has been sent to Mr. Young, the Minister of Transport, copy to Mr. Goodale, the Minister of Agriculture, signed by both the Minister of Agriculture (Mr. Enns), and myself, the Minister of Highways, laying out our very serious concern that we will not accept this because this is a birthright for western Canada, and if they follow through with this, it will shut down the grain industry in western Canada.

Rest assured, we as the provincial government did not put hundreds of millions of dollars into a safety net program to have a Liberal government come along and destroy the industry overnight.

Legal Opinion

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, the federal Minister of Transport, who I think really does undermine our negotiating position with the Americans, has said that this is GATTable and therefore it must be eliminated. Now, this is a federal minister, of course, whose statements can be used as evidence by the U.S. government.

The Saskatchewan Wheat Pool has already been quoted as saying that it is not GATTable, that it is not subject to GATT. We were not told after GATT was signed that this would be subject to GATT.

I would ask the Premier (Mr. Filmon): Does he have any legal opinion that the Transport minister is absolutely wrong in his legal interpretation and is just using GATT as a way to eliminate \$650 million to the producers of western Canada, to the railway workers of western Canada and to the Port of Churchill which relies on railway shipments?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, I would like to read a paragraph out of the letter that we have sent: The option of eliminating the WGTA has never been discussed or considered in western Canada. GATT does not require its elimination. Only a 36 percent reduction over the next six years is required in GATT. In the last two federal budgets, they have already eliminated 15 percent. The federal minister is absolutely wrong on this. It does not require the elimination of the WGTA subsidy to meet the GATT.

Mr. Speaker, what he has really done is sold out to American interests who are trying to kill our grain industry in western Canada. He sold out completely.

The Winnipeg Jets Provincial Obligation

Mr. Jerry Storie (Flin Flon): Mr. Speaker, yesterday, after many attempts by my Leader and members of the caucus to get information on the degree of potential liability the province faces in terms of its agreement with the Winnipeg Jets, the Minister of Industry, Trade and Tourism (Mr. Downey) tabled some figures that suggest that in 1991, the province and the Premier of the province knew that the province may be on the hook for some \$43.5 million.

At that time, Mr. Speaker, the Premier of the province and the mayor of Winnipeg signed a letter of endorsement, signed a letter that said we give our personal endorsement to this package.

Can the Premier tell the people of Manitoba why he did not identify what the province's obligations might be when he signed this agreement?

Hon. Gary Filmon (Premier): Mr. Speaker, I find it a little unusual—I should not find it unusual to see a degree of hypocrisy from the members opposite on any issue, but on this particular issue, members opposite did not jump all over this issue and say out loud that they were very opposed to this issue. No, no. The Leader of the Opposition (Mr. Doer) played possum on this issue because he said he did not want to make this a political issue.

He hid in his shell on this issue because he did not want to go out on it.

The reason is, first and foremost, there were figures put out. Mr. Shenkarow projected losses—they were well covered in the book—that were even in excess of what is in that estimate. This government took that as a best-case scenario; that is, their best guess at the worst possible obligation.

This government did it on the basis of one thing and one thing only, that the revenues to government from the operation of the team here, the total revenues to the three levels of government is double what the cost is estimated to be, even in the worst-case scenario. When you can make an investment of \$1 to get a return in direct revenues to government and taxation of \$2, we thought that was a reasonable business proposition.

New Democrats may not believe that. New Democrats, of course, believe in investing \$1 to get 10 cents back, Mr. Speaker, but that is not the way we do business.

* (1345)

Mr. Storie: Mr. Speaker, of course, Manitoba taxpayers were not surprised that we did not learn that the liability was some \$43 million to the taxpayers of Manitoba. The Premier's comments about the economic benefits are likely as bogus as his claim that the people knew that.

Mr. Speaker, the fact of the matter is the Leader of the Opposition (Mr. Doer), my Leader, indicated at the time that signing a blank cheque to the Winnipeg Jets was wrong. On top of that, he said that we had got no commitment to keep the Jets.

Mr. Speaker, my question is to the First Minister. Given that Mr. Bettman has now said today that unless we build a new arena, there will be no major league hockey franchise in the city of Winnipeg, given that we have now incurred the losses, no guarantee of the Jets staying and we are being blackmailed into an arena, will the First Minister acknowledge this, that he got us into a boondoggle that is going to cost us all millions of dollars?

Mr. Filmon: Mr. Speaker, over the period of the agreement in which there was a potential risk of \$43 million, \$90 million comes back to the three levels of government—not economic benefit to the community, direct revenues to three levels of government, a return that is twice as much as what is put at risk in this agreement. That is the basis on which a decision was made.

Mr. Storie: Mr. Speaker, will the Premier answer a further question?

We have now not received a report from the Burns committee. Can the First Minister indicate what it will cost the province, not only in terms of the losses but any commitment that will be made in terms of an arena? If the First Minister's objective of keeping the Jets here is fulfilled, what is the additional cost to the taxpayers of Manitoba?

Mr. Filmon: No commitment has been made to an arena, and we will collectively make that decision as to whether or not we can afford an arena in Manitoba for the benefit of all entertainment, sports and anything else that may use it, including the Winnipeg Jets, Mr. Speaker. If New Democrats are opposed to it, they can say so, and they can be part of the debate.

The Winnipeg Jets Projected Losses

Mr. Paul Edwards (Leader of the Second Opposition): My question is for the Premier.

In response to the first question from the member for Flin Flon (Mr. Storie), I thought I heard the Premier say that Mr. Shenkarow had, in fact, put forward another set of estimates at the time these negotiations were ongoing.

Mr. Speaker, perhaps I could ask the Premier to clarify. I believe he said that Mr. Shenkarow put forward worse estimates or different estimates than we saw yesterday after the deal has been in place for over three years.

Can the First Minister indicate what the projections put forward by the majority owners were at the time that these negotiations were being undertaken in November of '91?

Hon. Gary Filmon (Premier): Mr. Speaker, the estimates that we used were the best available estimates. There were other speculative estimates that were even higher that were put forward publicly, and the member knows full well. I invite him to just get press clippings from 1991 to find them.

Mr. Edwards: Mr. Speaker, the First Minister says that they were speculative and that they were projections, and that is what he said yesterday. Clearly, we are all very interested to see those because those were the things that were relied upon when this government entered the deal. We see the government's estimates of 43.5 over that period of time which has come forward yesterday after three years of the deal being in place.

What were the estimates put in writing to the province and the city at the time this deal was entered into by the majority owners of the Winnipeg Jets? What was their estimate? Was it more or less than what the government's were?

Mr. Filmon: Mr. Speaker, these are the estimates that were based on the best information we could get from all available sources, including the majority owners.

Mr. Edwards: My final question for the Premier: The Premier has consistently indicated that the rationale at the time was that double the amount of money being put at risk was going to be direct benefit to the government. I think I have that correct. That is what he said yesterday and has said again today.

Mr. Mauro, in his report, found that 97 percent of the people who attend Jets games and are responsible for the revenue of the Winnipeg Jets Hockey Club are Manitobans. That is money that is here in the pockets of Manitobans being spent to support the Winnipeg Jets.

Will the First Minister (Mr. Filmon) give us an indication as to what has to be factored out therefore of that \$90 million, once you take account of all that money being spent somewhere else in this economy?

* (1350)

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, this just reconfirms what was being said yesterday in terms of the Leader of the Second Opposition requiring some economics courses.

Again, this is entertainment money that is being spent by individual Manitobans. It could be spent on a whole range of other entertainment activities, could be spent on going down to activities in the United States, could be spent on holiday activities, a whole range of options that would be available to individuals who want to spend that money, money being spent outside of Manitoba.

Here is an opportunity to keep that money here in our province, to maintain an economic engine here in our province that will generate \$90 million of direct taxation for three levels of government.

Mr. Speaker: Order, please. The honourable Leader of the second opposition party, you put your question, sir. The minister is attempting to answer it.

Mr. Stefanson: Mr. Speaker, as I have indicated, here is an opportunity for Manitobans to spend their entertainment dollar, their personal dollar here in our province, a choice that they make to support an entity. It is done willingly. It is done because they want to participate in that particular activity.

As a result of that, it generates \$90 million over six years of direct taxation to the three levels of government, more than twice the projections of the worst-case scenario losses during that time factor. That is not taking into consideration the hundreds of jobs created as a result of the investment, the 36 percent investment in a \$50-million asset and the kinds of annual economic benefits that it brings to our province.

Judicial System Accountability

Mr. Gord Mackintosh (St. Johns): Mr. Speaker, my question is to the First Minister (Mr. Filmon).

Manitobans have had some increasing concern about how the misconduct of provincial court judges is dealt with under this government, so the Minister of Justice (Mrs. Vodrey) promised Manitobans that the law would be changed to

make judges more accountable to the public, and, in fact, the throne speech stated that judicial accountability is as essential as legislative accountability.

My question to the First Minister is, can he explain then, why, by a bill now introduced to this House, there is to be greater accountability when the government had just proposed increasing the power of judges on the Judicial Council while reducing the number of members of the general public?

Point of Order

Hon. Jim Ernst (Government House Leader): Mr. Speaker, there is a bill presently before the House having had first reading, and I suspect that the member's question is out of order. There is ample time for debate of the bill when it is before the House for consideration.

Mr. Speaker: On the point of order raised by the honourable government House leader, sir, I refer you to Beauchesne's 409(12): "Questions should not anticipate a debate scheduled for the day, but should be reserved for the debate."

At this time, sir, I do not know if we are calling Bill 15 or Bill 16 under Orders of the Day.

Mr. Ernst: Mr. Speaker, Bill 16, The Provincial Court Amendment Act, has been, in fact, tabled in the House, read a first time and is now distributed, from whence the member drew his question.

So it is my understanding, and, of course, subject to your ruling, Sir, that once the bill is properly before the House, which it has been as a result of first reading having taken place and the bill having been distributed, that questions with respect to that bill are inappropriate, out of order, and debate should range when the bill is called for that purpose.

Mr. Speaker: On the point of order raised by the honourable government House leader, sir, at this time, I am not being informed that Bill 16 is proceeding during Orders of the Day, therefore Beauchesne's 409(12): "Questions should not anticipate a debate scheduled for the day, but should be reserved for the debate."

I am of the opinion that we are not debating Bill 16 today, therefore the honourable member's question is in order.

* * *

Hon. Gary Filmon (Premier): Mr. Speaker, I will take that question as notice on behalf of the Minister of Justice.

* (1355)

Mr. Mackintosh: A supplementary question, and the First Minister can answer it now or later, or not at all if the Minister of Justice (Mrs. Vodrey) answers it.

Given increasing concerns by Manitobans about the independence of the provincial court from the cabinet, particularly in light of statements by the First Minister that—

Mr. Speaker: Order, please. The member for St. Johns, with your question.

Mr. Mackintosh: My question is, is it government policy now that cabinet power to name investigators and members of the Judicial Council is proper? My question specifically is, does the First Minister think our judges should be accountable to the cabinet, rather than to the public of Manitoba?

Mr. Speaker: Order, please. The honourable member's question seeks an opinion, therefore is out of order.

The honourable member for St. Johns, kindly rephrase your question, sir.

Mr. Mackintosh: What is the policy of this government with regard to the accountability of judges to the public rather than to cabinet?

Mr. Filmon: Mr. Speaker, the policy of our government with respect to this matter is contained in Bill 16.

Mr. Mackintosh: My final supplementary, Mr. Speaker, is to the First Minister.

Why does Bill 16 not deal with appointments to the bench to ensure that the public has greater access, that there is more openness in the process, rather than perpetuating the cabinet's power?

Hon. James McCrae (Acting Minister of Justice and Attorney General): The honourable

member's colleagues will recall we brought in amendments to The Provincial Court Act in a previous session which dealt with the issue of appointments of members of the judiciary.

We have a committee system in Manitoba under which appointments are made, and that was brought in by the present government. Previous to that, in all of those NDP years, judges were chosen at the whim of the cabinet.

Francophone Schools Governance Flexibility

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Minister of Education.

Last year, the government and the previous Education minister responded to the Supreme Court decision on Francophone education in the form of Bill 34, which was passed in this Legislature. One year later, there seem to be major problems which have developed in its implementation.

This morning, I met with Francophone parents from Notre Dame de Lourdes who represent parents of 110 students who have pleaded with this minister, to no avail, to find a way to accommodate their children's needs in a 50-50 program in Notre Dame, but not part of the Francophone division.

I want to ask the Minister of Education whether he can tell the Legislature and the Parents for a Fair Education from Notre Dame whether the Francophone Schools Governance act, Bill 34, drafted by his predecessor, is sufficiently flexible to deal with the plight of these 110 students whose parents do not wish to be part of the Francophone division.

Hon. Clayton Manness (Minister of Education and Training): This most sensitive issue has been captured with respect to Bill 34. Bill 34, as presented, allowed very little discretion on the Legislature, and I fully indicate, Mr. Speaker, this was a bill that was brought before the House, which, as I recall, received full support by the House. It provided very little discretion for the ministry's office with respect to matters dealing with governance in single-program schools.

Constitutional advice indicated that if the government of the day was to have any significant discretion beyond the powers of the community to vote through the registration process, indeed the whole issue may once again be challenged and most certainly would be lost within the Supreme Court.

Mr. Speaker, that is the basis of the history of Bill 34, and indeed, the government always hoped that common sense would prevail and that there would be a meeting of two minds on this issue. That has not happened to this point in time.

* (1400)

Mr. Plohman: Mr. Speaker, none of us should be afraid of common sense in this Legislature. We are talking about simple common sense and fairness.

I want to ask the minister, is he now saying to this Legislature that Bill 34 was so seriously flawed that there is no regulation that this minister can bring in now to ensure that the needs of those parents and those students—110—are met in their own community, and they do not have to be bussed to other communities because of this legislation this minister brought in? Is he saying it is so seriously flawed he cannot bring in a regulation to deal with that?

Mr. Manness: No, Mr. Speaker, I am not saying the bill—which the members opposite supported, by the way—is seriously flawed. What I am saying is that the regulations that flow therefrom dealt most specifically with putting into place the new governance board which put into place the whole election process. There has not been a bill that has been brought forward to this Legislature which called so little upon regulation and therefore had more of the details spelled within it than Bill 34.

That is why, Mr. Speaker, when this Legislature, amongst all parties, agreed to accept it, it agreed to accept basically all of the detail that was encompassed within that particular bill. So it was not that it was flawed. It was in keeping with the constitutional advice that we received from many lawyers who dictated that, once the votes took place, it had great consequence in all communities.

Mr. Plohman: Mr. Speaker, in light of the fact that the bill provides for the making of regulations

by the cabinet, by the Lieutenant-Governor-in-Council, I want to ask the minister, since the parents have waited since last fall for this minister to provide some kind of answer, some solution, for fairness for their children in Notre Dame de Lourdes, and they are now facing the middle of June still not knowing what is going to happen to their children—kids are going to have to be bussed out of their own community—will this minister now ensure that he takes action to provide a solution that will meet all of the needs, a common-sense solution in Notre Dame, a sharing of the facilities and services? What are we talking about? What is so difficult here?

Mr. Manness: Mr. Speaker, why did the member not express that view in debate on Bill 34? Why did he not indicate at that time that a school can only be governed by one authority? The member opposite for Dauphin, indeed every member in this House who has been watching this very sensitive issue over the course of the last three months, knows how hard the government has tried to find a reasonable answer between the providing division and indeed the new division.

We have used every power, every persuasive power within our ability to try and find a common-sense solution, but the legislation—

An Honourable Member: Change your regulations.

Mr. Manness: No, no. It has nothing to do with the regs, because the regs take their power from the legislation, and the legislation is very, very, very specific. It says, Mr. Speaker, that within a single-program school, those Section 23 parents who have a right to vote will determine who governs that activity of that school.

I know some may want to call into question the process of how the vote went, but nevertheless, once the votes were cast, Bill 34 laid before everybody the procedure with respect to what happened after that. It is most unfortunate, Mr. Speaker, as you know full well, that common sense, up to this point, has not prevailed.

Economic Growth Status Report

Mr. Brian Pallister (Portage la Prairie): Mr. Speaker, just yesterday, I was pleased to learn that Salomon Brothers, respected investment dealer, one of the most respected investment dealers in the United States, released a report which had high praise for the Manitoba government. This flies in the face of the doom and gloom we often hear from members opposite.

Just this morning, a respected radio announcer in Winnipeg, Peter Warren, said, and I quote: If this means that the Filmon economic policies are following into line and New York is listening, then Gary Doer and Paul Edwards had better stop playing cock of the walk and start listening.

My question for the Minister of Finance is, in the face of this constant doom and gloom from members opposite, what are the negative implications for Manitobans of this cock-of-the-walk attitude by pessimistic members opposite?

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, I think this is a very important question, because it was just a couple of weeks ago when the Leader of the Liberal Party (Mr. Edwards) stood up with glee when the Canadian Bond Rating Service adjusted Manitoba's rating.

I said at the time—and it is an important issue—the true test is the confidence that the people have who sell your bonding, sell your paper, and the people who buy your paper have in the province.

The reaction of Salomon Brothers is complete verification of everything we have said. They speak very highly of Manitoba. They say we are one of two provinces in all of Canada deserving of a credit rating upgrade.

The further proof of what Salomon Brothers is saying is one week ago, Wood Gundy released their summary of the borrowing spreads of provinces, and Manitoba has the third-best borrowing rate in all of Canada, behind only Alberta and British Columbia.

Port of Churchill Government Commitment

Mr. Eric Robinson (Rupertsland): Mr. Speaker, my question is also for the Minister of Transportation.

We have raised many questions during the session concerning the Port of Churchill and a lack of commitment for our grain shipments this year. Since the Minister of Agriculture has said that the death of Churchill was imminent, can the minister tell the House what action he has taken, aside from the letter that has been tabled in the House to the federal transportation minister, and what plans are in place with respect to dealing with the cuts announced by the federal minister?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, we have been very surprised at the lack of support that the federal Liberal government has instituted since they came into power, after they had announced in the red book that they were going to export a million tonnes of grain through the Port of Churchill. That is a level of commitment that we support, and we want to see it happen.

The Liberal government has been exceedingly quiet on this in recent months, shown no effort to meet their commitment to export the million tonnes. We are very concerned about the Port of Churchill, because there is no consistent federal support for that port at this time.

Mr. Robinson: Mr. Speaker, earlier this year, the same federal minister, the federal Minister of Transport told me in a letter that it was not practical to guarantee grain volumes at the Port of Churchill, given the fluctuating grain market and despite the election promise that has been mentioned by the Transport minister of a million tonnes of grain.

My supplementary question is, what other products will be shipped out of the Port of Churchill this year through the efforts of this government?

Mr. Findlay: Well, Mr. Speaker, the Port of Churchill is a federal commitment, a federal responsibility. The rail is owned by CN, which is a federal Crown corporation. We are awaiting what

commitments the federal government is going to make about continuing that port and using the rail line; in fact, upgrading the rail line so further economic activities can happen in and around the Port of Churchill.

Arctic Bridge Agreement Status Report

Mr. Eric Robinson (Rupert Island): Mr. Speaker, my final question is to the same minister.

What happened to the announcements made last year by this government that the Arctic Bridge would produce 500,000 tonnes of grain being shipped out of the Port of Churchill?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, a study has been done—it is ongoing—involving three departments of this government to determine where the opportunities exist in terms of a two-way trade between Russia and the Port of Churchill; in fact, anywhere from the Port of Churchill. That analysis is ongoing. We hope there is good news from that.

Mr. Speaker, as I have said in answers to previous questions, the tourism potential up there is significantly good, and certainly the AKJUT project is a very significant project that is up and running, which we as a government support very, very strongly.

Health Care System Reduced Workweek

Ms. Avis Gray (Crescentwood): Mr. Speaker, we saw a welcome flexibility from the Minister of Health (Mr. McCrae) when he agreed to be more flexible on Bill 22 in terms of allowing personal care homes and hospitals to reduce their budgets through other than Bill 22, and hospitals such as Ste. Rose, as an example, are very pleased they are able to provide patient care and still reduce the 2 percent in their budgets without jeopardizing patient care.

My question is for the Minister of Finance. Does he support the rationale and logic used by the Minister of Health? Is he prepared to look at Bill 22 and expand the option such that essential services in the Department of Health such as home

care and also child protection services are not subject to Bill 22?

Hon. Eric Stefanson (Minister of Finance): Mr. Speaker, I think in response to a similar question not long ago, the Premier (Mr. Filmon) indicated that in certain situations, we are prepared to be flexible with Bill 22 where there is a requirement to meet the public need.

Ms. Gray: Mr. Speaker, with a supplementary to the Minister of Finance: Does he not consider programs such as home care to the elderly and child protection services to children as being those kinds of programs?

Mr. Stefanson: Mr. Speaker, if the member for Crescentwood has specific examples of the kind of application that she is referring to, I would welcome receiving them.

We work with all of our departments in government in terms of the application of Bill 22 and provide them with the opportunity to come forward to address any areas of concern, any areas where it is not working, any areas where adjustment needs to be made to meet the public need and the requirements of the public. We are prepared to continue to do that.

So if she has some very specific suggestions, specific examples of problem areas, we would be more than pleased to look at them, Mr. Speaker.

Ms. Gray: Mr. Speaker, I have a final supplementary to the Minister of Finance.

Is the Minister of Finance saying then that no one within any of the departments has come forward and expressed concerns about the application of Bill 22 as it relates to essential services? If he is asking for examples, is he then suggesting that no one in the civil service has come forward and expressed concerns?

Mr. Stefanson: No, I did not for a minute suggest that no one did. The member for Crescentwood indicated that there were some particular department areas that she was somewhat concerned with, and if she has some specific examples in those areas—there have been some examples, but I have to outline for this House very

clearly that, by and large, there are not many examples.

Bill 22 is working very well. It is addressing the needs of all of the departments. It did last year save us—and we have the final numbers—the government and the taxpayers of Manitoba \$22 million and at the same time preserved 500 jobs for Manitobans.

So Bill 22 has served the public, it served the government, and it served employees very well in terms of meeting all of our needs.

* (1410)

Health Care Facilities Budgets

Mr. Dave Chomiak (Kildonan): Mr. Speaker, I have in front of me a letter from the president of the Victoria Hospital to staff outlining the regrettable situation of the government budget cuts. Last week, we tabled a letter in the Legislature from the president of the Health Sciences Centre talking about the deplorable situation that has resulted from the government's budget cuts.

My question to the minister is quite simple. Will the minister now at least provide this House and the public of Manitoba with details of the budget cuts, the \$100-million budget cuts to the hospitals in Winnipeg? Will he at least provide those details of those individual cuts to us so we can discuss this issue with our constituents?

Hon. James McCrae (Minister of Health): Mr. Speaker, the fiscal reality we have in this country may be seen by the honourable member to be regrettable, may be seen by others to be regrettable, but it also presents us with an opportunity to address some long-standing health system deficiencies which have been allowed to build up over the years, as has also been told to us by hospital administrators, that over the years we have allowed many, many practices to develop in our hospitals and elsewhere, and we have an opportunity today to address those things.

I suggest that if we were to follow the honourable member's advice and not address the waste in the health system and the efficiencies that

can be found, we would be doing the citizens of Manitoba a great disservice. That is why I reject all of the suggestions of honourable members in the New Democratic Party to hack and slash and burn our way through health care renewal.

Mr. Chomiak: Mr. Speaker, it took three years and the Provincial Auditor to get the figures on the potential losses for the Jets, and this minister is refusing now to give us details about what the government has cut in the hospital budgets in the city of Winnipeg.

Why is the minister refusing to provide this information to the public of Manitoba?

Mr. McCrae: I do not think there has ever been a time, Mr. Speaker, when this government or any government in Manitoba has been more open in discussing health care issues with Manitobans and with consumers and with health care providers, not only discussing and talking down to them as the honourable member would like us to do, but listening to what they have to say and acting upon their advice.

Mr. Chomiak: Mr. Speaker, my final supplementary to the minister is, why is the minister afraid to provide budgetary information about the hundred-million-dollar cuts to urban hospitals? Is he afraid that the public of Manitoba will not accept those cuts and the deteriorating patient care?

Mr. McCrae: Mr. Speaker, the only thing besides waiting for your ruling from yesterday that really frightens me is where we would be if we followed the advice of the honourable member opposite and his colleagues and those of his colleagues in other provinces who have hacked and slashed their way through in the name of health care renewal, the approach like the one used by the member for Brandon East (Mr. Leonard Evans) and his colleagues at Brandon General Hospital in 1987, of hacking their way through Brandon General Hospital and calling that reform.

Point of Order

Mr. Gary Doer (Leader of the Opposition): On a point of order, Mr. Speaker, I think the present Minister of Health should stop insulting the

previous Minister of Health Larry Desjardins, who I thought was a tremendous Minister of Health for the Province of Manitoba.

Mr. Speaker: Order, please. The honourable member does not have a point of order.

Mr. McCrae: Maybe the honourable member will ask me some questions about Larry Desjardins, because Larry Desjardins has been extremely helpful to us in a number of ways since he left the New Democratic Party benches.

Environmental Legislation Enforcement

Ms. Marianne Cerilli (Radisson): Mr. Speaker, the Minister of Environment, in Estimates, told us that last year, there was \$43,000 collected by the government for environmental regulation violations, but the minister went on to say that this is not a good indication. The total amount of fines is not a good indication of government enforcement or compliance with regulations.

I would ask the minister to explain what indicators the government does use to evaluate its environment regulation enforcement program.

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, to begin with, I do not start off by attacking members of the Department of Environment, as that member did at a public meeting about the capabilities of enforcement by the department.

This department, comparably across this country, is doing a very good job of enforcement, and I am quite proud of their record.

Fines Levied

Ms. Marianne Cerilli (Radisson): Mr. Speaker, can the minister tell the House and explain, even though the total fines allowable under The Environment Act are in some cases up to a million dollars, why is the total amount of fines only \$43,000, and how are the total fines determined when there is a violation under The Environment Act?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, in many cases, that is a judgment of the court. I can only point to a more recent example that is probably as obvious as any, the penalty under the stubble-burning regulation is up to a maximum of about \$1,325, I believe, which is very, very substantial.

The range of fines that were, in fact, concluded under that section last fall ranged from \$1 to \$1,325. That is a decision that the court in its wisdom will make. I think the member perhaps is challenging the court on the decisions they are making.

Mr. Speaker: Time for Oral Questions has expired.

MATTER OF URGENT PUBLIC IMPORTANCE

Port of Churchill

Mr. Eric Robinson (Rupertsland): Mr. Speaker, I rise on a matter of urgent public importance.

I move, seconded by the member for Thompson (Mr. Ashton), that under Rule 27.(1) the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, changes to the structure of the Western Grain Transportation Act that threaten the future of the Port of Churchill and the Hudson Bay bayline along with the farmers in the catchment area for the Port of Churchill.

Mr. Speaker: Before recognizing the honourable member for Rupertsland, I believe that I should remind all members that under our Rule 27.(2) the mover of a motion on a matter of urgent public importance and one member of each of the other parties in the House is allowed not more than five minutes to explain the urgency of debating the matter immediately.

Mr. Robinson: Mr. Speaker, I bring this matter forward today due to an announcement made by the federal Minister of Transport that he is eliminating the Western Grain Transportation subsidy next year—a possibility that is very strong—a subsidy which has existed for decades and has been essential for the flow of grain to the Port of

Churchill and for indeed the majority of farmers in this province.

If this decision is allowed to go ahead and if indeed it becomes a reality, it could ruin the future of the Port of Churchill and the Hudson Bay bayline. This is just not another broken election promise, Mr. Speaker, but one of the most important policy changes to occur in agriculture and transportation in decades. Manitobans deserve a debate on such an important matter, and it is critical that they get an opportunity.

The Port of Churchill, Canada's only Arctic seaport, has many important elements to it for the shipment of grain and other products. Also, the spaceport project, which the Minister of Transportation (Mr. Findlay) talked on earlier in Question Period, depends on the bayline and the port. Churchill has the potential to grow directly in the next few years pumping millions of dollars into the Manitoba economy should the spaceport project continue to go ahead.

I fear, like many others in this Chamber, that the elimination of the grain transportation subsidy will not just hurt the shipment of grain from the Churchill catchment area, but it will also hurt our largest industries, agriculture and transportation, in Manitoba and western Canada.

Mr. Speaker, aside from that, the human element, such basic necessities as groceries and supplies to the bayline communities must be considered; doctor and dental visits to communities on the bayline that our people rely on, people who live on the bayline rely on as a basic human right, those we believe are being put into question.

I would like to thank you and members of this House for this opportunity to allow me to put this matter to the floor of this Chamber this afternoon. Thank you.

* (1420)

Hon. Jim Ernst (Government House Leader): Mr. Speaker, there is no question, I think, in anyone's mind in this Chamber that this is an issue of extreme public importance to the grain

producers in Manitoba, indeed, to all people in Manitoba.

You have heard our ministers here on this side of the House speak of the very great concern they have for the crippling effect that this action by the federal government will have on grain producers here in our province. Eighty percent of the grain produced in this province is exported under the WGTA. That provides hundreds of thousands of dollars into the pockets of prairie producers in Manitoba, and thousands of jobs in the transportation industry related to that.

Mr. Speaker, the issue is certainly of great importance to the people of Manitoba, but I am not sure that under Section 27 of our rules that you would be able to find that the matter would be in order. I suspect that the matter is out of order under our rules because of other opportunities, but because it is so important and because we on this side feel it is so important, I would ask the member for Churchill to amend his motion to set aside the ordinary business of today in order to debate this important matter, and we will give unanimous consent.

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, it is, in fact, abundantly clear through listening in Question Period that there is genuine lack of knowledge inside this Chamber in terms of what is going on with respect to the farmers, and this, in principle, is the reason why the Liberal caucus is going to support this in-an-emergency debate, because we would like to hear exactly where it is that the government and the New Democratic Party are coming from.

I think it is important, it is in fact in the public's best interest, and I would quote right from the letter which the minister himself tabled, and this is the reason why it is in the public's best interest: "The Producer Payment Panel appointed by the Federal Government has been evaluating the options of paying the subsidy directly to farmers rather than to the railroads. This would promote further diversification in agriculture and more market responsive adjustment in the entire agriculture and agri-business industry."

Mr. Speaker, the minister said yesterday, from what I understand: Federal Transportation Minister Doug Young said yesterday that Ottawa would end the practice of providing the railways with a subsidy to transport prairie grain to port. Instead, Young said, Ottawa should be paying the money directly to producers.

I believe that even the government two days ago was in favour of trying to see more money going into pockets of the farmers as opposed to the railroads. It is only two days ago that the New Democrats were yelling and yapping from their seats to stop financing the big corporations. The railways are also corporations.

What is important and what needs to be talked about here is the need to ensure that the farmers of the province of Manitoba are the benefactors of any subsidy, and that is, in fact, what the Liberal provincial caucus will ensure, that the dialogue and the debate is going to be in the best interests of the farmers of the province of Manitoba, not what is in the best interests of the New Democrats, who are so low in the polls—it will only be by a few percentage points from the Conservatives—as to why that is likely the reason why they brought this particular issue up. In the sense of trying to broaden the knowledge of the official opposition party and to hopefully get the government behaving in a more responsible manner, we are more than happy to enter into that dialogue this afternoon.

Mr. Speaker: I would like to thank all honourable members for their advice as to whether the motion proposed by the honourable member for Rupertsland (Mr. Robinson) should be debated today. I did receive the notice required under our subrule 27.(1).

According to Rule 27 and Beauchesne's Citations 389 and 390, there are two conditions which must be met in order for a matter of urgent public importance to be proceeded with. They are: (a) the subject matter must be so pressing that the ordinary opportunities for debate will not allow it to be brought on early enough; and (b) it must be shown that the public interest will suffer if the matter is not given immediate attention.

I acknowledge that the subject of the honourable member's motion is an extremely important one which affects all Manitobans, but I am not convinced that the public interest will suffer if it is not debated today. There are, in my opinion, other opportunities for the honourable member for Rupertsland (Mr. Robinson) to debate this issue: the Estimates of the Department of Highways and Transportation, which will be under consideration. In addition, I note that the honourable member for Rupertsland could also raise this matter under Grievance as he has not used the opportunity for debate in this session.

Beauchesne's Citation 387 indicates also that a matter of urgent public importance must be within the administrative responsibility of the provincial government. In this case, the responsibility rests with the federal government. I am therefore ruling that the matter is out of order as a matter of urgent public importance.

Despite the procedural shortcomings I have drawn to the attention of the House, I note that there is a willingness to debate this matter today. Therefore, the question before the House is, shall the debate proceed?

Some Honourable Members: Agreed.

Mr. Speaker: It is agreed.

Mr. Robinson: Mr. Speaker, I want to thank the members of this House for allowing this debate to carry on. We, on this side of the House, view the matter before us as very important.

I would like to begin my few comments this afternoon by reading a letter and putting on record a letter I received on the 6th of January based on inquiries I made to the federal Minister of Transport.

In his letter he says: "At the outset, I should explain that decisions concerning the ports through which grain is exported are made by the Canadian Wheat Board on the basis of marketing considerations as the Board pursues its objective of maximizing returns to producers. It is government policy not to interfere in these decisions.

"It is not practical to guarantee grain volumes at the Port of Churchill given the fluctuating grain

market. The port's traditional customers have not been buying grain in recent years. Efforts to diversify the cargo base from grain, particularly with Russia, have not been successful to date. I should note that other ports are experiencing similar hardships. Annual grain traffic at the end of September 1993 was down a total of 4.7 million tonnes as compared to September 1992 at the ports of Quebec City, Vancouver and Prince Rupert.

* (1430)

"The Port of Churchill is reviewing all expense components under its control to ensure that costs are directly related to the level of activity at the port. Efforts to control costs will ultimately improve the port's competitiveness.

"As the government has a responsibility to look seriously at the long-term outlook of the port, Transport Canada continues to gather information which will be taken into consideration when the decisions about the future of the port are made." This is signed by the federal Minister of Transport, the Honourable Douglas Young.

I would like to table that letter now for members of the House.

Mr. Speaker, I would like to also quote from the Manitoba Liberals' agenda from 1993 in which the Liberal agenda said that the Port of Churchill has been one of the victims of nine years of do-nothing Tory economic policy. Where world-weary Tories see a lost cause, Manitoba Liberals see an opportunity. The Liberal policy on Churchill is anchored in a very straightforward set of facts. Prairie grain producers have the opportunity to export their product through a port situated closer to their farms, closer to major export markets and which is simply less costly than the St. Lawrence Seaway or the West Coast. Churchill makes economic sense for prairie farmers and also for Manitoba.

Still with the Manitoba Liberal agenda, Mr. Speaker, they go on to say that Churchill is approximately 1,270 kilometres from Prince Albert, but Montreal is more than 3,500 kilometres away via Thunder Bay and also the seaway. It is more than 800 kilometres closer to Churchill than to Montreal.

The fact is that the Port of Churchill can save prairie farmers on transport costs compared to Thunder Bay and the St. Lawrence Seaway.

The Liberal agenda also went on to say that using Churchill is also a sound environmental policy. Shorter distances mean less consumption of fossil fuels, and a thriving port and maintenance of the rail line could pave the way for economic diversification of Churchill. Port facilities and a rail link make it a leading world contender as a spaceport satellite launching centre, and new opportunities in northern tourism also depend heavily on the continuation of the rail line.

Then they conclude by saying: Therefore, Manitoba Liberals will press a new government for the export of a million tonnes of grain through the Port of Churchill each year.

Mr. Speaker, those promises were made by the Manitoba Liberals in last year's federal campaign.

Again, I would like to reiterate in this House that this matter is brought forward today due to the announcement by this Minister of Transport that he quite possibly will be eliminating the Western Grain Transportation subsidy next year. This subsidy has been around for decades and has been essential for the flow of grain to the Port of Churchill; indeed, the majority of farmers in this province will be affected by it.

I would like to also put on the record that the port has lost money almost every year since 1988 with tonnage as low as just 50,000 tonnes. The previous federal government did a secret study on the future of the port which has never been released, according to my understanding, anyway. Also, during the last federal election, the Manitoba people—I would like to reiterate that a million tonnes of grain would be going through the port.

As of today, Port Manager Allan Johnson has had no word from the Canadian Wheat Board and just 15 tradespeople are working at the elevator today. He is also concerned about the upcoming layoffs at the CNR and on the bayline.

Doug Young, the Minister of Transport, of course, said yesterday that the Western Grain Transportation subsidy, which has been paying out

some \$600 million each year, must be eliminated because of GATT. Also, the same minister previously endorsed the CN-CP merger, the layoff of section crews on the bayline, and wrote to myself saying, again, as I said earlier: "It is not practical to guarantee grain volumes at the Port of Churchill"

Mr. Speaker, I believe that we are not only talking about the Port of Churchill but also indeed western Canada, Manitoba, and the people that live on a bayline will be drastically affected if this occurs.

Mr. Speaker, I am indeed honoured to speak on this issue on behalf of the people of Churchill, and I would think on behalf of the people of Manitoba and western Canada.

Thank you, Mr. Speaker.

Mr. Gary Doer (Leader of the Opposition): I am pleased to join—I did not want the debate to adjourn after one speaker because I know a lot of members on our side want to speak to this issue, and I know a lot of other members in the Chamber want to speak. I, first of all, believe that all of us sincerely want the Port of Churchill to survive and to be stronger, and I believe and I think we saw witnessed today an all-party consensus to proceed with this debate.

I understand the Liberal House leader said that there was more information to be put on the record. Any information we can get, any security that we can get in this House that the Port of Churchill will be saved, that it will be enhanced, that it will be maintained, that it will be part of the vision of Manitoba, would make us very happy.

Mr. Speaker, the Golden Boy on top of this Chamber faces north, and Premier after Premier and governments after governments have always believed that the vision of this province, the future of this province believes in a strong northern vision for the province of Manitoba.

Are we not lucky in the province of Manitoba to have a port that has access to the sea right in the middle of this beautiful country of Canada and right in Manitoba in terms of northern Manitoba?

Mr. Speaker, history is full of countries that have gone to war for a port like Churchill, and this, of course, is part of our democratic birthright to have the Port of Churchill in our province and at our disposal. So I am pleased today that we have an opportunity to debate this issue and that all parties agree because it is very important that the federal government understand very simply that we cannot have a situation where the subsidy to the railways is diminished and reduced and even reduced to the extent promised by the federal Minister of Transport yesterday in the House of Commons committee and that the alternative is to ship our grain by truck.

(Mrs. Louise Dacquay, Deputy Speaker, in the Chair)

There is no road to the Port of Churchill. The alternative of having grain transportation only by truck, I would suggest, would mean, as the Minister of Agriculture (Mr. Enns) has said, the imminent death of the Port of Churchill, unfortunately for the shipment of grain through that magnificent facility that we have on our northern shores.

I was first informed about the Port of Churchill and was educated about the Port of Churchill by an old friend of mine, who is a person named Eddie Johanson, and he is a resident of The Pas that has been involved in the Port of Churchill efforts since after the war.

I can still remember the speeches from Ed Johanson. *Vive le nord*, he used to say and talk about the vision of northern Manitoba. He would inform us of the great exploits of the fur trading industry through our beautiful rivers, and he would talk about the tremendous vision that we have to have for the Port of Churchill and the kind of investment we have to make to make that vision hold true for our province.

We were critical of the previous federal government in 1992. We did not support the original Mazankowski decision to reduce by 10 percent in the '92 budget the transportation subsidies to western Canadian producers. We further did not support that when that was entrenched in the budget, the last Mulroney budget

of 1993. We were critical. We were critical to members opposite. We asked them questions about railway jobs. We asked them questions about shipment of grain through the ports in the United States rather than the Port of Churchill. We asked questions about what this would mean for producers, and we were very concerned about this issue in 1993.

* (1440)

Again in 1994, when the federal government announced a further reduction, a virtual xerox copy of the Mazankowski decisions, in the first Liberal budget, we were extremely disappointed. We have not changed our position on this issue. We believe the existing transportation policies in Canada make sense for a country like Canada, which is a very distant country. We need a sovereign transportation policy in Canada. We need a regulated transportation policy in Canada. We have a distant country. We have a country that does not have the population base of European countries and the United States. We do not have the federal Treasury necessarily of the United States, and we need a sovereign transportation policy which we believe goes along with a sovereign food policy in western Canada. That is what we believe in. So, when we raised the question in '92 and we raised the question in '94, we believe we are being absolutely consistent on what we believe.

The practical implications of this policy change, Madam Deputy Speaker, are very serious for Manitoba. The government has already pointed out the potential loss of 50 cents a bushel with a reduction of the \$650 million. Farmers in western Canada cannot afford another reduction in the costs that they get for their products. They are already getting hammered on the one side for input costs and on the other side for price for their products. We cannot see another massive reduction in income for western Canadian farmers.

Manitoba also has a situation where many people working directly and indirectly in the railway industry exist right along many of our rail lines, right along the community of Winnipeg with the two major railways. We have a very high

number of people who are working in railway jobs. We have people all along the bayline working in railway jobs. So this does not only hit the producer, it also hits people working in the rail line industry.

The government's own study indicated that if we proceed with the reduction in this subsidy, we will see greater transportation of grain from the United States. We would see a greater loss of grain transportation with the railways, and we would see a \$50-million cost in terms of highways in Manitoba with the increased trucking that was predicted by the report.

Finally, Madam Deputy Speaker, this will be a great, great erosion of the role of Churchill in the Manitoba economy with the loss of grain through the support program in transportation.

We were not told in December of 1994 that the GATT deal would mean the end of the programs for transportation in western Canada. It was only shortly after that that the federal government started to hint that meetings that actually were held, I believe, in January of this year that the federal government was starting to interpret the GATT agreement to mean that transportation programs had to be cut.

I cannot imagine, Madam Deputy Speaker, a weaker position to go to the Americans on the actual action that they are bringing forward on Wheat Board and transportation policies than a federal minister of the Crown saying that these things are contrary to GATT. I mean, how do you possibly argue in front of the U.S. tribunals that our grain industry is sovereign and not GATT-able and not NAFTA-able because in fact it stands on its own two feet and it is just a made-in-Canada solution for our transportation challenges and for the challenges of producing food for the world from our great western provinces?

Madam Deputy Speaker, to hear a federal Minister of Transport yesterday say that this is now going to be GATT-able and that we therefore must reduce this by \$650 million by the year 1995 is absolutely unconscionable. I believe the federal Minister of Transport should resign. He should be fired from cabinet, because he has no right

weakening the Canadian position on grain, and he has no right to continue his assault on the Port of Churchill.

At a previous committee meeting of Parliament this transportation minister said he is not responsible for moving grain through the Port of Churchill. He accepts no responsibility for the promise made by the Manitoba Liberals in good conscience in the last federal election to ship a million tonnes of grain through the Port of Churchill. He says he has no responsibility to do this. He will just let the grain go where it will, and our sources in the transportation industry say that this government wants to ship more and more grain through the seaway, not through the Port of Churchill.

They are more concerned about the culture in Quebec right now than they are concerned about jobs here in the Port of Churchill and Manitoba. I hope that is wrong, Madam Deputy Speaker, because it is certainly not very good for our province.

We have met with the people of Churchill. We have met with people all along the bayline, and for every argument that CN can put in place against the Port of Churchill and against the bayline, we know there are 10 to 100 arguments in favour of that line.

It has the capacity to carry greater weights. It has the capacity to carry the bigger hopper cars. It has the capacity to handle more ships in two-way transportation. It has the capacity to be the type of port that our forefathers and foremothers envisioned when they courageously set up the Hudson Bay Route Association and the Friends of Churchill years ago.

We just celebrated the 50th anniversary last summer of the Port of Churchill, and it is an absolute disgrace that there is not one ship committed today for the Port of Churchill in this the 51st year of that magnificent port.

Madam Deputy Speaker, we believe in maintaining a sovereign transportation policy in western Canada for our producers. We want jobs in the railway, and we want the future of the Port of

Churchill. I urge everybody to join in on this great resolution here today. Thank you.

Madam Deputy Speaker: Prior to recognizing the honourable Minister of Agriculture (Mr. Enns), I would just like to remind all honourable members that, according to Rule 27.(4), each member who wishes to take part in the discussion in a matter of urgent public policy is limited to 10 minutes debate.

Hon. Harry Enns (Minister of Agriculture): Madam Deputy Speaker, I am pleased to have this opportunity to engage in this debate. I think there is something very important that is being said in this Chamber when Her Majesty's official opposition and the government indeed find themselves in a nonpartisan way accepting the responsibility of the seriousness of this situation and in fact debating on the same side on this particular issue.

Let me make it very clear that there are, of course, two issues that the resolution before us presents the Chamber with, that is, the specific issue of the maintenance of the Port of Churchill, and I appreciate the mover of the resolution for this emergency debate has a special interest, as we all have, in the maintenance of the Port of Churchill.

Quite frankly, the Leader of the Opposition (Mr. Doer) spoke eloquently in that regard about the future vision, the importance that we should not lose sight of with respect to that site, recognizing the immediate—and even in the immediate past, you know, economic difficulties and the cost that taxpayers of Canada, taxpayers of Manitoba have had to pay in the maintenance of that port. It is not the first time that we have been called upon to carry for a while the concept and idea, a project even though it is not necessarily returning dollars to the federal or provincial treasuries.

In the case of Manitoba, we have taken very strong positions. My predecessors in transportation, present and past, and the government as a whole—we understand that there are, for instance, in these few areas alone, opportunities for that northern port. Tourism certainly should not be overlooked. When we look at what is happening in northern tourism, and the

equal type of tourists that are being attracted in greater numbers to the North, to Yellowknife and places like that. That is certainly an opportunity for us that we are only beginning to scratch the surface on.

We think that together with the federal government in establishing a national park—as it was my privilege to take the first step in that direction by setting aside a very substantial area for the formation of a national park—could add to that tourism thrust that we should all be endeavouring, that could well generate hundreds and thousands of people coming to that part of Manitoba.

* (1450)

We are of course keeping our fingers crossed I think collectively, and we wish the local organization in the Churchill area every success in the possible reinvigorating of the rocket site that we have at Churchill. Members are aware that significant work is being undertaken both by the private and the public sector in that event, which I am pleased to be part of a government that is supporting it, and that could spell—again, these are ifs and maybes, but, Madam Deputy Speaker, we have to live in hope. We have to have faith in the future of our province, because if we do not have it, who else will?

I think this calls for a demonstration of faith, continued hope, that at least there are moves afoot that make this continuous support on our part for the Port of Churchill not just wishful dreaming or hope or faith, but there are in fact some physical things that are happening right now that are moving towards that direction. The efforts to reinstate life in the rocket site is one of them.

I want to indicate that while it was not my privilege, but I know that the trade minister—I believe the former Minister of Finance, my Premier, in a visit to the Soviet Union, to the Ukraine, came back with some serious discussions and hopes that there may well be long-term future trade opportunities developing between those countries, and certainly, as the member for Rupertsland (Mr. Robinson) asked, what other

alternatives? That is a very critical question to ask about the Port of Churchill.

We need something other than just grain, in the long term, to move through that port, particularly a backhaul that could well involve the countries of Russia and the Ukraine, which are, by the way, Madam Deputy Speaker, not unfamiliar with northern waters. They live and know what conditions are in their northern ports of Murmansk and others, to name some. So coming to the northern Port of Churchill is not unfamiliar to them, and they in fact have been, over the past, our most steady customers that have used that facility. So that is reason enough for us not to allow just a unilateral action that is being contemplated by the federal government to take place.

This is not to be confused, for instance, with the action that took place, I believe, by another Liberal government when it shut down the railway on the province of Newfoundland. But that was only done after lengthy negotiations and, quite frankly, a fairly substantial arrangement whereby I believe some \$400 million was provided by the federal government to provide other alternative routes of transportation and highways in lieu of the monies that the federal government was providing in a railway service on the island, on Newfoundland, that was not economic.

That is the kind of arrangement that maybe we should be looking for, and in fact are looking to, if we are going to see the substantive changes that we know are happening to the Western Grain Transportation policy program.

My colleague the Minister of Transportation (Mr. Findlay) is absolutely right when he says we have, on many occasions, acknowledged the concern that has been expressed by some of our chief trading partners, notably the Americans, about the Crow or about the WGTA, but never in our discussions have we talked about not providing some ongoing and continuing support to western agriculture. That is what is so disconcerting, Madam Deputy Speaker, that we have this obvious lack of liaison between two senior federal ministers, the Minister of Transport and the

Minister of Agriculture, that is taking place in Ottawa right now.

We are preparing to host the national agricultural meeting here in Winnipeg in a very short while, the first week of July. I know that the federal colleague Mr. Goodale will be, among many other things, discussing the wide range of agricultural support programs to agriculture at these meetings, including possible changes or shifts with the dollars that Ottawa has for so many years—since Confederation just about, or very close to it, about 90 years—acknowledged that this form of support for the western agricultural base of this great country of ours was appropriate, was justifiable, in lieu of some of the decisions that were made that, quite frankly, aided and abetted the industrial buildup of the central provinces, notably Ontario and Quebec.

This was our share of the Confederation pie, if you like. So, for that to be fundamentally changed without consultation, is really quite uncalled for and quite unacceptable.

Madam Deputy Speaker, with those comments I want to assure honourable members that I will certainly be in concert with all of my colleagues, but as Minister of Agriculture will be keenly interested in the developments, particularly as we have the opportunity in a few short weeks to lay this matter directly before my fellow Ministers of Agriculture as we gather in the annual national agricultural ministers' meeting here in July and will have in our presence the federal minister, Mr. Goodale, as well, to try to put this issue into perspective.

In the meantime, I think it is a most valuable usage of our time in this Chamber to spend a bit of time so that there can be no doubt left, not just to the ministers involved, Minister Young and Mr. Goodale, but to the 12 Liberal members of Parliament who represent Manitoba in Ottawa. I want, whether it is the member representing the Brandon area or the Dauphin area or urban members here, St. James and so forth, and our ministers representing the province, to have a very clear understanding of the importance of this issue. There will be change. We accept that.

Mr. Goodale has assured our major trading partner, the United States, that, for instance, we are prepared to unilaterally, in fact, change the Crow benefit with respect to any grain that possibly could move into their markets. We have talked openly about the change. Mr. Goodale has said and put on public record that—and I do not blame him for this—while he has accepted the former Minister of Agriculture's, Mr. Charlie Mayer's move and position on appointing a producer's panel to study the nature of change that should take place, he has acknowledged—and as I say, I do not fault him, he is not necessarily bound by that advice—but he will certainly listen to it and take the time to listen to it. What is important right now is that we have to take the time to listen to this important debate.

Mrs. Sharon Carstairs (River Heights): Madam Deputy Speaker, I am delighted to join with the other two parties in this debate this afternoon, because it is a critical debate, not only to the province of Manitoba but, I would suggest, to all western provinces and certainly to all grain producers in western Canada.

It is interesting. I woke up this morning in Calgary and, as a result, I have read a number of newspapers today. It started with the Calgary Herald. I got on the plane and I read the Globe. I then got the Financial Post, and then I headed into Winnipeg and picked up the Free Press. What there is clearly in all of the newspapers is confusion, serious confusion about what it is that the federal government said yesterday. Of what they said, there are some things that seem to be apparent. There may be some disagreement, but I am doing my best to read what I have been presented with today.

My first disagreement seems to be that there has not been, apparently, any discussion at the federal cabinet table about this particular matter. I think we have to believe the Minister of Agriculture, Ralph Goodale, who says this has not yet been brought to cabinet for a decision-making process.

Mr. Enns: I hope you are right.

Mrs. Carstairs: Well, the Minister of Agriculture for our province says, he hopes I am right. Well, I

think we all hope I am right, quite frankly, because obviously there needs to be much more input into this discussion than the federal Minister of Transport presently has in his understanding of the importance of the Port of Churchill to the province of Manitoba and the importance of the grain transportation subsidy.

The Minister of Agriculture for the province has gone on record today, as he has in the past and as his predecessor has in the past, in recognizing that there is going to have to be some change. Change is inevitable. We have entered into a new global market strategy, and change must occur. But what must not occur, and I think all three parties have to be in agreement in this, if nothing else, is that monies presently being used for agriculture in whichever ways they are being given must continue to be given to agriculture in this country. In this, I think I have no disagreement.

* (1500)

I have heard in this House a number of claims about the 100,000 or 100 million—what is it?—one million tonnes of grain through the Port of Churchill. I have heard it referred to as a promise. I have heard it referred to as part of the red book, but in fact it is not in the red book. But it is very clearly in a statement of the then-members of Parliament, Liberal members of Parliament, from the province of Manitoba. I want to put that statement in the record because I can assure the members of this Chamber that those same M.P.s, all of whom were elected and joined by a number of colleagues, will be held accountable for this statement, not only by members of this government or members of the official opposition, but members of the Liberal caucus.

This is what they had to say. The Port of Churchill has been one of the victims of nine years of do-nothing Tory economic policy. Where world-weary Tories see a lost cause, Manitoba Liberals see an opportunity. Liberal policy on Churchill is anchored in a very straightforward set of facts. Prairie grain producers have the opportunity to export their product through a port situated closer to their farms, closer to major export markets and which is simply less costly

than the St. Lawrence Seaway or the West Coast. Churchill makes economic sense for prairie farmers and for Manitoba. For example, Churchill is approximately 1,270 kilometres from Prince Albert, but Montreal is more than 3,500 kilometres away via Thunder Bay and the seaway.

Murmansk, Russia is an important destination for Canadian grain exports. It is more than 800 kilometres closer to Churchill than to Montreal. The simple fact is that the Port of Churchill can save prairie farmers on transport costs compared to Thunder Bay and the St. Lawrence. Using Churchill is also sound environmental policy. Shorter distances mean less consumption of fossil fuels.

A thriving port and maintenance of the rail line could pave the way for economic diversification in Churchill. Port facilities and a rail link make it a leading world contender as a spaceport satellite launching centre. New opportunities in northern tourism also depend heavily on the continuation of the rail link.

Yet, the rail link and all of its spin-off benefits depend on grain exports through the Port of Churchill. The port requires 600,000 tonnes per year to break even. However, in last years it has seen less than 300,000 tonnes. The port could easily handle one million tonnes per year without expensive upgrading of either the rail link or the port facility itself.

Exciting opportunities are within reach for Churchill. For example, talks are underway on barter arrangements with Russia which would see Canadian grain exports paid for with phosphate rock. Churchill could be the linchpin in substantial two-way trade flows between the Prairies and the new democracies of Europe.

Therefore, Manitoba Liberals will press a new government for the export of a million tonnes of grain through the Port of Churchill each year. That is a policy, Madam Deputy Speaker, with which I am in full agreement and which I can support and which I think all members of this House can support. This is the policy that this government must be held accountable to.

Now, what exactly happened yesterday? Well, I think we had a minister at the federal level, Transport Minister Doug Young, who said a number of things. He said he would end the practice of providing the railways with a subsidy to transport prairie grain to port, but he also said Ottawa would pay the money directly to producers who could then use the funds to pay for the transportation of their choice.

If, indeed, those statements mean that all of those funds are going to be remaining within the agricultural community, then I have some concerns as to the transfer, but I am concerned about the dollars going into an alternative program. That is my big concern right now.

An Honourable Member: He did not say any of that.

Mrs. Carstairs: Young said Ottawa would pay the money directly to producers who could then use the funds to pay for the transportation of their choice. He did not indicate that the money would be used for an alternative purpose, and that is the critical issue, I think.

I think it is also clear, however, that he did catch the Agriculture minister at the federal level by some surprise, who felt there was not any such discussion. He said, for example, and Ralph Goodale said, a decision on the method of paying subsidies under the Western Grain Transportation Act is still 12 to 15 months away. He said he is still waiting for a report from the Tory-appointed panel reviewing possible changes to the way the subsidy is paid. That panel has been asked to analyze what effects the recently signed General Agreement on Tariffs and Trade will have.

I think what we must do in this debate today is to make it very clear to the federal government that Manitobans, as represented by all three parties in this Chamber, want a guarantee that the monies will stay within the agricultural community. We want a guarantee that further discussions will take place with the governments of all of the prairie provinces with respect to any changes prior to those changes being made. I think if this debate today can lead to those two positive conclusions,

then this debate will have been a very positive contribution to this legislative session.

I think all of us in this Chamber should put our views on the record today insomuch as it is possible. I know there are some members who have other commitments and who cannot be in here this afternoon to make those presentations—but as many of us as possible of all three parties, so the federal government can hear one voice from the Province of Manitoba, a clear voice on this issue from the Province of Manitoba. Thank you, Madam Deputy Speaker.

Hon. Glen Findlay (Minister of Highways and Transportation): Madam Deputy Speaker, it is indeed unfortunate that we have this situation in front of us today.

As Minister of Agriculture for a number of years, there is no question that a lot of discussion took place on WGTA and how that should be paid in the future.

Madam Deputy Speaker, the previous federal government formed a producer payment panel to analyze what is the right way to pay that money out in western Canada. That money has been paid in western Canada since 1897. Members opposite, particularly those from urban communities, must understand that we consider it a birthright in western Canada. Federal monies and effort for decades were devoted to supporting the manufacturing, processing industries in central Canada. The jobs were there, the population is there and western Canada harvested natural resources. There was support to our ability to export those raw resources, particularly agricultural products, to help us get those commodities to salt water, whether it was Churchill or Thunder Bay or whether it was Vancouver. That has been a birthright of ours for a long, long time.

There were certainly arguments that maybe the farm community was not responding in terms of diversifying to where the rural markets are and to where there were strong world prices versus weak world prices. That is why the discussion about whether the payment of that monies would be better done in some other fashion than direct to

railroads, but that has been a birthright of western Canadian farmers, agriculture and certainly for rural Manitoba.

Along the way, Europe got started in its export subsidies and certainly started to distort the world grain trade. The United States got into it big time in the mid-1980s with the Export Enhancement Program. Madam Deputy Speaker, that is the worst trade-distorting subsidy that ever existed in the history of the world.

To see the current United States administration with their Minister of Agriculture, Mr. Espy, talking about the terrible trade-distorting subsidies of the Canadian grain industry, flies in the fact of reality, where they are the creators of the greatest trade-distorting subsidy in the world, the EPP program. To have him down in Mexico and Brazil talking about the terrible Canadians and what they are doing, well, he is doing the worst thing possible and saying that we are somehow the architects of our own problem.

* (1510)

I am really disappointed that the federal government has not been more proactive in defending what is the basis of western Canada, our capacity to produce and export the best quality grain to the world, particularly wheat.

Madam Deputy Speaker, the discussion, the producer payment panel and the processor in is still ongoing. The first report has been put in to the federal Minister of Agriculture and a subsequent report is to follow.

Mr. Young was very clear in his statement in *The Globe and Mail*. I know the member for River Heights (Mrs. Carstairs) has commented there is confusion in the paper. Absolutely I agree with her. There is confusion in the paper. I mean, *The Globe and Mail*—if anybody should get it right, it should be *The Globe and Mail*. Let me read what they said.

The transportation department will stop paying grain freight subsidies next summer because they will no longer be allowed under the Uruguay round trade agreement. Mr. Young told reporters yesterday that government paid—sorry. I will

jump to the next paragraph which is a quote: Under the new trading arrangements there is no room left for traditional types of subsidies.

Madam Deputy Speaker, that is absolutely wrong. The GATT process has talked about reducing trade-distorting subsidies by some 36 percent over six years, and the last two federal budgets have reduced the WGTA subsidies by some 15 percent. So we are well along the path of meeting those trade requirements, and we can continue to meet those over the next number of years. That is clearly the GATT rule.

Madam Deputy Speaker, for the federal minister to say, we must get it read immediately is not the truth at all. That is why certainly I am not at all happy with what is going on. If there is confusion out there, it has been created by Mr. Young and Mr. Goodale not being in sync. If they have not discussed it at cabinet, I am astounded that one would go out and talk like this. That is unacceptable. I think every member in this House understands the sensitivity of this issue, the significant sensitivity.

Mr. John Plohman (Dauphin): They must be using some rookies.

Mr. Findlay: Well, you can get up—the member for Dauphin—and say that.

Madam Deputy Speaker, I want to add further evidence to the House of what Mr. Goodale said in *The Globe and Mail* is undoubtedly what he thinks. Whether it is government policy or not, that is for them to decide and eventually clarify because then they must. But Mr. Young made his speech last Friday in Thunder Bay to kick off National Transportation Week, which is this week. This is dated June 3. This is right straight from the federal government.

He goes on to identify a lot of subsidies that go on in the transportation industry. He is talking about \$1.6 billion of subsidies in the transportation industry, and he lists six of them. The very first one he identifies is \$590 million spent on the Western Grain Transportation Act. Later on, he goes on to talk about, well, we have to give the taxpayer a break. We have to have a reality check and realize that this cannot go on forever.

So there is no question, although he did not say it exactly in this speech, that his thinking is there are too many subsidies. We cannot do it anymore. For Treasury reasons, we have to reduce these. He talks about commercializing the whole Transport department, the federal Transport department, which has a lot of implications, not only in the grain industry, but air traffic control and so many other aspects of Transport Canada.

So, clearly, he is on a mission to save money. Some of the things he talks about, we would probably not disagree with, but the principle that he talked about yesterday in terms of eliminating next year the WGTA subsidy puts our farmers in significant difficulty. If the farmers were told instantly they have to pick up another 50 cents a bushel where wheat may only be worth \$2 a bushel and the cost of producing it may be \$3.50 to \$4 a bushel, you can see economically—how are they going to survive?

The federal government has also been talking through the election—and the Minister of Agriculture (Mr. Enns) is more in touch with this now—but about how they are going to change the GRIP program, how they are going to extract themselves from it at a time when the grain community cannot afford them to extract overnight—WGTA, extract themselves from it overnight. We cannot survive in this environment, uncertainty being created.

I can imagine the discussions going on in the banking community today if this is what is going to happen. There are a lot of loans out there involving the grain industry, grain farmers, machinery dealers and, boy, this is not the kind of news that the banking industry wants to hear. They want to hear the government standing behind the grain industry as we evolve through this difficult trade situation. We have been involved, particularly with the United States, so we are put in a great situation of uncertainty.

Some members may say, well, we overreact, but this is not an issue we can leave sitting idly by while we wait for the federal government to decide whether one cabinet minister is right or the other cabinet minister is right or decide whether they

have talked about it in cabinet or they have not talked about it in cabinet. This is not the sort of thing we need to have floating around, this kind of uncertainty.

What has really happened here is the federal government saying in western Canada you have to be able to pay your costs in the grain industry. You have to survive on the world market. In other words, our grain farmers in western Canada, particularly our wheat producers, have to be able to compete with the U.S. Treasury. That is impossible. You cannot do it.

Now one could say, well, we do not have enough taxpayer will or capability to fight the U.S. Treasury in all of Canada. That might be true, but I can assure you if that is true, there is an awful lot of the economic base of western Canada that is going to be hurt if the grain industry, particularly the wheat industry, is sabotaged by the U.S. Treasury.

Madam Deputy Speaker, what Mr. Young and Mr. Goodale have been doing in the last few months in terms of dealing with our counterparts in the United States has not been standing up strong enough for us. It has not been supporting the long tradition of good trade relations we have had around the world. When Mr. Espy goes down to Mexico and Brazil and makes those statements he did about western Canadian agriculture, well, he is creating trade subsidies of the world's greatest magnitude right back in his back yard.

I did not like what he said down there, and I sure did not appreciate the lack of response from the federal government in sort of straightening the record out, because we do not look good, Madam Deputy Speaker, with those kinds of comments from the United States going on. Now we have a federal Liberal government right now who is supporting what the U.S. is saying about western Canada, saying we are not going to be in the business any longer.

If you take away these kind of supports from western Canadian agriculture, we are going to be in a very difficult position to stay in the grain trade business. That is exactly what the U.S. wants is to drive us out of the grain industry. I do not like us living with that agenda, but it seems that the

federal government is prepared to follow that agenda. Following on what the member for River Heights (Mrs. Carstairs) said, if there is confusion out there at the federal level, please clear it up instantly, instantly because there is great concern in western Canada right now about what direction they are going and what it means to us in the grain industry at this point in time. Thank you.

Mr. Daryl Reid (Transcona): Madam Deputy Speaker, it is my pleasure to rise to speak on this matter today. It is a very important matter for the province of Manitoba because our history is one based on transportation, and, of course, we want to maintain and in some way hopefully enhance that. If you look at the comments that have been made by the federal Minister of Agriculture and the federal Minister of Transport, there is indeed some confusion that is taking place on the part of the federal government on how they are dealing with the matter.

I can only go back to some of the comments that have been made by the Minister of Transport just this year, in fact, on March 10, 1994, when the federal Minister of Transport said that he was looking to redirect the subsidies that are payable to the transportation network of the country. Now we are seeing that the federal Minister of Transport is saying that he wants to kill \$1.6 billion worth of transportation subsidies to the various transportation sectors in our country. So here is a minister, a federal Minister of Transport, from March 10, 1994 to June 7, 1994, flip-flopping on his position on what he is going to do with the transportation subsidies of our country. Of course, that is going to have a devastating impact upon us in the province of Manitoba if we are going to lose the subsidies that we have in place to preserve, to protect the programs that we have for transportation of our grain products and other products by way of manufacture.

I look at the recent statement that the federal Minister of Transport has said wherein—and I will use his figures, Madam Deputy Speaker. He says that 18 to 45 percent of the price of primary products in Canada are transportation costs and that 5 to 17 percent of manufactured goods are transportation costs. Well, I am not an accountant,

and I do not know and I do not understand the logic of this federal Minister of Transport when he says that if we take away the subsidies that we utilize to transport these products to either export market or to our customers in North America, how are we going to keep the costs, the transportation costs down for these products? It would seem reasonable to me to expect that these figures, these percentages would increase, to move our product either to export position or to our customers in North America. So I do not understand the logic of the federal Minister of Transport when he is saying that we need to eliminate the subsidies, and at the same time he is saying that our transportation costs are of the figures that I have already indicated.

* (1520)

The transportation minister also indicates that—and there seems to be a glaring discrepancy in the comments that he has made, in comments recently to the people of Thunder Bay, when he was addressing his audience there. He says that we have some difficult and tough choices to make, and then he talks about the subsidies and the cost to the Canadian taxpayers. At the same time he goes on to talk about how good we are in this country, how efficient our system is, and that we have a world-class network of transportation. So even in his own comments that he has made as a minister, he contradicts himself.

The minister also goes on in this presentation. He talks about the mismanagement of the railways and the overcapacity of the railways. Now, the last time I talked to the people who operate the trains in this province, Madam Deputy Speaker, we cannot get enough rolling stock equipment in this province to move the products or the items that we produce, whether it be grain or whether it be manufactured goods. All our rolling stock equipment is tied up in moving. So I do not understand how this federal Minister of Transport can say that we have overcapacity. That is definitely not the case. I think he had better start talking to the people who are doing these jobs and get a better understanding of what is happening in the transportation market.

We had at the same time this same federal Minister of Transport, who is now telling us we have to kill the subsidies, as in the past, and at the same time, when he was talking in the House of Commons just this March, he says, railways are romanticism and nostalgia of the past. Now, here is a Minister of Transport that is supposed to be building the transportation network of our country, not trying to tear it down, which he is obviously doing by the statements he has made.

I listened to the comments that have been made by the Minister of Highways and Transportation (Mr. Findlay) when he made reference to the fact in Question Period today that we are moving towards meeting the requirements of the GATT agreement, and that we have already cut some 15 percent. In 1991, we were paying the railways of this country \$721 million in transportation subsidies. This year, I believe it is, we are paying some \$590 million in transportation subsidies.

Now just imagine for a moment, Madam Deputy Speaker, what is going to happen to the producers of this province and, indeed, all the prairie provinces if we eliminate the \$590 million? I take a look at the studies that have been done in past years to look at the options for producers to truck the grain products down to the Mississippi. What will that mean to the Highways and Transportation Department of this province by the increased wear and tear on our highways? In addition to that, what will it mean to the railways that would normally transport those products? What does it mean to the thousands upon thousands of railway jobs that depend on the transportation of these products?

This federal minister does not seem to comprehend the realities and the necessity of the transportation network of this country, and I listened to the comments of my colleagues here today where they called upon the federal Minister of Transport to resign. I think that is indeed a very good suggestion; this minister should resign.

When we had the VIA hearings in this province, Madam Deputy Speaker, and I am talking now about the bayline, because it is essential to the province of Manitoba and central to the Port of Churchill. I listened to the presenters from

AKJUTT, the rocket range people when they were making their presentation. They told us that if that bayline is not there, that rocket range facility will not operate ever, period. It will be down the tubes, as the Minister of Agriculture (Mr. Enns) says.

So we need the Port of Churchill to operate, to export our products, and we need to have that line in place to move the grain products there, and at the same time it will give us the opportunity to have the reactivation of the rocket range to create new high-tech opportunities for us in the province of Manitoba, and new job opportunities as well.

Also, at the same time, I believe we had some 37,000 of resupply to the Northwest Territories, our neighbours to the north, part of our own country, Madam Deputy Speaker. If we lose the bayline, we lose the resupply for our people in the north. There are no other opportunities for them to bring product in year-round. We need that rail line.

At the same time, VIA Rail, when they announced just after the federal election in the fall of '93, VIA announced they were going to cut 21 jobs in the province of Manitoba. Lloyd Axworthy stood up and said: No, he is going to put it on hold; he is cancelling the layoffs. But, at the same time, when he said he cancelled the layoffs, we lost 11 jobs. The public does not know that, but we lost 11 jobs out of that because some of those 21 job layoffs had already taken place, so we did lose jobs.

Then the federal minister appointed a two-person task force to hold hearings in the province of Manitoba. What did they come back with? Well, they said, on the one hand, we think that there is a high amount of subsidy going to the passenger rail service for remote services in this province, and, on the other hand, we think that we should maintain remote essential services in our province. Well, you cannot have it both ways, Madam Deputy Speaker. You have to have a position staked out on what you actually believe we need for the province of Manitoba.

In addition to that, for the 21 jobs that had been announced for the loss of VIA Rail, when I was touring in the northern part of the province this past winter, when I was up there meeting with the

people of the northern communities, we lost another 30 maintenance jobs on the CN line in the North, on the bayline maintenance jobs, while we were up north. So do not let the Liberal Party tell us that they are not cutting further jobs in the North and they are not cutting the services to maintain those lines. This cut of another \$1.6 billion is further going to erode and cut the railway jobs in this province.

I listened to the comments of the Liberal House leader when he was talking at the beginning of this section. He called the Western Grain Transportation payments to the railways of this country subsidies or supports or welfare to the big corporations of this country. I do not think this Liberal member of the Legislature understands the significance of those payments to the railways and, in fact, how it enhances the transportation opportunities for the producers of this province. If he would take the time to study what those payments mean, I am sure he would have a better comprehension of what it means to the province of Manitoba. These are not payments or welfare payments to the big corporations. This is a means to provide equitable and fair transportation for the grain products of our province, Madam Deputy Speaker, and I wish the Liberals would understand that.

The Minister of Highways and Transportation (Mr. Findlay) says that this is a birthright starting back from the Crow benefit from 1897. I believe that it is a birthright for our province of Manitoba, and I call upon the federal Minister of Transportation to understand what these support payments mean to the province of Manitoba and the people of Manitoba.

In my own community, Madam Deputy Speaker, I have some 1,700 railway people, over 1,700 railway people, that depend upon these payments going to the railway so that we will be able to provide the transportation services at reasonable cost to the producers but at the same time create railway jobs and employment opportunities for the people of my community and the province of Manitoba.

So with those few words I call on the federal Minister of Transport to reconsider his position to eliminate the transportation subsidies in our country and to look seriously at the decisions that he has to make and to make sure that we are not going to see any negative consequences as a result of the decisions of the federal Liberal government. Thank you.

Mr. Neil Gaudry (St. Boniface): Madam Deputy Speaker, no, I am not going to defend anybody.

It gives me great pleasure to rise to speak on this MUPI this afternoon, and it was a pleasure to see people co-operating and to debate an important issue in Manitoba. It is for the interest of Manitobans, and I think we all have interest. The Minister of Agriculture (Mr. Enns), the Minister of Transportation (Mr. Findlay), I think both spoke very eloquently in regard to the farmers of Manitoba and the interest that we have, rather than enduring all this crap that goes on all the time here during Question Period.

Some Honourable Members: Oh, oh.

Mr. Gaudry: I apologize if I used the wrong word. Just like Question Period today, we had people in the gallery here and the discussions that go on and the name calling and all these things, I will be very honest, Madam Deputy Speaker, I detest that with a passion when I see kids sitting in the gallery and what goes on here during Question Period.

An Honourable Member: Now tell us about transportation.

Mr. Gaudry: Yes, it is very important to Manitoba, and I think about all these things that were said by everybody who got up today in regard to jobs and what it means for Manitobans, how important it is for Churchill to remain a port and a place of shipment for grain for the farmers. As several have mentioned that if the grain shipment would cease in Churchill, I think it would destroy Churchill, and the railroad for the northerners is very important. It has been mentioned time and time again, and it is not only this year, it is last year, the year before. Every time the question of grain shipment to Churchill comes up, these comments come up.

* (1530)

However, like the member for River Heights (Mrs. Carstairs) mentioned it very clearly today, you read the papers, and there sure seems to be some confusion in what is being said and what is being reported in the different papers. It is not the first time that there has been confusion in what is being said by different members or different ministers. It has taken just a change of word sometimes in what they report that might have a different meaning.

Madam Deputy Speaker, I think all of us are very concerned with what has come out in the paper today. As the minister of transportation was indicating, for example, the banking industry is certainly looking at what is happening in Manitoba today. We talked about the rating of the government, the bond rating. This could have an effect on the bond rating of Manitoba, and who would be to blame? It would be the Liberal government. If it was a Tory government, it would be the Tory government.

We talk about the government that is in power this time because we could go back and discuss what the Tories did for nine years. There would be lots to discuss that was not in favour of Manitoba because we have lived through the nine years of the Tories. During the last six years of Tory government in Manitoba, they did not get along with the Tories in the federal government. Hopefully, they will have a better relationship with the federal government this time.

Maybe something should be done. We talk about the three parties today discussing the MUPI in favour of Manitoba. What would be wrong with the three parties to meet the Minister of Transport or the Minister of Agriculture and the critics from both sides, as we did for the Shilo, for example, when we all went to Ottawa? It would probably show that Manitoba is in favour of supporting Manitoba as such. [interjection] Well, it was proven in the Shilo situation. We all went to Ottawa, and we won our case. I think at this time, this is what we should do. I think it is very pleasant to work co-operatively, and I think I have

mentioned it during my—[interjection] Sure, I would go and fight the Liberals. Sure, why not?

An Honourable Member: You will fight against those Liberals?

Mr. Gaudry: Sure, but I indicated during Estimates, Madam Deputy Speaker, that it is very important to work co-operatively. For example, I went to Komarno for the hog farmers. I think that, when we come right down to it, it is important that we support these job creations, but going to Komarno, it seems that there was lack of information. It was only one side of the fare, I felt, when I went there. There should have been government involved giving the other side of the story, the other side of the coin. so that people understood exactly what went on and give them information, communication with these people, and I think we talk about confusion.

I think it is probably lack of communication within the federal government, and it is very important that we all get together. My suggestion at this time is that we all support what has gone on today, and I think our—

An Honourable Member: What are you going to tell them when we all get together? What is your position?

Mr. Gaudry: My position is that I think we want to help the farmers and to keep what the Manitobans want. We communicate with the Manitobans.

An Honourable Member: We want to stand up for the farmers; that is what we want to do.

Mr. Gaudry: Yes, stand up for the farmers. My recommendation is what we talked with the farmers. We feel that we have worked together. We have talked, the three of us, together before going. We have a position that we can present a position that the government of Manitoba wants and that it is unanimous.

An Honourable Member: Come on, Neil. Do not let them harass you.

Mr. Gaudry: No, that is okay. I am not bothered by this kind of nonsense. I have seen enough of it in the last six and a half years, and I will not tolerate that it will bother me. What I want to do is

co-operate and work for the Manitobans, and I will continue doing that. I will support the Manitobans in whatever the Manitobans want through the government and through the opposition. We will work for that. Thank you very much, Madam Deputy Speaker.

Mr. Edward Helwer (Gimli): It is a real pleasure this afternoon to rise on this very important subject and put a few remarks on the record.

I think this is one of the most important issues facing Manitoba and western Canadian farmers at the time.

An Honourable Member: And Gimli.

Mr. Helwer: Well, do not forget about Gimli. I have a lot of farmers in my constituency. I want to protect and work for the farmers in my constituency. Where are the Liberals? What did the former Prime Minister Trudeau tell the farmers of western Canada years ago? He told them to go sell their own wheat. He did not stand up for the farmers of western Canada.

Where is our federal government today? Where is Doug Young? Where is Mr. Goodale? He is going to cut \$590 million from the farmers just like that.

Remember what happened to the Liberals after Mr. Trudeau told the farmers to sell their own wheat. They did not elect a Liberal member in western Canada for 25 years. They probably will not elect another member for another 25 years. The Liberals have a record. They have never ever stood up for the farmers of western Canada. They have never been able to sell their grain. It took the Conservatives. In Manitoba, we have made some major changes to improve the safety net programs, such as the Crop Insurance program, the GRIP program.

The former federal government has brought in some programs: the NISA program, the GRIP program, and helped with some of the changes we have made in the Crop Insurance. They have also made some very important changes to the Grain Transportation Act. They have made the railways more accountable so that they could improve the system to handle the farmers products, even though we had major setbacks, such as the

Vancouver labour dispute. That has been a problem facing western farmers for years.

We have had to put up with the labour disputes, the problems the railways have had, all kinds of things, and now we have to fight the federal government again. They have said they are not going to help us. They are going to take this money away from the western farmers. We cannot accept that, Madam Deputy Speaker. We have to stand up together and work together and fight together against this kind of action to protect our farmers.

There are many people in western Canada, in Manitoba, rural Manitoba especially, who have a big investment in the grain-trade business, a big investment in the grain-handling systems, a big investment in the agribusiness. Many farmers have a big investment to produce the products that other countries want to buy from us, which is our hard red spring wheat which is some of the best quality wheat in the world and makes some of the best bread in the world.

An Honourable Member: Pasta.

Mr. Helwer: Well, pasta too. We have a durum that makes pasta. That is right.

We want to protect our markets. To do that, we must have a transportation system that can handle our grain. We must have a system that we can sell our grain to. We have a port in Manitoba which is Churchill, which could handle more grain and help the trade situation also and create more jobs in Manitoba.

When we talk about pay the producer, personally, myself, I feel that is a good option. I think that we should pay the producer. It would make the railways more accountable and make them probably more competitive. They have made some improvements in the past, such as just in recent years they have incentives whereby they can load 50 cars at a time or 100 cars at a time, and that will give the grain companies some discount on the rail freight.

So there have been improvements made and there continues to be. I think if given the opportunity and given a free market opportunity, we will make some improvements to the

grain-handling system, and the railways will have to improve, or we will find other options in order to sell and ship our grain.

I remember years ago I was part of a committee in the Interlake whereby we were trying to protect the railways under the rail line abandonment that the railways were trying to do at that time. At that time, a lot of these rail lines were committed to stay till the year 2000.

Well, in some cases, there have been improvements made to the system and to the elevators on these lines, and these lines have been approved to 100-pound steel, whereby they can handle the large producer cars, 100-ton producer cars, and this is an improvement to the system. This has made the transportation system much more competitive and improved the whole system.

But I cannot believe that the federal Minister of Transport Doug Young would go and make this kind of a statement without consulting anybody, without consulting his colleague, even, the Minister of Agriculture.

An Honourable Member: He did not consult anybody?

Mr. Helwer: No, he did not consult.

An Honourable Member: I am sure he consulted with Reggie.

Mr. Helwer: I doubt it.

* (1540)

That brings up a good question, a good point, Madam Deputy Speaker. Where are our 12 Liberal MPs from Manitoba? Why are they not standing up for the farmers of Canada, of Manitoba? Where are they? Where is Reg Alcock? Where is John Harvard? Where is Jon Gerrard? Where are these guys?

An Honourable Member: Right. Where is Lloyd Axworthy? Where are the Liberal Party? Where is Paul?

Mr. Helwer: Madam Deputy Speaker, I am glad someone brought that up. I think that is a very good point. When are they going to start standing up for us in Manitoba here. When are they going to

start standing up for the farmers who do produce good high-quality wheat here in Manitoba?

An Honourable Member: Do you not think Axworthy is worthy of axing, too?

Mr. Helwer: Oh, I will not get to that. Other members can have an opportunity to speak a little later and get to that, but I certainly want to say that we want to protect this industry we have in Manitoba.

We have a good industry. We have a good quality product. Our farmers produce a good quality product. Our farmers are efficient. We want to help them continue to stay in business so we can provide the employment that is required here in Manitoba, that this province can grow and expand the export market and expand also some of the value-added production that we can possibly get out of the grain system.

I think that is where I support the pay-the-producer method of payment because I think this will give some companies in Manitoba an opportunity to expand and make use of or go to the value-added production, maybe to get a pasta plant here in Manitoba so we can produce our own pasta and use some of our own wheat, and come up with other innovative ideas, such as the Can-Oat Milling plant in Portage which is a good example of how we can get into value-added production. Here they are making rolled oats and cereals that are exported throughout the world.

There are many things that we can do to make value-added a factor and employ more people in Manitoba to use our products and make this province more competitive in the business.

With that, I appreciate the opportunity to put these few remarks on the record. Thank you, Madam Deputy Speaker.

Ms. Rosann Wowchuk (Swan River): Madam Deputy Speaker, I rise today to put my comments on the record on this very important issue. I am pleased that all parties could agree to discuss this issue, which is an announcement that is going to have a devastating effect, as the member for Rupertsland (Mr. Robinson) has indicated, on the

Port of Churchill, but more so on rural Manitoba and on the farming community of Manitoba.

It is a great disappointment to hear that this federal government is in such a state of confusion that they cannot get their message together between the Minister of Agriculture and the Minister of Transportation. As a result, what we have is an announcement that the transportation subsidy is going to be eliminated, and this will just put farmers out of business. Farmers will not be able to afford the cost of transporting their grain to market with these increased costs.

I think we have to look back a bit at the transportation policy of this country and why the subsidy was put in place. Many years ago people recognized in government that as an exporting country of grain there was disparity between different regions of the country, and if we were going to export grain we had to put in supports there to bring some equality to the farming community because some of the farmers are just too far from port. Well, Madam Deputy Speaker, the ports have not moved any closer to the farmers. We still have to ship that grain a long way.

Although I am disappointed that the federal government has made this announcement, I think that this whole process started many years ago. It started with the Conservative federal government, and the Conservative federal government was supported by these Conservatives here in moving towards changing the method of payment. This government has supported it. In fact, when the transportation report just came out recently we saw that report is going to have a much more negative impact on Manitoba than on other provinces, but we did not see this government stand up with the Manitoba farmers and say that this is not good to change the method of payment. They are standing up with the farmers today, and I think that is good. I think finally people are recognizing the importance of the grain industry in Manitoba and they are saying today that they will stand up with the farmers and try to save the transportation subsidy, that it is an important part of our economy.

Even in regard to the Port of Churchill, which this debate is about along with the farming community, the members across the way say that they support the Port of Churchill, but I have to remind you, Madam Deputy Speaker, that when the transportation document was put out—and that was put out by a federal Conservative government and endorsed by this provincial Conservative government—they did not even take into consideration the Port of Churchill. The Port of Churchill is not a high priority with this government.

I am disappointed to learn that the Liberals, who indicated in their pre-election period in their election promise that they were supportive of the Port of Churchill, that they would move towards moving a lot of grain through the Port of Churchill, have broken that promise. There is, in fact, a move towards getting rid, to really basically killing the Port of Churchill, because the port cannot survive without the railway and the railway without the transportation assistance. If we change and if these subsidies are cut, we are going to see much more rail line abandonment, and we are going to lose some very important industries. The tourism industry in the North is growing, and we have real opportunities there. We have a responsibility to provide services to northern communities, and with the abandonment and change in subsidies we are going to see that opportunity lost.

My colleagues talked about the opportunities that we have at the rocket range. Again, here is a group of people who have worked very hard to rebuild an industry, to rebuild their community, and what we are going to have is a lost industry and a lost development in the North if this rail line cannot be maintained. The federal government has an obligation to maintain those services to northern people, and I am disappointed that the announcements that we are hearing from the federal government is that this will be changed. I am disappointed that this announcement by the federal Minister of Transport is made before a committee has been struck to decide how the grain transportation subsidy should be distributed. Why is this government not showing respect for those people who are on that committee and trying to

come up with some ideas on how they can save the transportation industry in Canada? Why will they not recognize the work of these people who are on that committee, and instead, announce that they are going to abandon the transportation subsidy at a much quicker rate than the Conservative government planned to do?

Indeed, Madam Deputy Speaker, this is an abandonment of the farming community and of the North. We have to look at what rail—we know and the studies have shown that were done, and even the results of the transportation talks indicate, that if the method of payment were changed to pay the producer, we would see rail lines abandoned. With the elimination of this payment at a much higher rate, we will see the rail line abandonment accelerate much more quickly.

Now what is going to happen to our small communities? The small communities that are looking very much at a way to diversify their economy, to have some value-added jobs, we need those railways to help those communities to transport their product to market.

(Mr. Speaker in the Chair)

We are also concerned that, with rail line abandonment, farm values are going down. Farmers are in a big enough crunch right now. They cannot afford to have their farmland go down, particularly those farmers, and there are many of them in Canada, who are at an age where they are thinking about retirement. This is their retirement package. This change is going to have a devastating effect on the retirement package that these farmers have put together for themselves, basically their land. It is going to go down in value.

*(1550)

So I think that there is real confusion in the federal government. They have taken a very weak stand as far as it goes for standing up for farmers. They promised to take a strong position at GATT, and they were weak there. They promised to take a strong stand at the NAFTA, Free Trade Agreement, and they caved in to those and are not standing up for farmers as they had indicated they would. There is weakness in—[interjection] That is right. They said that they would not sign the

agreement, and as soon as they were elected, they signed it.

So you can see that this is a government that changes its mind very quickly. They will say one thing to get elected and then completely abandon what they have said. They have abandoned their commitment to the Port of Churchill. We hear nothing about shipping more grain through that port, and we know that by shipping grain through the Port of Churchill there is an opportunity to reduce the transportation costs.

They have not fulfilled their commitments that they made in GATT. They have let farmers down there. They have let farmers down, as I have said, on the NAFTA. They were going to negotiate further on that. This government appears to be more interested in moving to a north-south trade pattern. Yesterday Mr. Goodale announced that he is going to be eliminating subsidies in the United States. He is eliminating those subsidies, but he is not negotiating toughly with them, asking them to eliminate their export-enhancement program.

We have a weak minister here, a Minister of Agriculture, who is caving in to the demands of the American government and is not standing by Canadian producers. This is a great disappointment and one that I am very surprised that the federal government would make. [interjection] Yes, I thought that there were a few Manitoba members of the Liberal government who would stand up for Manitoba. I think if we check back to some of the comments that were made in the last session when some of those members were around, they may have or when they were in opposition, speaking out against the Conservative government when the Conservative government was moving to reduce the Crow benefit. I think that you would probably find that some of those Liberals, John Harvard, for example, were speaking out to save the Crow benefit.

But we have a Minister of Transportation who has made some interesting comments. He is saying that we are not moving fast enough to change the method of payment. Somebody has to bite the bullet. Well, the federal Minister of Agriculture is

certainly biting the bullet and destroying the structure—

Mr. Speaker: Order, please. The honourable member's time has expired.

Hon. Leonard Derkach (Minister of Rural Development): Mr. Speaker, I too would like to made a few comments with respect to this particular faux pas, if you like, or this particular action that has been undertaken by the federal Liberal government. I think this is not only a shock to us, but it should be a shock to all Manitobans, and indeed the Liberal Party of Manitoba should be on the phone and certainly petitioning and ensuring that indeed their position is known on this matter. Today I am hoping that the Leader of the third party (Mr. Edwards) will speak on this particular issue because this is not only important to members of this House, but it is important to all Manitobans.

Mr. Speaker, we just heard from the member for Swan River (Ms. Wowchuk) who indeed comes from an agricultural area and understands the impact that this kind of a move would have on farmers who depend on moving their grain by rail to the ports. I come from an area where we have had some rail abandonment and certainly that has not been easy to deal with.

When you talk about rural Manitoba, Mr. Speaker, let us not forget that this government has, over the last six years, been attempting to revitalize the rural communities so that indeed young people can find rural Manitoba an attractive place to live and raise their families. But it is actions of this nature that are going to destroy that. Not only that, they are going to destroy a lifestyle and a livelihood in our rural province that will not come back, because if you take \$20 a tonne out of grain that today is barely worth the cost of production, you know that farmers cannot exist on the farm.

Mr. Speaker, let us not fool ourselves. The impact on rural Manitoba is not just on rural Manitoba. Indeed that impact will be felt right here in the city of Winnipeg. I am hoping that although the Liberal Party does not have a lot of rural members, at least the urban members who come from Winnipeg in the Liberal caucus are going to

take this as a serious matter and will indeed support Manitobans and rural Manitoba farmers.

You know, Mr. Speaker, I was told once that if you were to stand on one of the buildings on Portage Avenue at night and have all of the buildings lit up on Portage and Main, and then you started turning out the lights of the buildings that had anything to do with agriculture, you would see a big black hole at Portage and Main.

Mr. Speaker, this just shows you the impact that agriculture has, not only on rural Manitoba, but indeed on this city as well. For years, the subsidy that has been paid to farmers has been paid for a purpose. It was not just to fatten the pockets of farmers; indeed there was a reason for it, and the reason is very clear. The reason is that we are a long distance from the ports; the reason is that you cannot move grain to the ports, charge the full rate and expect the farmer to make a profit on growing grain with the grain prices where they are.

Indeed, our country, our farmers, have had to put up with subsidies that are paid in other countries for grain, and we have had to fight that. You cannot expect the farmer to fight the treasuries of countries like the United States and Europe. It is just not possible. It is for that reason we have asked the federal government to support the grain industry through a transportation subsidy that is paid on an equitable basis to farmers, depending on the distance that they are from the port. The system has worked, and when we went through the GATT negotiations, it was very clear that not all of the subsidy should be removed because it was not all GATT-able, that indeed there was a reason for supplying that kind of a subsidy to the farmers of rural Manitoba.

Mr. Speaker, I wonder where Minister Young is coming from when he makes this statement. We heard the Liberals say that they were going to be conducting themselves according to the red book and that nobody should fear losing a job. Well, I want to ask the Liberal today, where is the red book, where is the commitment to jobs, where is the commitment to keep Manitoba farmers working and on the land? Is this a sample of that commitment?

Indeed, I want to hear today from the Leader of the provincial Liberal Party (Mr. Edwards) in Manitoba, because I want to hear from him what he has to say to rural Manitoba farmers and the position he takes with this kind of an initiative that was reported in the Free Press today. Maybe it is too easy for him to stay out of the Chamber, or I should not say that. I retract that, but perhaps—yes, I do retract that—he should take very seriously this matter and speak on this matter and do more than that. I think it is incumbent upon the Liberal Party of this province to write to Minister Young expressing their dismay at this kind of statement and this kind of an approach, especially in light of the commitment that was made to farmers in terms of the amount of grain that was going to be shipped out of the Port of Churchill.

We all know that during the election campaign there was a commitment made to ship something like a million tonnes out of the Port of Churchill. Where is that commitment today? Are we going to see a million tonnes of grain shipped out of the Port of Churchill? From the actions that we see to date the reverse is happening. As a matter of fact, I think there is an abandonment of the Churchill port and also the rail line that leads to Churchill.

Mr. Speaker, I live in the western part of the province that is just south of the line that leads to Churchill. I know that if we wanted to affect some efficiencies in transportation of grain it could be done internally with the railways, and we could probably ship a lot more grain much more efficiently than we are today.

I want to use a little example of what happens right next to my farm. I look to the west and I see a railway that is just to the west of me about a mile. It is strange—it is just a little spur line—the train does not come up there during the week. It comes up through that railway on Sundays. It comes up on Easter Sunday and then we see it come up on Christmas Day and days like that. I think maybe there is a little bit of a problem in having a rail line only serviced during those kinds of days. So I think there are efficiencies within the system that can be achieved. I will stand up anywhere and say that, because I do believe that very strongly. The

railway system is very important to us. Certainly the subsidization of grain transportation to the ports is important to all of us who live in rural and urban Manitoba.

* (1600)

Mr. Speaker, this is not a party issue. This is an issue that is important to farmers. It is an issue that we have to make our positions known very clearly. We have to send the message to the Liberal government in Ottawa saying that this is not acceptable. Our Minister of Transportation (Mr. Findlay) and Minister of Agriculture (Mr. Enns) today did that, and I am hopeful that the opposition parties will follow suit and do a similar kind of thing.

Mr. Speaker, we have heard from the rural critic for the Liberal Party, but indeed I am anxious to hear from more of their members to see exactly where they stand on this issue. Especially, I want to hear from the Leader of the Liberal Party (Mr. Edwards) as to where he stands on this issue.

Mr. Speaker, rural Manitoba is an important place in this province. It is important to have Manitobans living throughout the rural part of this province raising their families there, working in livelihoods which will sustain their families and indeed where the young people in our province can find an attractive place to live. If we continue this kind of approach, if we follow up this kind of an approach I can dare say that rural Manitobans are not going to find very much comfort in living in rural Manitoba. Indeed, greater disparity will happen between rural and urban people in terms of income, and there will not be any young rural Manitobans who want to live in rural Manitoba as long as they cannot make a decent living for their families in that part of the world.

It goes counter to everything the Prime Minister was talking about during the election campaign, because he talked about people living in small communities. He talked about people living in rural Canada and he said very clearly that these people should have hope in that Liberal government because it was going to give them the opportunity to raise their families and have jobs that they can count on and they could sleep easy,

he said. He said, they could sleep easy because they would have jobs to go to. Mr. Speaker, this goes counter to that.

The agriculture industry in Canada is an important one. It is a big industry and if you wanted to measure the impact of that industry, all you have to do is cut it off for a month and you would find the impact would be devastating on the economy of this country. Therefore, when we stand up and speak to this particular motion, we certainly want to indicate clearly that our support is for rural Manitoba, for the farmers and for all Manitobans and Canadians.

Ms. Avis Gray (Crescentwood): Mr. Speaker, I am very pleased to rise today to debate this matter of urgent public importance.

I note the particular motion that was put forth talks about, namely, changes to the structure of the Western Grain Transportation Act. It goes on to talk about the Port of Churchill and other issues. When one reads this particular motion, one is almost led to believe that decisions have been made, and listening to the debate that has gone on in the House from the official opposition and from the government, it would appear that they somehow feel that decisions have been made.

I am a little surprised at the government. I am not necessarily surprised at the official opposition, because they do not usually get their facts right, but usually the government of the day has an understanding of what goes on in government and also has an understanding of how decisions are made and processes that occur within cabinet. I am quite surprised that the government of the day feels that decisions have been made in regard to the Western Grain Transportation Act, because, of course, Mr. Speaker, it is very, very clear to us in the House, as the Liberal Party to our federal colleagues out in rural Manitoba, federal members of Parliament, that in fact decisions have not been made.

I find it quite interesting that when issues for debate arise, whether it be this issue or whether it be the social security safety net, there are a couple of things that usually happen across our country. One, we automatically get groups on the left who

have decided they are not going to support anything that a federal government does because that federal government is not of their political stripe and they have already condemned any kind of debate or change from the status quo that goes on. The only change in the status quo that our friends on the left support is to try to get official status in the House of Commons. It is unfortunate that our friends on the left do not spend more time debating the substantive issues of the day as opposed to worrying about getting official status in the House of Commons.

I think it is important, Mr. Speaker, that politicians, members of labour unions, farmers, members of agricultural organizations not be afraid of debating the issues. This is what we are talking about. We are talking about the debate of the Western Grain Transportation Act. We are talking about the future of agriculture in western Canada and the future of agriculture for the economic impact of everyone here in Canada.

I agree with the Minister of Rural Development (Mr. Derkach) about the importance of agriculture and how, if we did not have agriculture in this province and in this country, what a devastation there would be. There is no question that our federal Minister of Agriculture, the Honourable Mr. Goodale, is very much in tune to the needs of the farmers across this country and no decision has been made in regard to this particular transportation act.

I was pleased when I read the comments of the provincial Minister of Highways and Transportation (Mr. Findlay) and the provincial Minister of Agriculture (Mr. Enns) when they talk about the importance of subsidies going directly to farmers, as opposed to railroads. They obviously recognize that there is a value to establishing systems whereby monies can go directly to the producers, as opposed to going through middle systems or middle men. We support the ministers on this.

I know that my federal counterparts, the Ministers of Agriculture and Transport and my federal members of Parliament in rural and in urban Manitoba, support changes to a system that

will allow farmers more control over decision making, will allow farmers the opportunity perhaps for more diversification in terms of the type of agriculture that they now have on their farms, will allow farmers more control over their own destiny. These are some of the changes that we need to see, Mr. Speaker.

It is going to be very important that in fact we hear from the federal panel which was a Tory-appointed panel, but nonetheless there are individuals on that panel who will be reporting to the federal government. The Minister of Agriculture federally has made it very clear that he wants to hear from that particular panel. We know that there is a report in regard to the GTA. The government of the day in Ottawa will be looking at that particular report.

The other thing the federal Minister of Agriculture has made very clear and I am sure the provincial Minister of Agriculture and the provincial Minister of Highways would support, is that there has to be extensive consultation with all of the stakeholders. That is going to be very crucial, Mr. Speaker, and not just the farmers and the agricultural organizations, but of course the railroads as well. That consultation is going to be extremely important as we look at the impact of the GATT agreement, as we look at the impact of NAFTA.

We know that there is an effect on the GATT agreement. We know that some of our policies here in Canada may be considered countervails in regard to even the NAFTA agreement. We know that we are going to have to look at changes in what we do here in Canada as a country. It is going to be so very important that those changes reflect what is best for the farmers in this province and in other provinces of Canada and also reflect what is best for everyone here in this country.

So there is no question that we want to put more decision making into the hands of the farmers. We want to give them more control. We want to ensure that their future and therefore the future of this country, is going to be the best possible that it can be and that requires moving away from the status quo. The debate around the Western Grain

Transportation Act, the debate around Crow benefit, those have been issues ongoing for the last 15 and 20 years. I think it is very important that the government of the day in Ottawa is prepared to discuss some of these key issues and not shy away from them.

* (1610)

Yes, it was all well and good for the former Conservative government federally to put into place a panel, but they knew that panel would never have to report. They knew that the election would be called and that they would not be government and they would not have to deal with these issues. [interjection]

The Minister of Highways and Transportation (Mr. Findlay) asks me how I am going to deal with it. I am quite confident that the federal Minister of Agriculture and his cabinet are fully aware of all the implications of the changes in regard to GATT, in regard to potential changes to the transportation act, and I am fully confident the federal government and their colleagues will make the best decision, and that best decision will be for the farmers and the province of Manitoba and for the farmers across this country.

Mr. Speaker, I am hearing comments from the government benches saying this government will make the best decisions for central Canada. I do not support that argument and, in fact, neither did the people of Manitoba, which is why in the last federal election, we elected so many rural members, so many rural Liberal members.

These individuals are working very hard to secure—individuals such as Marlene Cowling, who probably knows more about agriculture than many of the members on the front bench of this particular government. Those individuals will definitely take the message of farmers to Ottawa. I have no doubt about that.

The other comment we hear from the benches of government is all these comments about the red book. I was particularly surprised by the Minister of Highways and Transportation because I always consider him an individual who does not manipulate the truth. I wish I could say that about all of the other members in the House, but I can

certainly say that the Minister of Highways and Transportation does not tend to manipulate the truth. He did talk about the Port of Churchill and the promise in the red book about the Port of Churchill.

He knows very well that, in fact, that was not in the red book, but what he does know, and I am not afraid to put this on the record, was that the federal M.P.s here in Manitoba sent out a press release and talked about the importance of the Port of Churchill and their ability and what they were going to do to ensure that the Port of Churchill would remain viable.

The Port of Churchill is another issue. It is a very difficult issue. What can we do to ensure that the Port of Churchill does become a viable port? There is no easy answer to that particular question. If there was an easy answer, then somebody would have come up with it by now and would have implemented it.

There is not an easy answer to the question of the Port of Churchill. We need to look at that port. Is it going to be viable in terms of a port for grain transportation? Is it something that can be developed in terms of tourism? Right now the method of getting grain to Churchill is via rail. What is going to happen in the future?

These are questions that have not been answered, Mr. Speaker, and it will remain to be seen what issues will come up in regard to the Port of Churchill and what solutions can be looked at.

Getting back to the issue of this, I wanted to finish, Mr. Speaker, by saying the decisions have not been made, and I have every faith in the federal government in terms of their ability to—

Mr. Speaker: Order, please. The honourable member's time has expired.

Mr. Jack Penner (Emerson): Mr. Speaker, it certainly gives me a great deal of pleasure to rise today to enter into the debate on a most important issue to the agricultural community in this province and specifically members and the agricultural community in some of our northern communities in this province, and how that might impact on our only water port in this province and

whether we can in fact retain that port and improve transportation for not only the agricultural community in Manitoba but also the agricultural community in Saskatchewan and part of Alberta.

It is painfully obvious that the federal Liberal government in Ottawa is slipping back into its old policy regime that was prevalent under the Pierre Elliott Trudeau administration. The transportation policies that are emanating out of this government are clearly a reference back to the old ways that the Liberal Party in Ottawa used to govern. Most of us remember all too vividly Pierre Elliott Trudeau, the then-Leader of the Liberal Party and the Prime Minister of Canada telling western Canadian farmers, no, I will not sell your wheat for you; you can sell your own wheat. Secondly, none of us will soon forget him travelling by train across western Canada and pointing his fingers at the farm community in western Canada. That is basically where Transport Minister Young, in my view, is today.

I find it absolutely utterly astounding that part of the Liberal caucus in this province will in fact support the proposal that has been put out by Mr. Young and indicating clearly their support to pay the producer. Very few parties, political parties in western Canada or eastern Canada have taken that kind of a position on the transportation initiative at any time. It is interesting to note that under the previous Conservative administration under Brian Mulroney, which has been criticized rather severely by the Liberal Party in this province as of late, and the agricultural policies supported and enunciated by that government are probably some of the best and most economically supported times that farmers in western Canada have ever seen.

I refer, Mr. Speaker, to the debate that went on during the period of 1986, '87 and '88 in Ottawa, during that period of time when western Canadian farmers were at wits' end in how to maintain their operations. Farmers and farm organizations made representation to the then Progressive Conservative government in Ottawa and indicated clearly that they needed some federal government support, and they needed it immediately.

So the Mulroney government, the Progressive Conservative government of Canada of the day, did not only meet the needs of the western Canadian farm community immediately by injecting in 1987 some \$2 billion into the western Canadian economy through the special grains program, and they did it immediately, something that a previous Liberal administration in Ottawa had never done.

In 1988 and '89, they raised the contribution to agriculture to almost \$4 billion, a precedent-setting amount. Yet I hear nothing but criticism from Liberal members in this House of that kind of administration. Had it not been for that kind of policy and that kind of financial injection into the farm community in western Canada at that time, the farm community, as we know it today, would not exist. I am convinced of that.

Now, continually throughout that debate, the farm community and through the farm organizations made representation to Ottawa to try and convince Ottawa that there should be an enhancement and support of the grain transportation system in the retention of the branchlines to ensure that our smaller communities and agricultural communities would be maintained, such as the Swan River area and other areas, that we retain the Churchill line, that we enhance movement of grain through the Port of Churchill. That, of course, was supported by government policy in most of the western provinces.

* (1620)

Yet I am astounded today that the Liberal Party in this province will support the decimation of our transportation system through the kind of policy enunciation that we have seen made by the transportation minister. I agree that Mr. Goodale, the Agriculture minister, has continually led the debate to try to bring the farm community into a position where there can be some agreement, and he has continually said that he will wait for the report of the committee that was established by that previous Mulroney administration to deal with the matter of grain transportation and how to pay whomever to ensure that we will have a proper

transportation system in this country. Yet, when I listen to my Liberal friends in this House, it becomes apparent that they are in support of that kind of confused statement that has come out of Transport Minister Young and/or Agriculture Minister Goodale.

Now, does that not lead us back to the old debate under Pierre Elliott Trudeau when there were major discussions going on amongst the farm community? No, the farm community was not involved. The farm community was not invited to be involved, but amongst the decision makers, the cabinet ministers and the Liberal Party were discussing ways and means of how to get rid of the Crow benefit and how to move ourselves into a system of transportation that would see the decimation and the dissolution of the branchlines. It would cost Canada, not only the export position of Thunder Bay, in my view, or Vancouver, it would cause the transportation system to change from an east-west kind of a transportation system that we are used to and that we support economically, that has driven Manitoba's economy for decades—we would support that—yet it is clearly intended to drive the transportation into a north-south mode. There is no question in my mind about that.

The Liberal government in Ottawa is not only going to drive that process, but is, in fact, forcing it through these kinds of discussions and debates. Some will make the case, as Mr. Young has inferred that he might support, that grain farmers in western Canada can survive without a rail subsidy. That might well be the case, that some of the grain industry can survive under that kind of scenario. Those living in areas that are conducive to broad-based diversification, and maybe some of southern Manitoba is in that kind of position. However, let me make the case that there are communities in this province that simply depend on grain production as the basis of their existence. It is very difficult for them to make the change or diversify into other crops simply because of not only weather conditions, soil conditions and many other agronomic type of issues that enter into that kind of a process. We are standing here, saying that we are willing to pass judgment on those

communities and those individuals who are dependent on grain production in this province.

Secondly, we have continually, as our government, the Conservative government of this province, supported not only the retention of the bayline, as some of the members opposite have stated, but we have also asked continually for the expansion of that transportation system, Mr. Speaker. I say to you, that is where we want to be and that is what we want to see supported by the federal government, and the retention and the debate ended on a note of agreement among all the farm organizations in this province.

Mr. Steve Ashton (Thompson): Mr. Speaker, I remember a number of years ago when then-Conservative cabinet minister John Crosbie said, and I quote: If I told you what I was going to do after the election, you would never vote for me.

I am reminded, as I listen to the Liberal members today, that Mr. Crosbie started his political career as a Liberal, because in many ways we are seeing in this debate that the federal Liberals have been doing the same thing.

I want to start with the statement here. By the way, for the member for Crescentwood (Ms. Gray), the commitment to one million tonnes of grain through the Port of Churchill did not come from a press release and a group of Manitoba Liberals getting together and issuing that press release. The document it was enclosed in—and by the way, it was not the red book. I realize the minister may have misunderstood that.

I want to read what it is entitled: *The Manitoba Liberal Agenda, A Statement of Policies and Principles for a Stronger Manitoba*. I do not know what the Liberals mean by an agenda. I do not know what they mean by policies, and, Mr. Speaker, I must admit I never know what the Liberals mean about principles.

The bottom line is they committed to one million tonnes of grain through the Port of Churchill in the election that took place only a few months ago. That is what they said they were going to do.

You can read through the document talking about all the exciting things, the exciting

opportunities with Churchill, and that the Manitoba Liberals want to see export of a million tonnes of grain through the Port of Churchill each year.

Mr. Speaker, why are we so worried today when we hear the statements made by Doug Young? I did more than just look at the media reports about what the Minister of Transport said. I also read the speech that the minister gave called, *New Directions for Transportation, A Reality Check*. I want to say, this kind of talk that is in this document was nowhere to be found in the election.

I want to read some of the statements that are in this document, because I am more concerned after reading this than any of the media reports I have seen, because it shows a fundamental misunderstanding of the nature of this country, not just of transportation issues but the nature of this country. I want to read the sections that talk about not having the political will to bite the bullet, much less pull the trigger.

This is the Minister of Transport talking about pulling the trigger. I want to read what the minister defines is the problem in transportation: We are burdened by too much of what we do not need. We are weakened by too little willingness to adapt to change in customer demand.

Well, let us deal with that, Mr. Speaker, because immediately following that I will tell you what he defines as being the problem. Much of our system is overbuilt, he says—94 percent of all air passengers and cargo are handled at only 26 airports out of 650 in the country; 84 percent of all rail traffic goes through 30 percent of our rail lines; 80 percent of our marine traffic goes through 30 out of 300 public ports.

Mr. Speaker, 90 percent of our population is within a hundred kilometres of the United States border. We have a concentrated population of 10 million in Ontario and six million in Quebec. If you follow the logic that is in this document, what are you going to do, shut down those underused airports, shut down those underused ports? What you would do is you would destroy the country that was built at its inception by transportation, by

a rail line that went all the way across western Canada.

I say to you, Mr. Speaker, if it was not for that rail line and the Crow benefit, the exchange that took place, which, as the Minister of Transportation said, was part of the birthright of western Canada, we today would not be part of Canada. We would have been absorbed in the United States a long time ago. It is part of the very basis of Canada just as much as the Constitution is. But what scares me about this minister is I have dealt with this minister. I have written on numerous northern issues, and I will tell you the word to describe this minister. It is "arrogant."

When I wrote on the CN cuts to maintenance that took place right after the election, I also wrote to Paul Tellier, the head of CN. You know what the Minister of Transport wrote back? He said, I read Mr. Tellier's letter; I agree with it, and I have nothing further to add. He did not even deal with any of the concerns—the most arrogant letter I have seen from a minister ever.

An Honourable Member: Was he a Liberal?

Mr. Ashton: A Liberal, Mr. Speaker, most definitely.

I am reminded of what Pierre Trudeau used to do all the time in terms of western Canada, and I appreciate that some of the Liberals trust the current government. But I say to you that if western Canada and northern Canadians and those of us who are concerned about the bayline are to have any trust in this government after reading the statements being made by this minister on transportation, on VIA Rail, I have correspondence I will be glad to table in this House, on the CN cuts to maintenance, on the air traffic control tower in Thompson. On each and every one of these transportation issues, this minister has taken an arrogant and high-handed approach.

* (1630)

I say, Mr. Speaker, and I want to say this publicly, that I expect that the members of the federal caucus, all of the M.P.s in this province, I would hope they will speak out immediately on this issue. I include my own member of

Parliament, Elijah Harper. I say to Elijah as someone I have known, just say no to the kind of federal policies that are very dangerously being proposed by this minister.

So, as I stand here and I say to the Liberal members, I appreciate those who have gone a little bit further, certainly than some, in expressing their concern. We can talk about the politics of this issue. There is another bottom line here. If we do not act soon, the very future of the Port of Churchill is going to be at stake. We have sacrificed much for that port. On every kilometre of rail line there are often dozens, Mr. Speaker, of graves of the workers who died to put that rail line to the Port of Churchill. It was very much the issue of western Canadian farmers in the 1880s and 1890s. It is our history. It is our birthright. It is our future.

If we are so stupid as to stand idly by when a government that has a Minister of Transport who does not understand this country, we make the same kind of mistake we make if we deal with other threats to national unity from separatists in Quebec, because this country will only survive when every single region is treated fairly. Transportation issues are as important to western Canada as the Constitution has been to, say, Quebec and other regions of the country, and I will not stand idly by on behalf of my constituents and let any federal government take away our birthright as western Canadians.

Mr. Bob Rose (Turtle Mountain): Mr. Speaker, I certainly appreciate the opportunity to take part in the debate this afternoon. I appreciated the comments of the member for St. Boniface (Mr. Gaudry) that perhaps this will be a more productive afternoon than we sometimes put in, in this Chamber.

I want to begin by commenting on the House leader from the second opposition party who indicated earlier on that there was a need for this debate because it would lead to understanding among the members. I look forward to that, and I hope that all the members of the third opposition party who do not have any members from rural Manitoba have been listening very carefully to

them this afternoon so that it will increase their understanding of the importance of the announcement that has been made at the federal level.

I want to pick up on some of the history lessons that we have had this afternoon from the member for Gimli (Mr. Helwer) and the member for Emerson (Mr. Penner). It is not so much the announcement itself that we are concerned about today but because we are fitting it in to the past history of what the Liberal Party has done in this country. We look back to the days of the Liberal government and what happened in western Canada and the drop of popularity of Liberals, in fact, the destruction of the Liberal Party in Manitoba. Why did that happen? It was not because of Doug Campbell. It was not because of a series of leaders that were elected later on to lead the provincial Liberals. It happened because the people of western Canada realized that the Liberals simply did not have an understanding of what the western part of their country was all about.

It was indicated time and time again during the administration of the Liberal government, and that is why we are so concerned today because all of a sudden with a federal Liberal government who, we all hoped, would provide a new kind of government for Canada, different from what they had in the past, less than a year from the time they have been elected, we have the Minister of Transport saying that the grain transportation subsidy, or the money that is the right of western Canada under the birthright, as the Minister of Highways and Transportation (Mr. Findlay) has said, will be reduced to nothing.

I do not think they fully understand the impact of that kind of a statement. That is why I am pleased that we have had the opportunity to have this educational session this afternoon, and I am not going to spend a lot of time repeating the impact that it is going to have in not only rural Manitoba or rural western Canada but in the urban centres as well.

I want to comment on the comments of the member for River Heights (Mrs. Carstairs) because, as I referred to earlier on, there was the

death of the Liberal Party, provincially and federally in Manitoba, and I know she is quite aware of that because she often comments—I think the comment was even in her book—about travelling out to Turtle Mountain, and they would have their annual meeting in the back seat of somebody's car. They worked very hard in Turtle Mountain, and they worked very hard until finally the federal Liberal government was soundly defeated and replaced by a Progressive Conservative government and a progressive government. Gradually, the prayers of the Turtle Mountain Liberals turned around, and so they could have an annual meeting in a hall, where they brought out the new Leader of the Liberal Party. I was very pleased that evening to go and listen to the Leader of the new Liberal provincial party in Manitoba.

Their star started to rise again because they were no longer shackled with the federal Liberal Party that does not understand western Canada. So here we are, less than a year after they have been elected, with great evidence that they still do not understand western Canada.

What do we have, Mr. Speaker? What do we have this afternoon in this search for knowledge that the House leader of the second opposition party suggested we would have this afternoon? What do we have from the provincial Liberal Party?

Well, we have again the member for River Heights (Mrs. Carstairs) standing up and saying, do not worry, folks. We support Churchill. I will read to you a document from our position before the election. Here it is.

Now, I could not help but wonder, Mr. Speaker, at the time if there was a document of the candidates, the current and federal Liberal M.P.s, concerning the location of the environmental centre. Did they at the time before the election suggest to us that it would in the end be a political decision and be put in Montreal? Did they at the time say, as the Leader of the provincial Liberals said in a debate in this House, well, that was a regrettable decision?

Can we expect that if in fact this suggestion that has been put forth by the Honourable Doug Young—can we expect the Leader of the provincial Liberals to stand in this House and say, well, that was a regrettable decision? I wonder.

Where were the Manitoba Liberal M.P.s when the environmental centre went to Montreal? Did they stand up for Manitoba? Where are they now?

The honourable member for Crescentwood (Ms. Gray) stands up in this debate and says, do not worry. Decisions have not been made. We do not need to worry because decisions have not been made, and we have a fine federal M.P. in Marlene Cowling, who understands more about agriculture than many of the people on the front bench of this government.

Well, I do not disagree that Marlene Cowling understands a great deal about agriculture in Manitoba, but I have not heard one peep out of her on this issue. Where is she? Where is her position on this? Why is she not standing up for rural Manitoba?

Where is Mr. McKinnon? Where is Mr. McKinnon from Brandon-Souris? The last time I saw Mr. McKinnon was last Saturday, and he did not even mention anything about grain transportation. He never suggested to me, he did not say: Bob, what do you think about this? We were sitting around the caucus room the other day in Ottawa, and the Honourable Doug Young said, by golly, I think we should just wipe out this \$500 million or \$600 million that we subsidize the transportation or provide for the transportation of grain from western Canada. He did not mention that. We talked about a lot of things, but he did not mention that.

Then, Mr. Speaker, we have the member for St. Boniface (Mr. Gaudry), and I have a great deal of admiration for the member for St. Boniface. I think he has a great deal of sincerity. I was interested to hear his position representing the provincial Liberals. I was interested to hear his position on this issue and on agricultural issues. He said that we will stand up for the farmers, period.

Now, what does that mean? Well, I am not sure what that means. It reminds me of the old story about the politician who came down firmly on both sides of the fence. He is going to stand up for the farmers, but how? Does he agree with the statement that was made? Does he want to be like the member for Crescentwood and say, do not worry, decisions have not been made yet? Is he going to be like the member for River Heights (Mrs. Carstairs) that says, well, we can go back to the statement before the election and indicate that our federal MPs support the Port of Churchill, and we are going to move a million tonnes through it?

Mr. Speaker, I appreciated many of the contributions that have been made to the debate this afternoon, and I wanted to comment, too, on the member for Transcona (Mr. Reid), who pointed out that the Liberals cannot have it both ways. That seems to be what we see all too often in these debates. We seem to see a party that is unwilling and perhaps unable, I am not sure. In agricultural issues, perhaps they are akin to their federal counterparts and do not have an understanding of western Canada.

* (1640)

I do not think that is right, but they do not seem to have the ability to put a position on the table. They do not seem to have the ability to let us in this House and let the people of Manitoba know where they stand on important issues like the Grain Transportation Act.

At least with the member for Swan River (Ms. Wowchuk), and I believe I am reading her correctly in saying that she indicates that the transportation should be left paid to the railways. I do not agree with that position. I think it should be directed towards the farmers, but at least we have positions. At least we can exchange views, and at least people can judge on that debate which would be the better answer.

So far we have no positions from the Liberal Party. The only positions we have are from the federal Liberals who again, after years and years of evidence, are indicating that they do not even understand what it is all about.

I quote from the letter that our ministers, the Minister of Agriculture (Mr. Enns) and the Minister of Highways and Transportation (Mr. Findlay), immediately sent to the federal Minister of Transport: "The option of eliminating the WGTA has never been discussed or considered in Western Canada."

Here we have a federal minister eliminating it. Thank you.

Mr. Plohman: Mr. Speaker, I want to join in this very important debate on the future of Churchill. I think it appropriate that we, as members of the Legislature, have an opportunity once again to discuss this important issue for Manitoba.

I am not going to engage in a lot of federal Liberal bashing at this particular point. I think we have heard a number of members do that. It sounds very political, and actually I think would make everyone quite cynical to listen to, especially coming from the Tories across the way, when all of a sudden, they are great advocates of Churchill and they were so quiet when there was a federal Conservative government in Ottawa.

I do not think that anyone would attach much credibility to what they are saying today because it is a complete change of heart, and it bothers me to see that. Simply the change with the political winds here, when it is opportune they are speaking up in favour of something. It has gone on too long. Now, I do not want to appear holier than thou. I have engaged in my share of debates that have been of a political nature in this House, but I want to point out that both the Liberals and the Conservatives are embarking on a direction with regard to Churchill that is harmful because of their policies that are related, not because of what the federal minister said.

We know that they are all over the map, the federal Liberals, on where they stand on Churchill. There are eastern Liberals who are probably not aware of the importance of Churchill to western Canada and to Manitoba, just like there are eastern Tories over the years or Tories from Quebec or whatever who do not understand this issue. I mean, we had Lloyd Axworthy who apparently seemed to be a strong supporter. He put in all kinds of

money in these transportation agreements along with the provincial NDP government in 1984 to ensure that in fact there was a future for Churchill, and the federal Liberals put that money in. So on the one hand Lloyd Axworthy would have seemed to be supportive of Churchill. John Harvard would certainly have made those kinds of statements prior to the election. Marlene Cowling has been noticeably silent. I am sure she supports Churchill.

On the other side, we see Conservatives who have been against Churchill, from Quebec the federal ministers and from other parts of Canada. Even our own Charlie Mayer who should have been the strongest advocate of Churchill was embarking on policies that were extremely harmful and that in fact laid the future of Churchill in jeopardy from the word go. That is, as long as they were intent on getting rid of the Crow subsidy, as long as they were intent on changing the method of payment, they were working against Churchill's long-term interest. There is no doubt about that, and the present Conservatives have to acknowledge that, and the present Liberals in this House. The pay the producer dooms Churchill.

(Mr. Marcel Laurendeau, Acting Speaker, in the Chair)

The reason it does, and even the Conservatives when they embarked on their meetings about changing the transportation subsidy, had in their public meetings, and I was at the one in Dauphin, they had presented alternatives once the method of payment was changed, and they gave scenarios that involved the United States, ports through the Mississippi, they gave alternatives involving the St. Lawrence, but they did not even mention Churchill as one of the options in their scenario. I think that they understood that immediately that you do away with the pay the railways you will find that Churchill has no future because the railways are offering incentive rates at port points in southern Manitoba that will draw the business to other points than Churchill, because, Mr. Acting Speaker, there is an unreliability in rolling stock because of the railway's opposition to Churchill.

The CN has made no secret that they have been against Churchill for years. Doug Campbell has

been speaking out as the senior vice-president for CN, and now as his other role in the Grain Commission he has continued to be against Churchill, made no bones about it, continuously spoke against it almost like a radical movement against it. It was just unbelievable. He has continued to do that. So the railways do not want Churchill to go. When I say they do not want it to go, they do not want it to be retained. They would like to get rid of Churchill, and so they are not going to provide reliable service unless they are dictated to, it is decreed by the government that Churchill is going to remain a long-term part of the grain handling system in Canada.

Lloyd Axworthy should be coming out and saying that right now. Cut this nonsense out completely. He should make an unequivocal statement about the future of Churchill right now, and that is it, no ifs, ands or buts, that it is going to remain a long-term part of our grain handling system in this country, period. That is it.

The Conservatives also provincially should be making those statements. The Minister of Agriculture (Mr. Enns), the Minister of Transportation (Mr. Findlay) should be making those statements. When we were in government, we ensured there was provincial money to ensure the long-term viability of Churchill. Millions of dollars went into that, Mr. Acting Speaker, because we believed in it. Between those two levels of government, with the support of Saskatchewan who have indicated a willingness, Churchill's future could be guaranteed, but this government provincially is more interested in political posturing, going after the Liberals federally, than they are about really doing something about it.

I find it extremely unfortunate that here we have these two going at each other, and if the member for River Heights (Mrs. Carstairs) would have listened from the beginning, I said I have made my share of political speeches in here, but I find it unfortunate today to see this kind of ganging up, and instead of dealing with the issue and that is their policy, both the Liberal and Conservative policies of pay the producer. If you are going to do

that, you are dooming Churchill, and I want them to consider changing it.

An Honourable Member: That is not true.

Mr. Plohman: Yes, it is automatically true because as soon as you have incentive rates being offered and trucking options being offered, the Churchill line is gone. We know that, Mr. Acting Speaker, and let them not try to hide from that. Why do they not acknowledge that their policies are one and the same, and they are anti-Churchill.

Point of Order

Mr. Penner: Mr. Acting Speaker, on a point of order. I think the honourable member for Dauphin (Mr. Plohman) should ensure that he in fact keeps his comments accurate when he puts them on record because some of the things that he has been referring to as being Conservative Party policy are simply not correct. I think he should indicate that clearly to this House and remove them from the record.

Mr. Acting Speaker (Mr. Laurendeau): Order, please. The honourable member did not have a point of order. It is clearly a dispute over the facts.

Mr. Plohman: Mr. Acting Speaker, the member should be ashamed of himself for interrupting. Through this debate, I have listened to many members who have stood up and given their piece on this and without interruption, and this member stands up and interrupts my speech on this. This is my opportunity to give my views on this. I find it reprehensible that he would try to destroy my arguments because they are hitting home. These members know, the Liberals know and the Conservatives know that by recommending, by advocating a change of the method of payment, they are in fact working against Churchill. I said this because there is ample evidence that Churchill will have no opportunity for increased shipping unless there is a policy statement by the federal Liberals and by the provincial Conservatives that Churchill will remain and always will be part of the long-term grain handling system in Canada. It has to be done, and a new agreement pursuant to the ones that were negotiated in 1984 has to be put

in place. That is the only way to ensure it. That is the way to take the politics out of it.

* (1650)

The members, the 12 M.P.s for Manitoba have to start right now by saying that they reject what has been stated publicly by their ministers. The provincial ministers should be standing up, this Minister of Agriculture (Mr. Enns) and Minister of Transportation (Mr. Findlay), saying under no uncertain terms will they allow the demise of Churchill, and they will be doing everything in their power to negotiate agreements to ensure the long-term viability of Churchill. That has never been done by this government. They have rejected that. They have other partners. They have CN and they have the Saskatchewan government. They could have a four-way partnership.

Let me say that the reason, as I said earlier, Churchill is doomed under a producer-pay scenario is because of the incentive rates that are going to be offered in southern Manitoba, the vast abandonment of railways in this province that will result from that. We know that is going to happen and yet these parties stand up and say, oh, yes, we are in favour of Churchill, yet they advocate policies that doom Churchill. I say, they should rethink that policy once and for all, because there is no way that this birthright that the Minister of Agriculture talked about is going to be retained.

He thought it was okay if Charlie Mayer got rid of 10 percent of the birthright and maybe 15 percent of it. That is okay, but by God, it is a birthright and we must retain it. Well, if they really believe it, ensure that they retain it with pay to the railways and ensure service is not only maintained but enhanced. Performance guarantees, that is what we all have to work for. Then Churchill shall be viable and will be in place for the years to come.

Thank you, Mr. Acting Speaker.

The Acting Speaker (Mr. Laurendeau): The honourable member's time has expired.

Hon. Albert Driedger (Minister of Natural Resources): I am pleased to be involved in this debate.

I had the privilege of being the Minister of Highways and Transportation for five and a half years and, contrary to what the member for Dauphin was trying to put on the record here, this government has always been a very strong supporter of Churchill. All the things that we could do within our power as a provincial government we did to try and keep Churchill alive and expanding.

Mr. Acting Speaker, at the time when I was the minister, we had set up a joint committee between all parties, you know, where we tried because we said, this is not a provincial political thing, we could all agree that Churchill should stay, but subsequent to—and we should all work together.

Invariably, in this building, though, everything gets to be political after a while and, I mean, we are entitled to differences of opinion, as the member for Dauphin just put his views in terms of paying the producers versus the Crow. That debate has evolved and developed over a long period of time, and the fact that the statement he made, that paying the producer is going to do away with Churchill, I think completely different from that.

I personally do not have a big axe to grind with paying the producer, but the one position that I always put forward to my colleague the Minister of Agriculture (Mr. Enns), at that time, is that if we move into those discussions, the one element that should always be involved is some consideration for the impact once we move into that area of paying the producer that we should deal with the impact it will have on our road system, both municipally and provincially.

Regardless, if you are going to go with paying the producer, ultimately then there has to be some consideration, because a lot of that grain is going to start moving, as it has even now, by way of trucks, and it has a damaging effect on municipal roads and provincial roads. But I have no argument myself specifically whether it is pay the producers or pay the railway. In fact, I think that by paying the producer, because we have always stressed the point that it was cheaper shipping through Churchill, and if we are going to pay the producer he will be shipping where it is the cheapest thing to

do where we would not have all the other players that basically were making the decision as to where the grain should go, whether it should go eastern seaboard or down to Vancouver, B.C., or whether it should go through Churchill.

If the producers themselves are going to be having the money, they will be looking at the cheapest way to move their grain, so I think it is definitely an advantage to do that. So I think that part, the statements that the member for Dauphin made, saying that if the federal government under their policy direction wanted to pay the producer, I do not think that has anything to do with whether Churchill stays alive or not.

I think the question that is the burning question is basically whether the federal Liberal government should do away with the subsidy, whether it is paid to the producer or to the railway, and that is the burning question here and the one that creates concern. I will tell you something, if anybody ever made a political gaffe, it must have been the federal Liberals not being co-ordinated between the two ministers, one saying, well, we had not really discussed that, and the other one saying we will do away with it.

These are the kinds of statements that ultimately hurt politically and will hurt the now still pretty well-respected federal Liberal government. This is one of the many gaffes that they are going to continue to make, and I find it interesting that my colleagues on my immediate right here are caught in a bit of a dilemma as to should they speak in support of their federal Liberals now that they have made a big gaffe politically, or where do they stand on this thing now? I can relate to that honestly. When the Conservatives were in power federally, there were many, many times that our provincial views were different than theirs, and I want to caution the provincial Liberals, do not get hooked in too tightly with your federal counterparts.

An Honourable Member: Is that talking from experience, Albert?

Mr. Driedger: Yes, it is. I give good advice here right now. Because if you start going arm in arm with them, that popularity is going to go but one way and that is going to go into a nosedive, and

they will go down with it. The euphoria is going to fade away and this is one of the first big gaffes that they have seen. The other, of course, is the fact that they have changed their position on the GST. It is easy enough to make statements beforehand in terms of what we will do. Once you are elected you have to perform and produce, and Mr. Acting Speaker, that is a challenge that our government has faced now for over six years, fighting as best we could.

I remember the tremendous frustrations in terms of trying to see whether we could get some action going through Churchill, expanded action, but then, it is easy enough to say government forced them to do that. You have to understand the components that are involved with that, with something like the Wheat Board who basically makes the major decision, and its right. CN basically has never been a strong proponent of Churchill. They would just as soon give the line back to the province or do something else with it other than operate it. That has been no secret either. Then you have the lobby from the eastern seaboard, the St. Lawrence seaway people, which is a very strong lobby that play their game.

There are so many components in there, it is not that easy. If it had been that easy, then we as a Legislature here in Manitoba could have made a decision and said, we are going to ship as much grain through Churchill to make it economically viable. We would have all agreed. There would have been no argument, but it is not us that has been making the decision. We have been doing—all we could do is lobby.

The member for Dauphin (Mr. Plohman) when he was Minister of Highways and Transportation, and he was then the champion for Churchill, as we have all taken our turns at doing it, accomplished nothing more than anybody else has since that time. The only thing that he did was make more noise in the House, but in terms of action, there was never that much more action. He could not perform any better than anybody else, not his party, just facing the same difficulties that we had. So let him not stand there and rant and rave about the accomplishments that they could and what everybody should do.

The serious question, I come back again, is the fact that the federal government would even consider doing away with this subsidy. The debate, I repeat again, as to whether it should be paid to the producer or whether the Crow rate should be retained, that debate is evolving and ultimately it will happen. There will be a change coming. There is no way that you can hang on to the Crow rate under the circumstances the way they are evolving.

I will tell you something, the railways themselves are challenged. I am not a supporter of the railways per se, but they are challenged with operating more efficiently. The American lines that we have to the south of us are operating much more efficiently, and unless they start meeting the challenges because they are Crown corporations, how long are we going to keep paying them and subsidizing them? They have to start biting the bullet and learning how to be efficient as well.

I want to say to all of us here, I think the debate—it is very seldom that we all agree to have an emergency debate, but this issue is one that I think should be brought home very strongly to the federal government, telling them, do not move in that direction. You are killing the western grain farmer if you do that.

On paying the producer, I want to go back to that again. I think there are some merits that this province could gain out of it, certainly from my area and the southeast area who are very livestock intensive and going to be benefactors of paying the producers, and that will be expanded. My people out there would just as soon see the government pay the producer because there is tremendous hog expansion that we are promoting. It is taking place right now as we speak in that area, and we utilize a lot of the feed grains that are available. There will be more and more of that happening if we move to the area of paying the producer.

* (1700)

So that is not the argument that I think that we are debating here, whether we should pay the producer, retain the Crow or whether that would save Churchill or not save Churchill. I think the debate that is here today is that there be retention of the subsidy that has been paid to the farmers for

the transportation of grain. This should be a matter that the federal government should look at very seriously to allow us to be competitive in a very competitive world market these days.

So, Mr. Acting Speaker, I think the member for Dauphin (Mr. Plohman) is trying to cloud the issue by bringing in issues, but he has always been a bit foggy, and we have differences of opinions in this House. In this particular case, and that is not the first time and surely not the last time that I will have a difference of opinion from the member for Dauphin, but I think that if we want to make this debate effective that we should be synchronized in saying, federal government, you have to, you have an obligation to retain paying a subsidy to the grain producers in the western part of Canada.

Mr. Jerry Storie (Flin Flon): Mr. Acting Speaker, I want to begin by saying that I think history and the facts would prove the member for Steinbach (Mr. Driedger) to be wrong when he says that the previous government and particularly my colleague for Dauphin, who acknowledged, did support the Port of Churchill.

The fact of the matter is that the previous government committed more provincial funds than any government in the history of this province to the community of Churchill. We not only supported the port but the community of Churchill. We did along with, as was mentioned before, the federal government have an agreement that was almost exclusively designed to support the Port of Churchill, the use of the rail line into Churchill and to support the community of Churchill; some \$93 million in a joint federal-provincial agreement. We built the land-based hydro line. We improved the rolling stock. We helped to dredge the harbour, and, of course, the then-Minister of Highways and Transportation was extremely successful in negotiating reduced insurance rates for ships heading into the Port of Churchill as well as extending the season which could have been, obviously, very useful to the Port of Churchill.

I want to talk about I guess my concern over the knee-jerk support of the federal Liberal position by my Liberal colleagues. Mr. Acting Speaker, we all recall the days when Lloyd Axworthy had a

national dream for a social safety net that did not include cuts to unemployment insurance, a national dream for a transportation system that worked, a national dream that included the importance of the Port of Churchill.

We are seeing that disappear. We are seeing that disappear right in front of our eyes, and we are seeing that what we get from a Liberal government federally is what we got from a Tory government federally. Absolutely, no different.

I want to talk about something else that is disturbing. The member for Steinbach (Mr. Driedger) talked about the inconsistencies that have become obvious between the Minister of Transport and the Minister of Agriculture federally.

Well, Mr. Acting Speaker, the fact of the matter is that even the Minister of Transportation in his own remarks is incredibly inconsistent. He is one confused Minister of Transport. I want to begin by saying that in this document, and I am referring to a speech that the Minister of Transport gave on June 3 in Thunder Bay, Ontario, this minister at one point says: We need a broad national vision, one that emphasizes safety and efficiency of the transportation industry.

About three or four pages later, the same minister in the same speech says: The national dream of iron horses, steel rails and steam is dead.

He has no vision when it comes to rail transportation. [interjection] That is what he says. He says, the national dream of iron horses, steel rails and steam is dead.

Well, I will give him one out of three. Mr. Acting Speaker, iron horses are still with us, and they are more efficient than ever and, of course, steel rails are still the most efficient form of transportation that we know. Certainly in a country our size when we are transporting—[interjection] Well, unfortunately, there are very few highways that run east-west—I mean, riverways that run east-west.

Mr. Acting Speaker, the point of the matter is that this minister simply does not have any vision when it comes to the question of transportation.

I want to say that because when this minister talks about paying the producer and when members opposite talk about paying the producer, they are inevitably suggesting that the vision that we had of a rail transportation system that linked our communities across this country, that served the northern part of our country and the northern part of our province, is dead.

Mr. Acting Speaker, I want to also indicate that the argument that the Minister of Transport and to some extent the Conservative previous Minister of Transport used in his argument, that somehow there was some inevitability to abandoning the rail transportation system, is nonsense. It is time that we got our collective heads out of the sand when it comes to the obligations that we have under NAFTA and the GATT agreement.

Here is the irony of this situation. Because of the way in which we have subsidized the transportation of goods in this country, it is immediately recognizable by other countries, by international trade negotiators, that we are applying a subsidy to the transportation of goods. The Crow rate, the Western Grain Transportation Act is the most obvious example of a subsidy, a subsidy which now the federal Liberals and the Conservatives are saying we must abandon because of our commitments under GATT and under NAFTA.

Mr. Acting Speaker, what we have continually downplayed or ignored is the fact that every country in the world subsidizes its transportation network. The Americans subsidize their transportation network in a completely different way. The Americans subsidize the waterway, the Mississippi waterway, to the tune of hundreds of millions of dollars a year. It is not recognized immediately as a transportation subsidy to the benefit of agricultural producers.

The same is true of the federal highway system. In the United States, they have created a federal highway system. State and municipal governments contribute very little, and they pay hundreds of millions of dollars to support that infrastructure, that transportation infrastructure that is not immediately recognizable as a subsidy.

Mr. Acting Speaker, we have to quit buying into the argument that somehow we have to strangle ourselves, that we have to commit hari-kari by eliminating the Western Grain Transportation subsidy, by cutting off routes that are unprofitable because they may be viewed as a subsidy. Simply because it does not meet the U.S. criteria of national infrastructure, it is viewed as a subsidy.

Mr. Acting Speaker, rather than slit our own throats when it comes to transportation, or more particularly slit the throats of my colleague's constituents in Churchill by abandoning the Churchill route, and that is what the federal government is doing if it starts talking about "pay the producer" as the only solution, then it is time we got back to the position of having a dream, of having a commitment to connecting our communities and providing transportation opportunities.

Even though they may be subsidized indirectly, we still have to have that dream, because if we do not have that dream, then what we are doing is abandoning our regions. I will tell you, Mr. Acting Speaker, if you want to know who is going to be hurt most quickly and most directly by this new change in direction at the federal level, it is going to be Atlantic Canada and northern Canada. The minister in his remarks on June 3 highlighted the fact that millions of dollars—and he highlights it, \$590 million is being identified as a subsidy to producers in Canada.

Well, I can tell you that the federal U.S. government spends dozens of times that amount of money in supporting water transportation, road transportation and rail transportation in the United States that is not identified as direct subsidy to producers or manufacturers, and Canadians are gutless, they say nothing about it. They do not call the Americans on it. Instead, what do we do? We have this meek little response: well, GATT says we cannot subsidize in this way. Well, if we are not going to subsidize in this way, then let us find a more creative way to make sure that the infrastructure is owned by Canadians, is not identifiable as an immediate subsidy or direct

subsidy to manufactures and producers and all the rest of it.

* (1710)

Let us not abandon communities. Let us not abandon farmers simply because the Americans and the GATT negotiators who do not live in Churchill, and do not live on the bayline, and do not live in Swan River, and do not live in areas where the pay-the-producer system is not going to work to their advantage. We do, and we need representatives including on the front bench on that side and hopefully the Liberal Party who are going to stand up and say that, no, we have the same kind of infrastructure needs as any other country in the world. Rather than simply abandon the producers and abandon the communities, let us find a more constructive way of doing it.

Mr. Acting Speaker, I said when the government started talking about its infrastructure renewal program that we should not be re-siding municipal garages, we should not be building 1,600 feet of sidewalk, we should be doing what we need to do to develop our infrastructure, our real infrastructure. Instead of 250 projects across the province of \$30,000, we should be committing to the development of that infrastructure. The federal government, if it has any brains or any dream or any vision, is going to take the \$590 million that we are spending on the Western Grain Transportation Act, if they are so inclined to abandon that historical agreement, and if it is going to abandon rail passenger service to the tune of \$330 million or \$100 million to ports, then it had better make sure that somehow that money finds its way into the infrastructure that we all agree, or should agree, that we need.

It is time that the Liberal Transport minister got his head out of the sand and recognized that the national dream that Liberals and Conservatives and Canadians fought for for 130 years—

The Acting Speaker (Mr. Laurendeau): Order, please. The honourable member's time has expired.

Mr. Gary Kowalski (The Maples): Mr. Acting Speaker, I am pleased to have this opportunity to speak to this motion. Although I was born and

raised in the city, I have always known the importance of agriculture not only in the rural areas of this province but to the entire province. My father and his parents were grain farmers in Charleswood, and my mother and her parents were grain farmers in Hadashville, Manitoba.

These media reports have caused confusion. The confusion will be clear in the coming days. I have confidence in the federal Liberal government that has done so much in a short period of time after nine years of Tory rule.

Mr. Acting Speaker, I do not think it is necessary to repeat what my colleagues in caucus have said today, but the member for River Heights (Mrs. Carstairs) has said, and I can confirm my support to the points she made, that there is need for more discussion, that there is a need for change. The status quo may be comfortable but is not possible in a changing world, that the red book promise of a million tonnes at Churchill is not in the red book, but is a commitment from Manitoba M.P.s to advocate for this. Our provincial caucus will join with others to hold them accountable to this commitment.

We have heard calls from the opposition to get on the phone to our colleagues in Ottawa. No problem. Who better to work with the federal Liberals in Ottawa than the Liberal MLAs here in Manitoba, because we do not try to make political gain from every mistake they make.

An Honourable Member: We have already been on the phone.

Mr. Kowalski: We have been on the phone already, and we will continue to work with the federal Liberals in Ottawa for the benefit of all Manitobans.

Much has been tried to be made of the fact that our Leader has not had an opportunity to speak to this, yet more than 50 percent of our caucus has spoken to this motion, and I hope 50 percent of the caucuses from the other parties speak to the motion. [interjection] No, we are not like the federal Conservative caucus. We are talking about the Liberal caucus here in Manitoba.

Just as the First Minister (Mr. Filmon) had his Agriculture minister and his Minister of Highways and Transportation (Mr. Findlay), we had our critic of Agriculture and Rural Development and our critic for Highways and Transportation speak. I do not think we should try to make some kind of gain. We are a team and we work together. You can take from our consensus here today, our position.

The spectre of Trudeau raised by the member for Emerson (Mr. Penner), well, Trudeau did not have 12 members from the province of Manitoba to advocate for what was best for western Canada. So you can expect to see better for western Canada in this government. The old folklore tale of Trudeau saying, why should I sell your wheat—what people forget is that was a rhetorical question followed up by many reasons given by Trudeau why he should sell the wheat of western Canada. That is folklore that people like to propagate. The member for River Heights, being a former history teacher would be glad to give a lesson to people who do not understand the true facts.

I have never heard the word "Liberal" mentioned so often as it was today and I thank the other parties for keeping on saying the word "Liberal." It gives me confidence on the importance of our presence here in the House. Thank you very much for repeating the word "Liberal" over and over again. I am sure Hansard will wear out those keys on their typewriters.

Our Liberal caucus will continue to support Manitoba farmers, but we are not willing to fix yesterday's problems with ad hoc programs. We need to focus on the future to find alternative markets and to find new value-added products. Our caucus will continue to support Manitoba farmers. Thank you.

Mr. George Hickers (Point Douglas): Mr. Acting Speaker, I am pleased to be able to put a few things on the record here, because in 1929 the railway to Churchill was built, and it was a vision for the North.

Mr. Acting Speaker, if the elimination of the grain subsidy takes place, that vision will be lost. When I just heard the member for The Maples (Mr. Kowalski) making a few comments about their

federal cousins in Ottawa and saying that we are in the best position to make gainful gains, I just wonder where they were when they raised the tobacco tax, when they extended unemployment insurance and made it harder for individuals. So I cannot see how it would be positive if we even have more Liberals elected, because when the federal Liberals make a negative move, they are very, very silent and very quiet.

Mr. Acting Speaker, the announcement by the federal Minister of Transport eliminating the Western Grain Transportation is really going to hurt northern Manitoba. I say that, because I am going to be speaking from experience. When I was growing up in the community of Churchill, I used to see a lot of ships come in and a lot of grain cars coming up. When those ships came to Churchill, they always brought goods. We used to have cars come over from England and on top of that, we used to get whiskey and Scotch whiskey from Scotland, and we used to get farm equipment from other countries.

When they came, they came with goods, and then they took back the grain and barley and the other products we had there. So there is a possibility of having two-way trade out of Churchill. It does not have to be only grain and barley going out. What it takes is the willingness of the provincial government and willingness of the federal government to make sure that this happens.

Mr. Acting Speaker, the big impact that this will have—and I think it has to be addressed—is when you look at the communities along the bayline. You have communities there that the individuals have lived in for years and years and years, and it is their home. The only way that the individuals living in Thicket Portage, Ilford, Pikwitonei, the only transportation mode they have is railway. There is no scheduled airlines, no scheduled flights going in and out of the communities. There is no roads going into those communities. So the only way that they can get their groceries, their mail, go and see their doctor, their dentist, is by rail line.

When we look at the possibility of elimination of the grain subsidy, all we have to do is look at the whole VIA Rail services, because VIA Rail

services, they get \$330 million from a subsidy program. If the subsidy program was not there, and it was only the rail lines that made a profit for VIA Rail that would be in business, the only one that we would see would be the central Canada network that goes from Quebec to Windsor, because that is the only VIA line that is making any profit at all. So without subsidies, what happens to the money-losing rail lines like the ones going up North to Lynn Lake, to Churchill and other communities, Sherridon, those lines would be abandoned. That is the whole scary part.

I hear members talk about, well, give the subsidy to the farmers. That sounds fine. If you have roads going into the communities to ship your grain out, that is fine. What if a farmer lived 10 miles away from a grain elevator, another one lived 220 miles or 300 miles away from a grain elevator, Mr. Acting Speaker, how will we ensure that the farmer who has to travel a great distance gets the proper subsidy for his grain? That also has to be explained. What you will see is a lot of the grain being transported by truck, so for sure that would guarantee the elimination of the rail line going through The Bay communities and to the Port of Churchill, when that happens.

* (1720)

All you have to do is look at Churchill. As a kid growing up, I remember I used to live on what they called "the flats." It is across the tracks, and that is where a lot of the poorer families lived, and we lived in very small shacks, that is exactly what they were. Under the Schreyer administration, they had the wisdom to try and build MHRC-housing that would be available for all.

So the houses we lived in in those times, those substandard houses now you will see are almost empty and abandoned because people are living in a lot more comfortable houses where there is sewer and water, and we have a beautiful big centre in the community of Churchill that houses the hospital, the curling rink, the hockey arena, a library, the town administration office. That was the vision that a government had in those days, and that is the vision that I am afraid the federal Liberal government is losing, because you have to

maintain a vision in order to make lifestyles and living and job opportunities for all citizens, not only if you live in the south.

There are many people that live in the North that need assistance from the governments because the freight is so costly and the cost of living is much higher. Also, if you look at the whole process, what is going on in the Northwest Territories right now, Mr. Acting Speaker? You have what you call Nunavut which is a new territory that is being developed, and what community is the closest to that territory? It is the community of Churchill. There is such a great potential for this government and the federal government to get into negotiations with the new territory of Nunavut that will be established. [interjection]

Well, I am glad to hear that because it has so much promise, because a lot of the goods right now are still going through, but there is real serious talk right now in the Northwest Territories of shipping everything through Montreal to Rankin Inlet and then sending it to other communities from there, so I am glad to hear that the government is on top of it, and I wish them success in it because we have to make sure that we in Manitoba will benefit from the opportunities that this new territory will create for us.

When you look at the number of goods, because you cannot fly everything because the people want to purchase three-wheel Hondas, boats, motors, skidoos and four-wheel trucks—

An Honourable Member: You could fly them in with a Herc.

Mr. Hickes: Well, you can fly them in with a Herc, but it is very costly, so we have NTCL which is operating out of Churchill right now. What they do is they ship all the goods up by rail car and then they unload them in Churchill. Then, in the summer season, even houses they have shipped up there, they have prefabbed them, and they put them on barges and they use a tugboat and ship them up North. So that is a great economic opportunity for Manitobans that we could really utilize if we keep that rail line open. Without the grain subsidy, that rail line will be one of the first lines that will be abandoned, and that is only part of the impact.

You look at the whole area of tourism. I remember many, many days that we used to have trainloads of tourists that used to come to Churchill or get off the train, spend a day and they would tour around town and they would buy souvenirs and lots of things. You spend a lot of money. So, if they close that rail line, that is another industry that is going to be very negatively impacted.

I cannot emphasize enough the possibility and the potential that we have for Churchill under the spaceport program. Even in the construction phase alone, you are looking at about 400 jobs. I was speaking to some of my friends and their children up at Churchill. They are already planning and looking at, dreaming of getting employment opportunities in high-tech employment jobs. They are talking about staying in school, continuing their education, going on to university because they see hope. That is the kind of dreams and visions that we have to make sure that the people in the North will always have the opportunities for.

That grain port is so key to the community and so key to the North. If we lose the Port of Churchill, we lose the railway transportation, and we lose everything that people have dreamed about for northern Manitoba because you know that there is not a road that goes beyond Gillam. There is a road that goes up to Gillam, and that is where it stops. So, when you look at fulfilling people's dreams, you have to make sure that we try and help people to fulfill those dreams and do whatever it is possible for people to achieve their goals.

I am really, really pleased when I hear young children in Churchill talking about staying in school, getting their education because they say, we will have the opportunity of good, high-tech jobs at the spaceport, which, to me, is very encouraging because a lot of times kids drop out of school when they see no hope. So, when I see that, it brings me great joy, and it also makes me feel positive of the community and the North. That is what we have to ensure as governments, provincial, federal, opposition, all parties—to ensure that we continue that dream for the North that has always been there.

Thank you, Mr. Acting Speaker.

Mr. Kevin Lamoureux (Inkster): Mr. Acting Speaker, this is a very serious issue, and this is the primary reason why we felt, as I had stated earlier, that it was important that we allow today's business be put to the side so that we can get a better understanding in terms of where the three political parties are on this particular issue. I am sure that, in fact, it will be somewhat useful for Members of Parliament of all political persuasions in Ottawa to be able to find out in terms of where people in the province of Manitoba are coming.

I want to comment specifically on a couple of things. First is to acknowledge the fact that I believe, as the Liberal Party believes, that there is a need to look at the Crow, and I believe that the Conservative Party in the past has also acknowledged that there is that need. I found out today that the New Democrats have felt that that is not, in fact, a need.

I made reference to a letter earlier today in speaking to the MUPI and the reasons why. The letter was in fact the letter that the minister sent out. It was signed by a number of different ministers and was tabled by the minister this afternoon. I made reference to the one paragraph. I do believe, Mr. Acting Speaker, that there is a need to repeat it. It says: "The Producer Payment Panel appointed by the Federal Government has been evaluating the options of paying the subsidy directly to farmers rather than to the railroads. This would promote further diversification in agriculture and more market responsive adjustment in the entire agricultural and agribusiness industry."

I believe that there is a significant number of farmers that are out there that are looking and hoping that they would see a government take some sort of a direction and recognize the need to get more of those dollars in the producers' hands. I believe that farmers, given the opportunity, will be better equipped if they had the additional resources, better equipped to be able to provide more and create more jobs in rural Manitoba, and this is in fact what the Minister of Agriculture (Mr. Enns) has been talking about. This is in fact what

the Minister of Highways (Mr. Findlay) himself had made reference to.

I do take some exception to what the Minister of Highways has said when he talked in terms of abolishing the full Crow rate in favour of putting it into the producers.

An Honourable Member: A typical Liberal.

* (1730)

Mr. Lamoureux: The member for Dauphin (Mr. Plohman) says, a typical Liberal. Well, Mr. Acting Speaker, I believe that if you take a look at what has actually been said and what has been done, it will clearly demonstrate that this is not a cabinet decision at this stage, that Mr. Goodale has made comments to the opposite.

Unfortunately, ministers—and I would suggest maybe that this particular Minister of Highways did make a mistake in terms of some of the things that he said. He is not the only minister that has maybe misspoken himself, and I do not know the context in which it was said. I recall when the former Minister of Highways of this administration talked about tolls on highways and how quickly he was quiet on that particular issue.

Members from across the floor have said, where are the Members of Parliament? Well, Mr. Acting Speaker, I have confidence that the Members of Parliament that represent the province of Manitoba will do likewise what the provincial Liberal caucus will do, and that is to express the needs and the requirements and what is in the best interests of the province of Manitoba first and foremost.

If when a decision is made, and the Minister of Agriculture anticipates that a decision will likely be made in the next 12 to 15 months, if at that point in time we look at the decision and the decision is not in fact in the best interests of Manitoba, and the farmers in particular and the town of Churchill, well, then, Mr. Acting Speaker, I am sure that you will see the reaction that will not necessarily be in favour of what the federal government is doing.

Mr. Acting Speaker, the federal members of Parliament, I am sure, and I posed the question across the floor to the Minister of Agriculture, did he phone his member of Parliament? His response

was, no, he did not phone his member of Parliament but indicated that it was a good idea. Yes, I believe it is a good idea that all members of the Chamber possibly get in contact with their members of Parliament.

Mr. Acting Speaker, I would argue that they will listen. Whether or not they will have the ability to win the day, we do not know. We will not know until the decision itself has been made.

The New Democrats and the Conservatives, in the words that they have said on the record today, would give you the impression that the decision has been made. The reason why they want to make that impression is that they are hoping to try to make this an antigovernment, federal government—it is called fed-bashing, and that is why we had members talk about, remember Trudeau years. One member made reference to the environmental office—no comparison, compared to the CF-18, absolutely no comparison whatsoever.

They tried to associate, Mr. Acting Speaker, that this, whether the government, and they do not acknowledge—one, I believe, did acknowledge that the Minister of Agriculture has been working with representatives from the industry, grain companies, the railroads, the Canadian Wheat Board, Canadian Grain Commission, Grain Transportation Agency, unions and management and farmers. The federal government has been working and dealing with this very same issue, and no decision has been made.

Yes, maybe one minister has made some comments in citing a personal opinion but, Mr. Acting Speaker, I can assure you that the information that I have been provided, and I believe that information is accurate, that a decision has not been made. I believe that the members of Parliament will in fact have a good, thorough discussion, and what is in the best interests of Manitoba and Canada will be served.

Until that decision is made, Mr. Acting Speaker, I will have more faith in the current administration than the previous administration. I would argue that the current Liberal government has done more in the last six, nine months than the previous

government has done in nine years, more positive things in terms of living up to commitments.

The Minister of Agriculture talks about the red book and the commitment of what the Liberal Party said prior to the election. Well, Mr. Acting Speaker, it was not in the red book, the one million tonnes of grain. There was a commitment that was made from the federal Liberal candidates in the province of Manitoba to attempt to get that commitment approved.

Some Honourable Members: Oh, oh.

Mr. Lamoureux: They say, oh. Let me read exactly what was said. It was: therefore, Manitoba Liberals will press a new government for an export of one million tonnes of grain through the Port of Churchill each year. And, Mr. Acting Speaker, I believe it was printed in bold.

So I trust that some member is going to stand up today and speak somewhat in a way in which will be more productive, more of a positive contribution to that decision that ultimately will be made. I have done my own fedbashing in the past, but I believe that there tends to be, at least from the debate that I have heard here, more of a political agenda than a real agenda of trying—[interjection] I guess they are saying, the Leader of the New Democratic Party, that I too have done my share of fedbashing myself.

(Mr. Speaker in the Chair)

Point of Order

Mr. Doer: On a point of order, I believe it should be very clear that the member for Inkster (Mr. Lamoureux) has said he has done his share of fedbashing. There is a difference between standing up for Manitoba and fedbashing for political purposes.

We do not want to impugn motives at all, Mr. Speaker. Maybe the member for Inkster used to fedbash. We just believe it is very important, our relationship with the federal government. No matter who is in office it is a very crucial point for all Manitobans.

Mr. Speaker: Order, please. The honourable Leader does not have a point of order. The

honourable member for Inkster has 18 seconds remaining.

* * *

Mr. Lamoureux: Mr. Speaker, very interesting. It is not fedbashing when the New Democratic Party stands up. I think that they made it into a fine art during the '70s when we saw the amount of fedbashing that went on, and when the minister—

Mr. Speaker: Order, please. The honourable member's time has expired.

Hon. Donald Orchard (Minister of Energy and Mines): Mr. Speaker, this debate has been a very necessary one in this House because the issues before us, namely Churchill and the resolution of the payment of the Crow benefit, are two very important issues to this province.

The debate had to take place because I do not think there is any confusion as to where the New Democrats stand in either of those issues. They have supported the Port of Churchill as we have as a party. There is a difference, admittedly, between where the New Democrats approached the payment of the Crow benefit from where I think the majority of our party believes it should be, and that is fair. The New Democrats favour paying the railroads, and we favour paying producers, because we think in the long run that will improve the agricultural economy of Manitoba. The importance of this debate was to have the position clearly enunciated of the Liberal Party of Manitoba on both of these issues.

Mr. Speaker, I have to say to you that I listened intently to several Liberals speak, and, regrettably, Sir, we have not heard from the Liberal Leader (Mr. Edwards) in Manitoba. The Liberal Leader, as is usual, has made himself exceptionally unable to be here to speak and deliver policy. He may have duties that carried him and disallowed him from being here, and I respect that. But, surely, Manitobans, as we approach maybe an election within a year, ought to know more about the Liberal Party and the Liberal Leader and where the Liberal Party stands, other than the fact they support everything that the federal Liberal government does. Me-tooism is not good enough in developing policy for the people of Manitoba.

* (1740)

Now, Mr. Speaker, we had the former Leader of the Liberal Party and the member for Inkster (Mr. Lamoureux), who should have been the Leader of the Liberal Party, develop the most clearly enunciated positions of all of the Liberals I heard. The member for River Heights (Mrs. Carstairs) admitted that there was confusion at the federal level. I know that is probably a gross understatement on this issue, because you have one minister saying, the Minister of Transport saying, this Crow benefit should be eliminated in an effort to sustain deficit control. Then you have the other federal minister, Mr. Goodale, the Minister of Agriculture, saying, well, no we really have not decided yet.

Why this debate was important—even though we do not know where provincial Liberals stand on this issue, we do not know where the Liberals stand on this issue provincially—we would have enjoyed hearing advice on how they are recommending this policy be dealt with, that advice going to their federal counterparts. The closest we got to that advice was from the member for Inkster. I give him credit for that, because he has been forthright most of the time. He did indicate that there ought to be a payment to the producers of the Crow benefit. I have to assume, Mr. Speaker, in the absence of the Liberal Leader's comments on this issue, that the person who should have been the Leader of the Liberal Party provincially, the member for Inkster, has put the Liberal Party's position on the record that Crow benefit (a) should not be eliminated in Paul Martin's desire to lower the deficit and that it should be paid to the producers.

Well, I have to concur with my honourable friend the member for Inkster and if that were what the provincial Liberals communicate to their federal counterparts, that would be good advice. We have to assume that that may be the advice that is forthcoming.

Now, what I want to tell you, Mr. Speaker, is the benefit of this debate is, my honourable friends in the Liberal Party are scrambling. They are scrambling to say, well, you know, there was this

confusion between ministers. They really did not mean what they said because, Sir, they say, and one of the Liberals has just reinforced that, that no decision has been made, that this whole confusion was just maybe trial balloons, maybe no communication at the federal level. Maybe they do not have any idea of what they are going to do, but if there is one thing debate has potentially accomplished today, that would be, I hope, Sir, that we back the federal government, Mr. Chretien and Mr. Axworthy and the eight or nine other Liberal MPs in Manitoba away from the enunciated position of the Transport minister, Mr. Young, that this Crow benefit should be taken away from western Canadian farmers.

If that is the benefit of this debate, it would not be the first time that this Minister of Agriculture (Mr. Enns) has intervened positively on behalf of Manitoba farmers and western Canadian farmers. You might recall, one month ago, approximately, when the federal Minister of Agriculture, one Mr. Goodale, was about to cave in to the American lobby against our wheat imports and make a deal which would have compromised every single wheat producer in western Canada for the benefit of, again, our eastern Ontario and Quebec friends, because the Liberal Party nationally always compromises the West for the benefit of Toronto and Montreal—never fail. Well, the active intervention of our Minister of Agriculture a month ago backed the federal Liberal government away and Mr. Goodale away on that issue.

Now, if we could just silence Mr. Young, who says we have to get rid of this Crow benefit because it is against trade agreements and is actionable, which is an absolute misunderstanding of the issue, if we can back him away, if nothing else happens than the member for St. James (Mr. Edwards) uses part of his \$55,000 taxpayer-supported, Liberal-donated expense account to buy a roll of tape to shut the mouth of the federal Minister of Transport, we would all benefit.

Mr. Speaker, even though we have not heard the position of the Liberal Leader of this Liberal Party of Manitoba (Mr. Edwards) on this issue, I take comfort that the member for Inkster (Mr.

Lamoureux) has enunciated where they stand and that they in fact will be communicating with their federal confreres that the Crow benefit ought to remain and be paid to producers, as a committee is currently under study, and secondly, that they will back the federal government away from what I believe are plans to eliminate the CN Rail to Churchill. That is important to the province of Manitoba from grain transportation, from import from the Baltic States and other areas of the former Soviet Union and important if we are going to turn Churchill into a world-class spaceport, because that rail is needed for transshipment of rockets to northern Manitoba.

If this debate does anything but get the Liberal government in Ottawa to be honest and to treat Churchill appropriately and deal with integrity with the Crow benefit, then this debate has indeed been worthwhile. I congratulate the member for Rupertsland (Mr. Robinson) for bringing this matter of urgent public importance before the House for debate.

But, Mr. Speaker, I have some significant reservations in terms of where the Liberal Party of Manitoba really does stand, because in the absence of a clearly enunciated statement by their Leader, none of these folks really, really count as much as the Leader in terms of enunciating policy. [interjection] My honourable friend, the newly elected Liberal, is saying, well, our Leader did not speak.

How many cabinet ministers have you heard enunciate the position that I have put forward today? You have heard numerous of them, and in these issues cabinet ministers do tend to develop and speak policy on behalf of the Province of Manitoba. But regrettably and unfortunately, with members of opposition parties, unless the Leader enunciates the policy, which the New Democrats have done, you can say, oops, it was not in our red book; we really did not mean it; we really were not serious. Manitobans on these two very key and crucial and important issues do not know where the provincial Liberals stand, and that is an issue that cannot go unrecognized and unchallenged and unanswered.

If Manitobans believe that they are going to get consistent positions on policy from this Liberal Party under the leadership of the disappearing member for St. James (Mr. Edwards), who has not put his position on the record in this House on anything in this session, that is not good enough. That will not allow Manitobans to make the judgment as to the worth and value of provincial Liberals to be elected to this Legislature in the next provincial election.

Mr. Speaker, regrettably, once again it is the job of members on this side of the House to inform rural Manitobans that there is no position of the Liberal Party on the Crow benefit, provincially. They have no ideas, no sense of where they will go on this issue because their Leader, regrettably, has again not used any of his \$55,000 expense allowance to buy a policy on grain transportation subsidization for the Port of Churchill.

I do not know what he uses that expense allowance for, that the taxpayers of Manitoba have subsidized through the income tax relief of donors to the Liberal Party provincially. But whatever he is using that \$55,000 for, I urge the members of the Liberal Party to use it to at least buy some policies, buy some principles so Manitobans will know where Liberals stand.

Ms. Marianne Cerilli (Radisson): I am pleased to speak today as the caboose on this debate, and I welcome the chance to—

An Honourable Member: Ah, an endangered species.

Ms. Cerilli: The caboose is an endangered species under Liberal and Conservative governments across this country.

Mr. Speaker, this is a classic debate we have here today. We see that the Liberals in government are no different from the Tories. We have lists of what the Liberals said they would do in government during the election. They claimed that they would take a different path than the Conservative government. They said that the railway jobs that were being hemorrhaged from the country from VIA Rail and CN would stop, that the bleeding would stop. Then we see an action like we have today totally in conflict and

contradictory to that commitment during the election.

* (1750)

They made commitments that there would be support for the Port of Churchill, and they would be shipping one million tonnes of grain from the port. We can see that is not going to happen as they eliminate the subsidy for that northern line. They spoke of renewing our infrastructure program, improving the transportation system and reducing input costs to make farming more viable, and we could see that again all of those things are not happening.

On issue after issue after issue we see the Liberals implementing Conservative policy at the federal level, whether it is NAFTA, whether it is the cruise missiles, whether it is the cuts to the UI. On issue after issue we see that the Conservative policies are being implemented by the Liberal government, and they are betraying this country. They are betraying the people of this country. They are betraying the people of Manitoba.

I want to stand here today, Mr. Speaker, and tell you I am really glad that Bill Blaikie was elected to continue to represent the communities of East Kildonan and Transcona and the whole province and speak out on behalf of Manitoba to tell this Liberal government that the Port of Churchill and the CN yards in Transcona are not up for grabs.

Mr. Speaker, this government obviously has no vision. They do not see the importance of the railway to this country. They do not see that going into the next century the railway in this country is one of the most important industries, because we have to start looking at the environmental realities in this country, and there is no better way to transport dangerous goods, there is no better way to transport commodities like grain than with the railways.

If we go back to the 1980s, and I remember when I was in university and the debate and the fight that we had on the Crow rate. Who was the minister then, the Minister of transportation? None other—[interjection] Lloyd Axworthy was the minister that implemented the first changes on the Crow rate to start taking away those subsidies that

were going to the railways to transport grain across this country.

He still has the same agenda, even though he talks one way during the election campaigns. There were big promises made to the Transcona Shops during the last federal election, big promises about lots of work there in the Transcona yards.

I can tell you, Mr. Speaker, with the line going up to Churchill and the closing of that port, the people that work in those yards in Transcona are going to be affected.

Mr. Speaker, the other thing that is part of this betrayal and part of this narrow vision that the Liberals have is related to NAFTA. We heard the member for Flin Flon (Mr. Storie) talk about this. On the one hand, before the election, the Liberals claimed they were going to renegotiate NAFTA. No sooner were they elected than they quickly, before the GATT negotiations were completed, went ahead and implemented NAFTA, and now they are taking away the infrastructure that is going to allow us to maintain our grain industry in this country, and they are giving up the ghost.

Mr. Speaker, back in the '80s there was an inquiry by Emmett Hall, from the judiciary, and he said that the Crow rate was not bargainable. He said that once the Crow rate was on the bargaining table and began to be tampered with that it would all be lost. We can see that that is what has happened and it is the Liberals who did it initially and it is the Liberals who are finishing it off in government.

I do not want, though, to let this Conservative government think that there is no responsibility there because, if you also look back and you look at the Lyon government at that time which, by the way, the Premier (Mr. Filmon) was a part of and supported the policies, the Lyon government also supported the same policy.

Let the Conservatives look back and see they are also inconsistent and we cannot, as the member for Dauphin (Mr. Plohman) has said, separate these two issues. We cannot separate these two issues, and we have to look at the Conservative position of putting the subsidy to the farmers in the same

kettle, if you will, with the elimination of the subsidy. The effect is going to be much the same. The effect is going to be much the same, particularly on the railways and all those communities in the North and in rural Manitoba that rely on those railway services.

There was a report by the national transportation industry that said that this was going to cost farmers \$500 million and we are going to see that that is what is going to happen.

Mr. Speaker, I want to conclude by saying that I have heard members opposite talk about how since 1897 this kind of program has been a birthright to the farmers in Manitoba. I do not think the government across the way has done everything they could to stand up for the railway in Manitoba and for this program that is going to integrate and link the railway and the farming sector of this province.

They are allowing the economy to be unravelled. They are allowing this inter-relationship to be undone, and they are not seeing the value in keeping a strong rail system in Manitoba and in this country to ensure that we are going to have the Port of Churchill and all those other communities that rely on this program.

It is the railway jobs, Mr. Speaker, but it is far more than that. It is allowing this country to have some access to rural and northern areas so that we can have development outside of the large urban centres. It is a very big issue, Mr. Speaker.

We talk over and over again about the displacement of people, the young people who leave the rural areas, and then we have governments take actions like this which are totally in conflict with any kind of vision of developing rural areas and are totally promoting the draining of young people and of jobs and of people out of the rural and northern areas.

So I just do not understand the thinking of Conservative and Liberal governments across this country. I remember when I was about 10 years old, and our family took the train to Churchill for a summer holiday. I remember going up there and walking from the rail line into the Northwest

Territories and realizing and looking on the map at how far north we were. We did that trip back in the '70s before it was a fashionable or popular thing to do as summer tourism, and we took that trip into an area of northern Manitoba that I had never been to before. I want to go back there, and I think that many people in this province want to take the train and go to Churchill. There is a lot of potential for development in the North, and we cannot lose this grain subsidy. We cannot lose the rail line to Churchill. We have to make sure that the Liberal government and the Conservative governments are held accountable. Thank you very much.

Mr. Marcel Laurendeau (St. Norbert): Mr. Speaker, I know the time is short so I will make it very brief. I would like to thank the honourable member for Rupertsland (Mr. Robinson) for bringing forward this debate. I have really thought it was a very interesting debate.

Mr. Speaker, I must say that I would not call it federal Liberal-bashing, as the honourable member for Inkster (Mr. Lamoureux) has said.

I know when our federal cousins were in power, our Premier stood strong when our federal Conservative cousins were in power and stood strong against them when they took initiatives that were against the Province of Manitoba. I have not heard the honourable member for St. James (Mr. Edwards) today stand up and take a stand for Manitoba, and I think that was wrong. Instead, he is out in St. Norbert tonight, working to try and get some other Liberal elected. Thank you.

Mr. Speaker: Order, please. The hour being 6 p.m., this now concludes the matter of urgent public importance.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 9, 1994

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