



Third Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

**Official Report
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McALPINE, Gerry	Sturgeon Creek	P.C.
McCRAE, James, Hon.	Brandon West	P.C.
McGIFFORD, Diane	Osborne	N.D.P.
McINTOSH, Linda, Hon.	Assiniboia	P.C.
MIHYCHUK, MaryAnn	St. James	N.D.P.
MITCHELSON, Bonnie, Hon.	River East	P.C.
NEWMAN, David, Hon.	Riel	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
PRAZNIK, Darren, Hon.	Lac du Bonnet	P.C.
RADCLIFFE, Mike, Hon.	River Heights	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack, Hon.	Niakwa	P.C.
RENDER, Shirley	St. Vital	P.C.
ROBINSON, Eric	Rupertsland	N.D.P.
ROCAN, Denis	Gladstone	P.C.
SALE, Tim	Crescentwood	N.D.P.
SANTOS, Conrad	Broadway	N.D.P.
STEFANSON, Eric, Hon.	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin	N.D.P.
SVEINSON, Ben	La Verendrye	P.C.
TOEWS, Vic, Hon.	Rossmere	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
WOWCHUK, Rosann	Swan River	N.D.P.
Vacant	Portage la Prairie	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 15, 1997

The House met at 1:30 p.m.

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson of the Committee of Supply): Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

MINISTERIAL STATEMENTS

National Forest Week

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, I have a brief statement for the House, and I have copies.

Madam Speaker, during the month of May, Manitobans and Canadians celebrate National Forest Week. Officially this year it was the week of May 4 to 10. As you see before you today, we have representative seedlings that are being presented to the MLAs in the House.

We have been celebrating National Forest Week for the past two weeks, frankly, and in this province National Forest Week is a program run by the Forestry Association, and they have provided the white spruce seedlings that are in the House today.

I am sure that all my colleagues in the Legislature will agree that we look forward to receiving a white spruce seedling each year. In fact, I know of some of the colleagues who have been here for a while who

now have a nice row of spruce seedlings, some of them that are getting to be of a substantial size.

Forests, Madam Speaker, are to all Manitobans a very special symbol. National Forest Week is a special time for us to celebrate our forests, and I would like to congratulate the Manitoba Forestry Association for its annual effort to remind us of the value of this resource.

Madam Speaker, there are two youth ambassadors who are part of the Youth Ambassador Program of the Tree Canada Foundation called Let's Root for Canada Program.

Our youth ambassadors are part of a 24-member team, aged 16 to 19, that will be participating in community tree planting events across Canada from May 28 to July 3. Eric Couture was selected by the Manitoba Forestry Association to represent Manitoba to other parts of Canada. Alexis Knispel will host youth ambassadors from other parts of Canada when they visit our province on June 10. Tomorrow at 1:30, Manitoba's youth ambassadors will be part of a planting ceremony to recognize 25 years of tree planting by the Scouts of Canada, Scout Trees for Canada Initiative will be recognized.

The Minister of Urban Affairs (Mr. Reimer) will take part in this planting which will occur adjacent to the Louis Riel statue to the south side of the buildings. This will initiate our commemoration of the 125th anniversary of Arbor Day, a day to commemorate all the importance of all of our varieties of trees.

I rise today for an opportunity for all of us to show our support to the efforts made in this direction.

* (1335)

Mr. Stan Struthers (Dauphin): Madam Speaker, I would like to take this opportunity as well today to rise and congratulate those in our province who are in any way, shape or form connected with the treeing of our province. I want to assure the minister that, although this is only the third time that I have been a recipient of one of these white spruces, each of them has been

planted in my backyard, and I look forward to a whole row of white spruce trees to be planted in my backyard over the years to come. I want to also assure the Minister of Natural Resources that I will not turn them into my own private little wood lot, as maybe others might be thinking.

I want to join in congratulating the Manitoba Forestry Association for bringing to our attention on an ongoing basis the importance of our forestry industry here in Manitoba. I congratulate them on their idea of spreading the seedlings to people to be planted and to be grown from there. I, too, want to join with the minister in congratulating Eric and Alexis both on being chosen as youth ambassadors, and I wish them well in their endeavour in showing people from outside of our area the good things in Manitoba that can happen in the area of forestry, and I thank them for that job that they are doing on behalf of Manitobans.

I also, too, want to join in congratulating the Scouts of Canada with their program, Trees for Canada. I think that is a very worthwhile job that they are doing, not only in getting valuable trees planted that we know are so important for our ecosystem to be healthy but also to raise the awareness of the importance of trees and the forestry industry in our province.

So, Madam Speaker, with those words, I thank the minister for my seedling of white spruce and thank him for bringing this to the attention of the House.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the public gallery where we have this afternoon eighteen Grade 6 students from Crystal City Elementary School under the direction of Mr. Larry Hamilton. This school is located in the constituency of the honourable member for Turtle Mountain (Mr. Tweed).

Also, thirty-five Grade 5 students from Victoria Albert School under the direction of Mrs. Karen Boyd. This school is located in the constituency of the honourable member for Point Douglas (Mr. Hickes).

Also, 25 first-year journalism students from Red River Community College under the direction of Mr.

Donald Benham. This school is located in the constituency of the honourable member for Wellington (Ms. Barrett).

On behalf of all honourable members, I welcome you this afternoon.

ORAL QUESTION PERIOD

Manitoba Water Commission Public Hearings

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, my question is to the First Minister. The First Minister has announced the re-formation of the Manitoba Water Commission to deal with the tremendously positive work that was conducted on behalf of Manitobans during the recent flood crisis and the continuing flood crisis and some of the concerns of a negative nature or concerns about action that was taken that resulted in flooding in various communities and how that happened.

A number of people that have talked to us are concerned, as you know, as we have raised before, about the cutting of roads and other blockage of drainage ditches and other measures, and they want to have an opportunity to present their views directly to the commission that the Premier has announced. We note today that the Premier has stated that this commission will determine whether public hearings will take place. I would like to ask the Premier today: Will he ensure that the people that have these concerns, the farmers in the Sanford area, the residents of Ste. Agathe, the people in Grande Pointe and other residents that have these concerns, Rosenort, will have the opportunity guaranteed to present their views in a public hearing process to this commission established by the government?

* (1340)

Hon. Gary Filmon (Premier): Madam Speaker, because this is an arm's-length commission, I do not think I could order them to do anything. However, it would be my intention to recommend to them that they do have open public hearings to hear the concerns of people expressed.

Mr. Doer: I thank the Premier for that recommendation.

Flood Forecasting Staff Reductions

Mr. Gary Doer (Leader of the Opposition): Madam Speaker, on a related topic dealing with floods, it has been announced or suggested that the Prime Minister of Canada will be visiting Manitoba shortly to deal with—the headline said spreading of cash—but I know he will be dealing apparently with all kinds of issues related to compensation, prevention and other measures that are crucial to Manitobans at this time. The Premier has travelled with the Prime Minister and been with him during this crisis. Of course, Manitobans are concerned about the cutback of the federal government on the flood forecasting staff; some 70 percent are projected to be cut back. Did the Premier raise this with the Prime Minister, and can he inform us of any response we received from the Prime Minister?

Hon. Gary Filmon (Premier): Madam Speaker, I have not been in communication with the Prime Minister during the course of the election campaign. The member may recall that he was here a day or so before the election campaign, 24 hours or so before the election campaign, and I do not believe that the issue of the federal cutbacks in staff was an issue at that time. In fact, I recall that it came up a little later, so I did not have the opportunity at that time to address the issue with him. I certainly will if I have occasion to be with him during the course of the next little while.

Mr. Doer: The federal lead minister for Manitoba has stated that he will be raising this issue of the cutbacks that are to take place in August 1997 with the federal government. Larry Whitney has stated that this is of great concern to Manitobans in terms of our ability to deal with future floods if these cutbacks take place. In a press release issued by the federal lead minister on May 5, when he announced the IJC consultations, he indicated that he was in contact with the Prime Minister on a daily basis. I would like to ask the Premier: Has he discussed this matter with Lloyd Axworthy? Has Lloyd Axworthy discussed this matter with the Prime Minister, and can we expect a reversal of a terrible decision to cut back on flood forecasting by the federal government in the Red River Valley?

Mr. Filmon: Well, Madam Speaker, the issue, of course, if it is a concern to Larry Whitney, I think it should be a concern to all Manitobans. I can only indicate that I have not had much contact with Mr. Axworthy because of the pressures that we have been under with respect to all of the matters that we have had to address with the flood, and he of course has been in an election campaign. I did hear the same media comment that the member opposite references, and I have already indicated that I am prepared to take that matter up with the Prime Minister.

Flooding Ste. Agathe

Hon. Gary Filmon (Premier): While I am on my feet, and I do think that this follows right along the course of questions that the member is asking. Yesterday he raised the issue of the cuts to the Avonlea Road and their possible implications on the flooding of Ste. Agathe. If I may, I would like to hand some maps to the member for his use and those of his members, and if I may briefly just go through an explanation of what did in fact happen in that area and what did ensue.

On April 28, 1997, Avonlea Road which runs one mile north of PR 305 was cut at two points just east of the floodway west dike in Section 22-7-2E. This location is about three miles west and a mile and a half north of Ste. Agathe. A cut was also made in the northeast Section 22-7-2E about a half mile south of the other cut. The cuts were made to reduce pressure and erosion on the west dike located nearby. The cuts were 50 to 100 feet long and would have allowed a flow of about 1,000 cubic feet per second through the road.

The important thing, and if the member can follow on the map, is that these cuts were already north of Ste. Agathe and the flow, both observed by the engineers for Manitoba Highways and for the Natural Resources department as well as myself personally when I was flying over it, was in a northeasterly direction, and in between the area of the cuts and Ste. Agathe is a height of land which would have prevented the water from flowing toward Ste. Agathe, so it is highly unlikely that it had any impact on Ste. Agathe. In fact, any extra water flowing northeast in the vicinity of the cut would cause lower water levels in the area south of PR 305 and would thus reduce flows across the railway into

Ste. Agathe. The road cuts would therefore have served to reduce water levels in Ste. Agathe rather than raise levels, according to the engineering assessment.

* (1345)

Grace Hospital Obstetrical Services

Mr. Dave Chomiak (Kildonan): In the past several years it has been clear that the government has been attempting to consolidate services like obstetrics and other services at certain particular facilities. At one time they called it centres of excellence, then they changed the nomenclature, but the intent of this government has been to cut programs, to consolidate and to cut funding. Since the real reason that the Grace obstetrics might be closed is because the government is cutting \$100 million out of hospital budgets in Winnipeg over a three-year period, I find it deplorable that the minister would shirk off responsibility on its soon-to-be-named but yet-no-legal-authority regional board. Will the minister outline what the government position is with respect to the possible closure of obstetrics at Grace Hospital, Madam Speaker?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I find it very disconcerting that the member for Kildonan would base the quality or the need of health care hospital services in the city of Winnipeg, or anywhere for that matter, strictly on the matter of how much we are funding or how many beds available whether they are needed or not. The number of births in the province of Manitoba, I think, in total, if memory serves me correctly, is somewhere around 17,000 a year, of which 12,000 are in the city of Winnipeg.

Madam Speaker, hosts of changes in the way that deliveries take place, the practice around that, even the creation of The Midwifery Act and alternative means or places for delivery of babies are going to have a resulting change in hospital services. The Grace Hospital board of directors, for a variety of reasons, one of which is that the number of births have declined to just over a thousand a year at that particular facility, has recommended it be closed. We have asked that that not happen until the Winnipeg Hospital Authority has a chance to sort out and make decisions about a plan that they want to implement for the city of Winnipeg.

Mr. Chomiak: Madam Speaker, can the minister explain why the government spent thousands, maybe hundreds of thousands of dollars to one of the foremost experts in obstetrics, Dr. Manning, who released a report, who in his very report recommended that Grace Hospital remain open? Why did we do that? Why did we have a report by an expert who went in not wanting to keep Grace open but in fact recommended it stay open? Why did we do that and now the government for really financial reasons is changing that recommendation?

Mr. Praznik: The former Minister of Health points out to me that the member is not quite accurate again, that that in fact was his third choice in his report, but the question here is the needs in obstetric care are changing. They will continue to change, and a proper plan, for the meantime, of developing obstetric services within the city of Winnipeg is very important. I share with him, as well, some concerns that have been expressed about consolidating all of that service in just teaching hospitals. We recognize that there are other components, but the Winnipeg Hospital Authority, the first tranche of board appointments have been made. Their CEO is in place. They are getting up and running. We as a ministry, because we deal with funding for those facilities today, do not want decisions made until the Winnipeg Hospital Authority has had an opportunity to assess and make some of their own decisions in their planning. That is part of this interim year.

Mr. Chomiak: Madam Speaker, can the minister explain why they are reaching a decision and putting it on a board that is not even in place and has no legal authority and in light of the fact that the Manning report says on page 70, and I will quote: The model that the government is doing to close Grace is not supported by either obstetricians or pediatricians.

Madam Speaker, their own report recommends against it. Yet the minister is going ahead with it and sending it onto some board that is not even existent and has no legal authority.

Mr. Praznik: Madam Speaker, I think the member for Kildonan is somewhat confused about position. The board of directors of the Concordia Hospital—and let us remember that under the faith agreement those facilities

very strongly believe in governance and decision making—have made a recommendation to close that facility in June, that particular service. The Ministry of Health is involved in that, as in our responsibilities. When it was brought to my attention, I felt that is not the time—that the Winnipeg Hospital Authority, who we have charged, are in the process of charging in this transition year with the responsibility for making those decisions on a city-wide basis, have a chance before a final decision is made to have the opportunity to review and look at the vision of how they intend to deliver obstetrics in the city of Winnipeg. In fact, I have asked for some time to take place so that kind of work can go on.

* (1350)

Provincial Parks Camping Reservation Fees

Mr. Stan Struthers (Dauphin): Madam Speaker, this coming long weekend, Manitobans will be again hit by drastic increases in park fees introduced by this government last year. Even while this government increases its own rainy day fund by hundreds of millions of dollars, it turns and it squeezes money out of campers who are looking for seasonal reservations and paying reservation fees that are 100 percent increased. They have doubled.

Why is this government doubling reservation fees, on top of all the increased fees introduced last year, on the backs of average Manitoba campers?

Hon. Glen Cummings (Minister of Natural Resources): Madam Speaker, we should remember that, as we dedicate as many dollars as we can make available, put as much effort as possible into improving the quality of the service and the experience available to the campers, we are in fact moving more and more to a model that allows us to recover more of our costs. In improving the reservation system, the member should remember that the old system had a fee charge, plus the callers had to pay their own long distance. Under the new program, all callers will be able to access it toll free.

Mr. Struthers: Madam Speaker, yesterday it was confirmed that the fees were going toward the

contracting of a company known as Destinet. It turns out that this company is not actually based in Ontario, but it is based in California.

Why has this government got a contract with a California-based company, a company that is more accustomed to taking reservations for California state parks, not Manitoba provincial parks?

Mr. Cummings: Madam Speaker, the member conveniently forgets that, in a tendering process, those who can provide the best service and are going to establish themselves in this province as a new service—the member chooses to ignore that aspect and simply wants to point out that this province is now going to receive an additional company operating right here in Manitoba.

Mr. Struthers: Will the minister indicate whether the increase in fees is to pay for this contract, and will he table this contract of this California company here in the Legislature so we can all see what this contract says?

Mr. Cummings: Madam Speaker, the project to provide reservation services for campsites in this province was a tendered proposal. All of the competitive bidding aspects were respected, including, in this case, the company is going to establish here in Manitoba to provide this service. So not only do we get an improved service for our campsites, we get improved accessibility, we get more campsites listed. We now also have the opportunity to have more jobs in this province.

Salaries/Wages Reductions

Mr. Leonard Evans (Brandon East): Madam Speaker, I have a question for the Minister of Finance. Data from Statistics Canada show that real average weekly earnings in the province of Manitoba, that is, after inflation has been taken into account, have declined by 4 percent since this government was first elected in 1988. This situation is not being helped by the current pattern seen in the first four months of this year where Manitoba lost 7,200 jobs in the higher paying sectors such as transportation, communications and utilities.

Will the minister acknowledge that average Manitobans are now earning less in real terms in 1996 than in 1988?

Hon. Eric Stefanson (Minister of Finance): Madam Speaker, no, I will not acknowledge that. I think what the member for Brandon East forgets to look at is after-tax income. The most recent statistics from Statistics Canada for after-tax income are for the year 1995. In fact, they just released that information some two weeks ago. It shows that, for Manitoba, a Manitoba family, the after-tax income in 1995 grew by 4.5 percent, more than double the Canadian growth rate and the second best performance in all of Canada. The reason for that is because this province has had 10 straight years with no growth in any personal income tax or other major taxes in our province.

Mr. Leonard Evans: Madam Speaker, a supplementary question: The minister can select the statistics all he likes, but can he explain why the Canadian real average of weekly earnings, that is, after inflation, has increased by 2.1 percent between 1988 and 1996, while Manitobans have suffered a decline of 4 percent? Why are we going against the Canadian trend?

* (1355)

Mr. Stefanson: Madam Speaker, this is a common problem with the NDP. They never look at the issue after taxes, and that is probably the reason that they increased taxes more than any other government in Canada from 1981 to 1988: they did not realize what matters to Manitobans is what is left in their pockets after they have to pay the taxes. That is the importance of going 10 straight years without increasing taxes in Manitoba, in fact actually reducing personal income taxes in Manitoba back in 1989.

Today, for the benefit of the member for Brandon East, if you look at family incomes in Canada, Manitoba has the fourth highest family income in all of Canada. Those are the facts, and that is what is of benefit to Manitobans.

Mr. Leonard Evans: A final supplementary, Madam Speaker: The Minister of Finance conveniently ignores all those extra fees and charges that he has put on the

people of Manitoba: nursing home rates, Pharmacare cost increases, elimination of property tax credits, increasing park fees, et cetera. Will the minister acknowledge that the relative wage position—and I am talking about the relative wage position within Canada—has deteriorated in this same period? We went from 91.6 percent of the Canadian average in 1988, and we are down to 86.2 percent in 1996. The latest data for 1997 places Manitoba nine out of 10 provinces, only after Newfoundland, in terms of wage increases.

Mr. Stefanson: Madam Speaker, what I will acknowledge is that we have taken Manitoba from the highest-taxed province in all of Canada under the NDP back in 1987 to one of the lowest-taxed provinces in all of Canada today. That is what matters to Manitobans. I do not know why members opposite have so much difficulty comprehending and understanding. What matters at the end of the day is what Manitobans have left in their pockets, and that is where Manitoba has made huge improvements over the last 10 years. If you look at overall taxes in Manitoba over that 10-year period, they are actually down. That is the best tax performance of any province in all of Canada, probably the best tax performance anywhere in the world. Manitobans understand that; I just hope sooner or later members opposite start to appreciate and understand that.

Grace Hospital Obstetrical Services

Mr. Kevin Lamoureux (Inkster): Madam Speaker, my question is for the Minister of Health. The centralization of obstetrics is a bad idea for the province of Manitoba, in particular for the city of Winnipeg. What I would like to be able to do is to quote the former minister, Don Orchard, when we posed a question. His comments were: I have to tell my honourable friend, the Liberal Health critic, who is into rumour, innuendo and false conclusions, that this government has no intention of closing obstetrics in the Grace Hospital.

Madam Speaker, not to be outdone by that former minister, to quote from a letter from the previous minister, Minister McCrae, July 13, '95, and I would table the letter. My question to the Minister of Health is: Can he explain what has happened in the last few

months that would change this particular letter in which the former minister stated: Regarding the delivery of obstetrical services in Winnipeg, this will confirm the Grace General Hospital will continue to be a site of delivery of obstetrical care?

What has changed? Why is this government supporting the Grace Hospital losing obstetrics?

Hon. Darren Praznik (Minister of Health): Madam Speaker, I have seen many members talk out of two sides of their mouths, and now the member for Inkster gets into that, because just a few weeks ago, before the flood, in this Chamber, he would come to this House and talk about the need not to centralize, how terrible the Winnipeg Hospital Authority was, we need the independent facilities to make decisions, so here now, when one of those facilities passes a resolution to close their facility, he comes here and he says: This is terrible; it is all your fault, Mr. Minister.

I recognize the fundamental point, that in a city of 650,000 people plus the hundreds of other thousands who use this city for a variety of their services, it is necessary to have a co-ordinated approach to delivering services. That is why we have created the Winnipeg Hospital Authority. I can tell the member that we have, since that resolution, asked the Grace Hospital not to proceed with that decision until they have had an opportunity to work with the Winnipeg Hospital Authority for the overall city plan. We have asked that, Madam Speaker. He should be speaking with the board of Grace if he wishes to criticize their decisions.

* (1400)

Madam Speaker: The honourable member for Inkster, with a supplementary question.

Mr. Lamoureux: Will the Minister of Health acknowledge that Don Orchard, in his Action Plan, the former minister, Minister McCrae, were right in the letter dated July 13, 1995, that we should not be closing down the obstetrics unit, and this minister has to take responsibility for that. Follow the Action Plan. Think in terms of the broader picture of obstetrics in the province of Manitoba. This is a bad idea. Tell the Salvation Army and the community health board that this is a program that is worthwhile saving at the Grace

Hospital and that this government will not accept the closure of it.

Mr. Praznik: Madam Speaker, the fire and fury of the member for Inkster, he should perhaps go down and visit with the board of directors at the Grace Hospital, because just a few weeks ago in this Chamber he was defending their autonomous right to govern their facilities. He was defending the autonomous right of a variety of facilities. So if you want that kind of system, then live with the result.

The reality in the city of Winnipeg today is we are moving toward a centralized system with the Winnipeg Hospital Authority. Obviously the Ministry of Health does have a role in working closely. We have been in touch with the administration of the Grace since their board passed that resolution, and we have asked them to put that on hold until the new Winnipeg Hospital Authority, which has now been appointed, has an opportunity to review and make their determination as to what is best to deliver obstetrics programs based on all of the work and studies that have been done in the past. That is what is going to happen.

Mr. Lamoureux: Is it now the government's policy not to follow recommendations set forth from this government's Action Plan that states that you want to increase services in our community health facilities? This is an area which we should be seeing expanding. Obstetrics should even be brought in to the Seven Oaks Hospital. We should not be seeing reductions. Will the Minister of Health acknowledge that or at least have the guts to say that he has thrown the Action Plan into the garbage can?

Mr. Praznik: There is no doubt that, in the delivery of a whole host of health programs and medical programs, that technology, demographics, a host of factors will continually result in changing in that program. What is critical for us as legislators, who are responsible ultimately to the taxpayers and people of this province, is that we have a mechanism and system of delivery that can adapt to changing need. From time to time that is going to result in shifts of programming.

In credit to the board of the Grace, one real problem that they have is that the numbers of births has fallen to just over a thousand. So there is a real issue there of

whether or not that particular facility has enough births to justify where they are being. Those kinds of issues I want the Winnipeg Hospital Authority, on a system-wide basis, to work out and see what is best to deliver programming for 12,000 births in the city of Winnipeg.

What is ultimately important here is patient care, getting the best mix of services. I am not going to prejudge that today, but my responsibility is to set in place the system and structure that will make rational decisions, not political ones.

Investment Multilateral Agreement Status Report

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, I took a question yesterday as notice from the member for Elmwood (Mr. Maloway). It was dealing with the proposed trade agreement on multilateral agreement on investment.

An Honourable Member: That was Crescentwood.

Mr. Downey: Crescentwood, I am sorry. Elmwood, he has kind of been a fixation. Let me make a correction, Madam Speaker. I have taken questions for the last two weeks from the member for Elmwood.

There may have been a misunderstanding in the questioning of the department when we were in Estimates. I can tell the member that there was a receipt of an early, early draft by the department—

An Honourable Member: Early, early.

Mr. Downey: An early draft—by the department on multilateral agreement on investment. There has been a copy received by the department, but as far as negotiations are concerned, to my knowledge there have not been any and they have been delayed, but we have received a copy of the early draft of that potential agreement.

Impact on Manitoba

Mr. Tim Sale (Crescentwood): I appreciate the minister's response to that question.

Madam Speaker, under that draft agreement, would the minister confirm that the sale of Manitoba

HydroBonds, preferentially to Manitobans to fund that utility's capital expenses, would be essentially impossible under this new treaty? Would he confirm that?

Hon. James Downey (Minister of Industry, Trade and Tourism): No, I will not confirm that, Madam Speaker, because it is so early in the negotiations. The Government of Canada have not entered into the agreement and there is no assessment at this particular time as to how it would in fact impact on the provinces.

Mr. Sale: Madam Speaker, will the minister confirm that this is a very, very well-detailed draft and in fact is quite advanced and that under this draft most requirements now imposed by government, for example, in regard to the use of local labour or the sourcing of goods and services from Manitoba, as opposed to other jurisdictions, would not be allowed, would in fact be quite illegal?

Mr. Downey: Madam Speaker, my previous answer holds.

Mr. Sale: Madam Speaker, will the minister finally get up to speed with something that is going to affect the very basic policies of his government, and any future government, and that government's ability to make economic decisions within our sovereign rights in regard to the direction of our provincial economy?

Mr. Downey: Yes, I will. Madam Speaker, because at this particular point, it is very hypothetical whether in fact it will proceed or advance at all or not. If that were to actually take place, we will be fully up to speed.

Post-Secondary Education Tuition Fees

Ms. Jean Friesen (Wolseley): Madam Speaker, my colleague for Brandon East has demonstrated the low-wage economy that this government is creating, low wages which must now take account of hundreds of dollars of user fees in public schools, huge increases in university and post-secondary fees, Pharmacare fees, home care fees, and the list increases. The other side of this is the low-skill economy that will be the long-term effect of the declining post-secondary enrollments

which in some institutions are averaging 5 percent a year.

I would like the Minister of Education to inform the House what part the 20 percent increase in fees of the past three years, and the government's delay of 12 months of their election promise of a tax credit has played in the drop in enrollments in post-secondary education in Manitoba.

Hon. Linda McIntosh (Minister of Education and Training): Madam Speaker, I hope the member will take a chance today to read the Free Press and read the article that indicates the very high level of skills being noticed by people employing graduates of our Manitoba system. Just maybe that is something that she might like to bring to the House and ask some questions about at another time.

I indicate that the tuition fees in Manitoba are the third best in the country for students, third lowest. I indicate there are so many vehicles for access to university here that make it a very attractive place to take post-secondary education. The 12.5 percent decrease over the last three years in universities is reflected in a lot of ways for a lot of reasons. First of all, there are more jobs available for people, and we know, statistically speaking—the member knows this; she is a historian—that whenever there is a large opportunity for employment, the enrollment in post-secondary institutions goes down and vice versa. We have increased enrollment in colleges and, Madam Speaker, we also have the 10 percent learning tax credit where students can get back 10 percent of their tuition.

Ms. Friesen: Madam Speaker, could the minister explain why, since 1988, the government has had no long-term plan to deal with student fees, no public input into the deliberations of the committee on fees she finally did appoint and no report after 18 months from that committee? Meanwhile, fees escalate and access to post-secondary education becomes more unequal for Manitobans.

Mrs. McIntosh: Madam Speaker, there is right now before the Council on Post-Secondary Education a report done by a committee of people appointed by this ministry to develop a tuition fee policy. That recommendation is now with the Council on Post-

Secondary Education for consideration and implementation. I also indicate that under this government we have in the last session of the Legislature increased the student representation on the board of governors at the University of Manitoba, for example, to 26 percent of the board, the largest student representation in the country. That board decides tuition fees. They now have a quarter of the board to give input to that decision, and the other universities will be brought to the 25 percent as well.

Madam Speaker, that, along with our learning tax credit wherein 10 percent can be returned to students of their tuition fee and our Access programs which continue to have a higher intake every year, I think, gives us tremendously good access to post-secondary learning in this province.

* (1410)

Post-Secondary Education Council Report Tabling Request

Ms. Jean Friesen (Wolseley): Could the minister agree to table the report that she says has been placed before the post-secondary education council? Eighteen months ago that committee was established. There has been no public report from that. It is an issue of serious concern to those low-wage Manitobans, in particular, who must pay these increased fees.

Hon. Linda McIntosh (Minister of Education and Training): It would have been awfully nice when my daughter was in university in the '80s had the NDP government at that time gone so far as to look at a tuition fee policy and done some things to help the students out then. They never did. We have. The committee was struck, as the member correctly indicates, last year. The committee has done its initial report which is now before the Council on Post-Secondary Education for study. That is more than they ever did on the other side.

That committee had on it student representation: David Gratzner from the University of Manitoba, University of Manitoba Student Union president; and, as well, a president from one of the rural community colleges, and it is an internal recommendation right now to the council. They will be dealing with it and be

reporting back to me, as a formal report to me then, and they will be making a decision on that in terms of what parameters to set. I really think that the members opposite, instead of sort of heckling negative things, should be pleased at the progress that is finally being made in this area in this province.

ManGlobe Partnership Agreement

Mr. Jim Maloway (Elmwood): Madam Speaker, my question is to the Deputy Premier and concerns the competence of this minister. While the provincial and federal governments were writing cheques to ManGlobe, a long list of creditors, including Revenue Canada owed \$46,000 and GST owed \$18,000, were chasing the ManGlobe president for payment of outstanding debts.

According to the unanimous shareholders' agreement, the ManGlobe president placed her 30 percent of the shares in the De Leeuw family trust to protect them from creditors. When will this government start approving grants based on merit and stop rewarding political friends?

Hon. James Downey (Minister of Industry, Trade and Tourism): Madam Speaker, as I have indicated previously and will indicate again today, the provincial government's involvement was in relationship to an agreement which is between ManGlobe and the Province of Manitoba, and the terms of the agreement were met.

Mr. Maloway: Would the Deputy Premier tell this House what the approval process was for grants under the Canada-Manitoba Communications Agreement, and who represented the federal government and who represented Manitoba?

Mr. Downey: Madam Speaker, I believe that it was Mr. Steven Leahey within the department of telecommunications that was involved as far as the Department of Industry, Trade and Tourism was concerned. I do not exactly know who was involved from the federal government, but I can take that question as notice. As I said previously and I will say again today, there had to be certain conditions met, involvement of other participants, and they were the Royal Bank, Canada Post and Manitoba Telephone System, to name three.

Provincial Sales Tax

Mr. Jim Maloway (Elmwood): Madam Speaker, my final supplementary to the same minister is this: Will the minister check with his colleague the Minister of Finance (Mr. Stefanson) and tell this House if any PST was owed by the ManGlobe president when the grants were made to ManGlobe?

Hon. James Downey (Minister of Industry, Trade and Tourism): Yes, Madam Speaker.

Manitoba Law Reform Commission Elder Abuse Study

Mr. Gord Mackintosh (St. Johns): When we last asked the minister how the government could justify eliminating the Manitoba Law Reform Commission, when the Conservatives screamed so loudly when the Pawley government made changes and when the Conservatives campaigned for an independent commission, he replied that the government wanted the money for, and I quote: public safety and community issues.

My question to the minister is: Would he admit that, by killing the Law Reform Commission, a major commission project to deal with the scourge of elder abuse has also now been killed, and does he agree that, when he talks of public safety, seniors are part of the public?

Hon. Vic Toews (Minister of Justice and Attorney General): Madam Speaker, I certainly agree that seniors are members of the public and certainly a concern of ours. If there is any work that is left unfinished by the Manitoba Law Reform Commission, or if indeed another body might take over that work, we will endeavour to ensure that the interests of seniors are met in the overall strategy of justice issues in this province.

Termination

Mr. Gord Mackintosh (St. Johns): Would the minister acknowledge that the government's destruction of our Law Reform Commission which provides independent reviews and recommendations, this

destruction was planned without any consultation with the commissioners, with the staff, with the community, options that could have seen the Law Reform Commission continue?

Hon. Vic Toews (Minister of Justice and Attorney General): The issues that were before this government, in terms of trying to decide what would be a more appropriate expenditure of resources, were weighed in favour of issues of public safety. While we certainly value the past contributions of the Manitoba Law Reform Commission, we believe that there are other or alternative ways of achieving satisfactory input in respect of the process of law making. So we want to continue to explore those other avenues and certainly do not in any way belittle the past contributions, the very important contributions that the Law Reform Commission has made. In the future we will attempt, and discussions are continuing, to ensure that the practice of law reform, of law review is carried out in an appropriate and satisfactory manner in this province.

Madam Speaker: Time for Oral Questions has expired.

MATTER OF URGENT PUBLIC IMPORTANCE

Community Obstetrics

Mr. Kevin Lamoureux (Inkster): I would move, seconded by the member for St. Boniface (Mr. Gaudry), that under Rule 27, the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the threat to the community obstetrics posed by this government.

Madam Speaker: It has been moved by the honourable member for Inkster, seconded by the honourable member for St. Boniface, that under Rule 27 the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely the threat to community obstetrics posed by this government.

Regrettably, I must advise the honourable member for Inkster that procedurally his motion is out of order on the basis of our Rule 27.(1) because the required notice was not provided. The rule states that prior

notice of one hour is required. The notice from the honourable member for Inkster was received in my office at 10 a.m., and the House met today at 10 a.m. Because the procedural requirement was not met, I must therefore rule the member's motion out of order.

* (1420)

Point of Order

Mr. Lamoureux: Madam Speaker, on a point of order, I know that, given the circumstances of negotiations between all parties in this Chamber, as a result of those negotiations, we had made special exception to allow us to sit this morning. I do believe very firmly that members of this Chamber, at least very firmly that the official opposition would be supportive of allowing this particular explanation of the matter of importance, given the special circumstances surrounding the flooding and how we are trying to compensate for some lost time. I guess I would appeal to the government to allow for us at least to explain why it is we should be able to have this particular urgent matter debated.

Madam Speaker: The honourable government House leader, on the same point of order.

Hon. James McCrae (Government House Leader): Madam Speaker, even if one were to ignore altogether the lack of time limits, and by that I mean the technical requirement of our rules to provide notice within an hour of the sitting of the House, even if the honourable member had satisfied that requirement, and I really do not have that big of a problem with that aspect of it, but the honourable member's motion here fails on the more substantive and less technical aspects of his application here in the House today.

So we do not place a lot of weight on the problem, on the failure of the honourable member to meet the technical requirements, because I agree, because of circumstances prevailing in Manitoba right now, members in all of the parties have been extremely co-operative—for which I thank them all—at a very difficult time in Manitoba's history, to allow for the Legislature to continue working under very, very difficult circumstances. You, Madam Speaker, would know as well as or better than most how difficult the circumstances have been. So we do not rest our case on the timeliness part of it, although I understand why

that is a fatal flaw in the application here today. The issue we would argue on would have to do with the substantive nature of the motion itself, which has to do with obstetrics at Grace General Hospital.

Madam Speaker, this matter has been the subject of discussion for years in Manitoba. There is nothing magical that happened yesterday or the day before, and nothing magical is going to happen tomorrow. This is an extremely important matter—obstetric services in the city of Winnipeg—and so due deliberation is required and remains to be done before final determinations are made. The honourable Minister of Health (Mr. Praznik) is in the process of completing appointments to the Winnipeg Health Authority—

Madam Speaker: Order, please. I would remind the honourable government House leader that we are not and should not be debating whether the motion meets the criterion for all other business to be set aside. What I believe the honourable member for Inkster (Mr. Lamoureux) was requesting was if there was support to disregard the fact that the motion is procedurally out of order because it did not meet the time requirements as expressed in our Rule 27.(1).

The honourable member for Burrows, to speak to the procedural issue.

Mr. Doug Martindale (Deputy Opposition House Leader): On the same point of order as the member for Inkster, we believe that, since numerous rules have been set aside in the last several weeks, we are willing to give leave to have this matter of urgent public importance debated, and we hope that all parties in the House will give leave to debate it.

Madam Speaker: The honourable government House leader, on that same point of order.

Mr. McCrae: Madam Speaker, I agree with the honourable member that there ought to be a discussion of this matter, but certainly under the rule for emergent debate, no. The Estimates of the Department of Health are about to come on. Last year we spent about 54 hours on Health. There is all kinds of time available to the honourable member for Inkster (Mr. Lamoureux) to raise these issues in the Estimates.

Madam Speaker: Order, please. Is there leave to waive the procedural requirement that was not met under Rule 27.(1)?

Some Honourable Members: No.

Madam Speaker: No. Leave has been denied.

NONPOLITICAL STATEMENT

International Day of the Family

Mr. Ben Sveinson (La Verendrye): Madam Speaker, may I have leave for a nonpolitical statement?

Madam Speaker: Does the honourable member for La Verendrye have leave for a nonpolitical statement? [agreed]

Mr. Sveinson: I would like to take this opportunity to acknowledge the International Day of the Family. Families perform the most important function in our society. Their work is caring, nurturing, guiding, and promoting tolerance and acceptance is the template that is carried into all areas of living.

As we all know, families come in many diverse sizes and shapes. Our first families, particularly within the aboriginal community, extended beyond the parental unit. Earlier settlers of Manitoba often left behind their extended family.

Madam Speaker, the toll of two world wars led to a rise in the number of single-parent families. The last 20 years have been marked by incredible changes in our world. We have seen a return of women to the workplace which has generated new levels of family income. Also, global communications and modern air travel have meant that we can see our families who live far away much more frequently. Despite changes imposed by modern society, the family still remains the foundation of our community.

Madam Speaker, Manitobans have a very strong sense of family. As we have seen in the last several weeks, Manitoba families came together in unprecedented numbers, families helping other families in sandbagging, providing shelter, providing food and providing support.

Today, I would encourage all Manitobans to remember just how important families really are. Thank you.

ORDERS OF THE DAY

House Business

Hon. James McCrae (Government House Leader): Madam Speaker, discussions with House leaders are ongoing with respect to the business for next week, and it is early for us to make any announcements in that regard. So I would say to honourable members that I expect on Tuesday of next week to be able to announce the arrangements for next week. However, should something arise later today that might require announcement in the House, I will alert the presiding officer or officers at that time. So, for the time being, I would make my motion to move the House into Committee of the Whole.

I move, seconded by the honourable Minister of Education and Training (Mrs. McIntosh), that Madam Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

COMMITTEE OF SUPPLY (Concurrent Sections)

LABOUR

Mr. Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply will be meeting in Room 254. We will resume consideration of the Estimates of the Department of Labour. When the committee last sat, it was considering on page 100, the item 11.2(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$417,500.

Mr. Daryl Reid (Transcona): Mr. Chairperson, was it 2.(b) that you mentioned that we were on?

Mr. Chairperson: 11.2.(c). Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$417,500.

Mr. Reid: Thank you, Mr. Chairperson. I want to ask the minister, are there any vacancies in this subdepartment?

* (1440)

Hon. Harold Gilleshammer (Minister of Labour): I am informed that the director has just recently retired and that the position will be filled in not too many months hence.

Mr. Reid: Can the minister tell me who the director was, refresh my memory on that person that was involved?

Mr. Gilleshammer: Yes, it is the person we all spoke so highly of yesterday, Mr. Jim Davage.

Mr. Reid: Sorry that it escaped my memory that he was in charge. I thought that perhaps there was another individual that was directly responsible for that. Yes, I do recall Mr. Davage and his role that he played with some of the strikes and lockouts in the province.

Can the minister tell me, talking about strikes and lockouts, how many days have been lost? Does he have a record of the days lost to strike and lockout over the course of the last year?

Mr. Gilleshammer: Just for clarification, you are asking about the budget year 1996-97?

Mr. Reid: Yes, Mr. Chairperson, I am asking for that.

Mr. Gilleshammer: The information I have before me is based on a calendar year, but probably it will suit the member okay. If not, I know that he will feel compelled to ask a further question. But the summary of 1996, from January 1, '96, to December 31, '96, there were 22 work stoppages in Manitoba affecting some 7,275 workers.

Mr. Reid: Can the minister tell me if some of these work stoppages are still ongoing? From my understanding there are still some issues in dispute on some of the firms in the province. Can the minister tell me the status of those disputes and what role Conciliation, Mediation is playing to try and resolve them?

Mr. Gilleshammer: I am informed that at the current time there is one work stoppage in the province.

Mr. Reid: Can the minister tell me which firm that is and what efforts his department is making to try and resolve it?

Mr. Gilleshammer: Yes, it is a firm that is called Gateway Paper. I could stand to be corrected, but it is my understanding that there are two individuals there that are currently on strike.

Mr. Reid: Can the minister tell me when that work stoppage occurred?

Mr. Gilleshammer: My understanding is it has been going on for about two years, April 30, 1995. So today I am informed that is the only work stoppage that is occurring within the province of Manitoba.

Mr. Reid: Can the minister tell me, is there Conciliation, Mediation Services that are involved to try and resolve, and can the minister tell me what the outstanding issues are?

Mr. Gilleshammer: The department, through the Conciliation, Mediation Services were involved in the earlier part of this dispute. There has been no involvement in recent months; and as to the outstanding issues, we do not have that information here at this time.

Mr. Reid: So then I take it that there has been no further actions on the part of this branch to try and resolve the dispute other than what you had made in your earlier attempts. Is that accurate? You have essentially washed your hands of this situation?

Mr. Gilleshammer: I am told that the vast majority of the workers have returned to work and, as a result, the work stoppage has been largely dissolved.

Mr. Reid: So the criteria here is that you quit stopping if there is not sufficient people on strike, even though the strike is still legally occurring. The department just essentially washes its hands of it because people have returned to work and crossed the picket line.

Mr. Gilleshammer: I am not sure that I would characterize it in the manner that my honourable friend

does. The department, as I had indicated, had been involved at an earlier stage. The disagreement has not been resolved, but I am told that numerous conciliation meetings were held with the parties, none recently, and I am told probably over 20 employees have returned to work and two have not. I think it is fair to say that if there was a role to be played that our staff would offer their services.

Mr. Reid: Can the minister tell me, does he have historical comparisons available to him here today for the number of days lost to strike and lockout work stoppages? Does he have that historical comparison available?

Mr. Gilleshammer: Well, I am sure we have some data. I do not know just how much detail my honourable friend wants, how many years he would like us to go back.

Mr. Reid: Ten years is fine.

Mr. Gilleshammer: Ten years. Would you like me to go back 10 consecutive years or do you want me to pick selective years? The department has given me some comprehensive information here dating back to 1901. I can read it all into the record if my honourable friend would like, or perhaps I could just start with last year and go backwards and whenever you want me to stop you can indicate that.

In 1996, there were 22 disputes and involved 7,275 workers. The previous year to that, 1995, there were 12 work stoppages involving 2,106 workers. In 1994, there were six work stoppages with 1,205 individuals involved. In 1993, there were eight work stoppages with 1,196. In 1992, there were seven work stoppages with 319 employees. In 1991, there were 10 work stoppages with 10,726 workers involved—that was 1991; 10 work stoppages involved 10,726 workers.

In 1990, there were six work stoppages, 347 individuals involved; in 1989, six work stoppages involving 221; in 1988, 11 work stoppages with 1,352; in 1987, 10 work stoppages involving 3,025 workers. [interjection] Those then are the figures for the last 10 years.

Mr. Reid: Could the minister repeat 1992 for me, please? I missed writing that.

* (1450)

Mr. Gilleshammer: Yes, I can. There were seven work stoppages and 319 workers.

Mr. Reid: Can the minister tell me, because it is my understanding that there is a potential serious situation that could occur, I think it is HBM&S, in Flin Flon, whether the parties are in some dispute at this time? Is the department playing a role in trying to resolve that issue to prevent any work stoppage?

Mr. Gilleshammer: Yes, I can say that we are taking a role, but I would hasten to inform my honourable friend that this is an issue under federal jurisdiction and the federal Minister of Labour and federal staff have been involved. We have a situation there where I believe six or seven unions have resolved and settled their contracts, and the total work complement in that area is just a little over 2,000 people. One of the unions consisting of somewhere around 240 individuals have still not settled its contract. A certain amount of work has been done by federal officials, and the issues have not been resolved.

I have talked to our colleague on a number of occasions, the member for Flin Flon (Mr. Jennissen), just to keep him apprised of things, and he giving me information that comes to him. Both he and I are very, very concerned about the situation, because we do not want to see over 2,000 people thrown out of work. There is also the issue that, if there is a serious and prolonged work stoppage, the company has suggested that they may simply close and not reopen, so we take it very seriously.

I have written to the federal minister and I have spoken to the federal minister and brought to his attention the seriousness of this issue. I believe that he is taking steps to do what he can to assist with the resolution of the issues.

Mr. Reid: I recognize that it is a federal responsibility. I am not suggesting that you or the department overstep the boundaries here or the balance that is in place. I am just trying to ensure that adequate steps are taken to try and resolve the dispute and if the federal department in some way is unable to, because I do not know the type of skill level that they have available to them. We have

some relatively good or fairly good conciliator-mediators in this province, having known of the disputes that have been settled here in the past. If there is a role for us to play, then perhaps we can, in some way, share or utilize our expertise here within the province, should the federal department not be able to resolve the dispute prior to any work stoppage taking place. That is the reason why I raise it here. I recognize and appreciate if the minister has been having discussions with the member for Flin Flon.

I want to ask a question relating to Mr. Davage's job and when you are going to fill that job. I take it that that job is now out for a bidding process or you have some process in place where you are seeking out suitable candidates for that particular job. Can you tell me what process you have in place here to fill that particular vacancy?

Mr. Gilleshammer: I am informed that we will be proceeding with an open competition based on the civil service guidelines.

Mr. Reid: The civil service guidelines that apply particularly to that job and the skills, I take it then, would be the criteria used to hire an individual to replace Mr. Davage based on a job description that perhaps would be available?

Mr. Gilleshammer: Yes, as I have indicated, it will be an open competition that will certainly be advertised. We would hope to be able to attract through that competition someone with the skills of Mr. Davage. I hasten to join my honourable friend in saying that the staff we have within the department do a good job, and I am very pleased and proud of the work they do. The competition is designed to find the best candidate for the job, and we would hope to be entering into that in the coming months and by perhaps the early fall have somebody in place.

Mr. Reid: Judging by the numbers of staff that you have available here and looking at the work stoppages that have occurred over the last 10 years, you may have available to you, I take it then, adequate people to deal at least with the numbers of cases that would be here.

Do you have any process in place where you bring in or train other mediator-conciliators? I am not sure of

your staffing mix that you have based on age or seniority that you have within the department. Are you in a process now where your staffing component is—how do I put this properly?—increasing in years and maybe looking at retirement versus being available to the department for future mediation-conciliation services? Do you have any process in place that would allow for a training component, or do you rely on other areas to train people to do this type of work?

Mr. Gilleshammer: If I get the sense of my honourable friend's question, if I can maybe reframe it, are we developing other staff within the department that can be brought along from time to time? I believe the answer to that is yes. I know that in some areas we are involved in doing what is called cross-training, so that people in perhaps one segment of the department are taking training and becoming aware of what happens in other segments of the department. Yes, I am sure that all of these people are getting older a year at a time. I think the senior staff are aware of that and I think have a good handle on where people are moving and what their intentions are, and part of our reorganization as of April 1, I think, was to address some of those issues.

Mr. Reid: Well, I am happy to hear that you have a process in place that will facilitate a retraining to continue with people who have the special skills, because from my life's experiences, mediation-conciliation type of work, everyone is not cut out for that type of work. So it does require some training or some research to find those special people with those special skills. Perhaps, the minister wants to comment further on that.

Mr. Gilleshammer: Well, I asked some of the same questions in recent weeks. I used to be involved in doing a little bit of bargaining at the school division level and—[interjection] Well, I see we have some kinship there. I often would ask how successful we are in terms of conciliation processes in bringing parties together, because I only saw such a small part of that. I sort of wondered whether at times in the education system that was sort of a necessary step you went through on your way to arbitration. I was impressed with the success rate that our conciliation officers have had in working with groups, and I think it is a testimony to the skills and talent that we have had there with Mr. Davage and others.

Mr. Reid: I am trying to educate myself here a bit about this. Before you move into the areas dealing with Conciliation, Mediation, do you have some other process that is in place here to try and resolve a dispute if it is not major in nature? I say "major" in the sense of affecting many employees. Is there some dispute settlement mechanism that you have in place other than Conciliation, Mediation?

Mr. Gilleshammer: Yes, I am informed that we do some informal consultations. I think something that I am finding out about the department is that there is a lot of expertise there, and sometimes that expertise can be used by parties, as they are in the bargaining process, to clarify issues and get a better understanding of things like contract language, and wherever we can assist early on, I believe, that staff can be made available.

* (1500)

Mr. Reid: Because the Pay Equity Services form a part of this branch as well and there had been, from my understanding, a process in place established to provide for pay equity in the public schools and perhaps other sectors, can you bring me up to date on what is happening with pay equity, not only just in the school divisions but overall?

Mr. Gilleshammer: I am informed that we are continuing to monitor ongoing agreements that are in place with various school divisions including Assiniboine South School Division. Currently, there are a number of four-year and six-year agreements where the ongoing adjustments are managed by the Department of Education and Training and the Schools Finance branch. Any problems that develop would be reported to the Schools Finance branch who, in turn, will contact the Department of Labour for assistance. It is expected that this ongoing monitoring and the existing agreements will continue for several years.

Mr. Reid: Does the department have any other activities underway or planned dealing with pay equity in both public and private sectors?

Mr. Gilleshammer: I am told that the original mandate was to be involved in the public sector and that the department has all but completed their activities there.

Mr. Reid: There has been a reduction, a significant reduction in the—I guess it is the severance and vacation pay on retirement. Are those funds that are showing on the budget line item here, is that for the reduction or elimination of Mr. Davage's position? I take it he retired under the past year's budget and that is what this budget line was for.

Mr. Gilleshammer: That is correct.

Mr. Reid: No questions on this.

Mr. Chairperson: 11.2.(c) Conciliation, Mediation and Pay Equity Services (1) Salaries and Employee Benefits \$417,500—pass; (2) Other Expenditures \$84,700—pass.

11.2.(d) Pension Commission (1) Salaries and Employee Benefits.

Mr. Reid: Mr. Chairperson, I have a question dealing with the Pension Commission. I had raised this with the minister in my opening remarks. Since that time I have had the opportunity, and before, to talk with Mr. Gordon of the Pension Commission, and he has been very co-operative and has provided me with advice that both I and my constituents were seeking, so we thank him for that information.

I have a few questions dealing with Merchants Consolidated, and I did take the opportunity to make members of the minister's department aware of it so that they would have time to research; but, before I pursue that line of questioning, I would like to ask the minister with respect to the explanation line showing in the supplementary Estimates document here dealing with Service First Initiative. Can the minister explain that to me, please?

Mr. Gilleshammer: Yes, I would like to acknowledge Guy Gordon, who is our superintendent of the Pension Commission, who has joined us at the table.

If it is the budget line that the member is asking about, Mr. John Cumberland is active in another area but, I believe, shows up within our budgetary allocation here.

Mr. Reid: Mr. Cumberland, then, has been seconded by another area, another department, yet he still showing under this department's budget line?

Mr. Gilleshammer: Yes, that is correct.

Mr. Reid: Can the minister tell me what department he has been seconded by?

Mr. Gilleshammer: Yes, he is involved with the Service First Initiative, which is looking at better ways to do things within government.

Mr. Reid: Perhaps the minister can elaborate on that for me. I am unfamiliar with that. Is that part of Government Services or is there another department that is involved in—I guess the question that leads out of that is: if he is doing work for another government department, should that budget line not be better shown, or are you going to do a cost recovery from that other department?

Mr. Gilleshammer: Yes, this is a group of people that has been put together to, I guess, bring recommendations to government under what we call the Service First Initiative, to look at how some target departments work and how they can bring recommendations back to government as a whole to make changes in the way we do business and to provide services to the public by the best practices that are found in other governments or in the private sector and, as a result, be able to, I guess, improve the service that our departments provide to the public of Manitoba.

Mr. Reid: Can the minister give me an indication since it is one of his staff that has been seconded out here and, I take it, that he must have some further knowledge of the type of business and the type of services to the public that are under review? Perhaps he can share that information with us.

Mr. Gilleshammer: I know that this was raised, I believe, with the Premier's Estimates, and the Leader of the Opposition, I believe, spent some time on that initiative with them. But it is again an attempt by government to examine government and how we do business and how our business processes and how we serve the public can be improved. It is some ongoing work that has been started within the last three years or so, and I am not sure whether this showed up in our Estimates last year or not. I believe it did. Perhaps questions were not asked last year, but this has been an ongoing process and similar, I think, to previous

governments and governments elsewhere in the country that use some of the talent and some of the staff within government to, I suppose, see what position government is to respond to changing technology and the changing nature of the way we do business and how we can provide service to the public of Manitoba. This department in particular is, I think, a very service-oriented department, and I think it is incumbent upon us to offer the very best level of service that we possibly can to our clients and to the public of Manitoba.

* (1510)

Mr. Reid: The minister has given a general explanation again without getting into any specifics. He is talking about services. Are we talking particular government departments through Government Services? Is it dealing with other areas of government? Is it across all departments? I would just like to get an idea here. I mean I did not have the opportunity to sit in on the Executive Council Estimates, so I do not have knowledge of what discussions took place there, so perhaps the minister can give me some indication on the types of services that he is referring to here.

Mr. Gilleshammer: In our own department we are looking at how we use technology and how we can better use the new technology that is part and parcel of the workplace. We are looking at certainly the purchasing we do, looking at our accounting skills and abilities. I think I mentioned in my opening remarks yesterday that we cost-recover in excess of 60 percent of the total expenditures that we make, and wherever we can reduce the paperwork and reduce the red tape and improve the quality of the data that we have within the department and also speed up our response to the public, all of these things are part of this service-first initiative.

Mr. Reid: I will not pursue that line any further. I guess if I need more details, I will have to go back to the Premier's Estimates and have some detail out of that. I understand it may be more difficult for the minister to talk about what is happening in other departments. I am just trying to get an understanding here. It shows that about a little over \$28,000 has been moved, so I take it that a portion of Mr. Cumberland's salary is being picked up by another area while he is doing that particular type of work. Am I accurate in that statement?

Mr. Gilleshammer: I would certainly encourage him to go back and read Hansard from the Estimates of a number of departments. I was not being glib when I said that, but this is an initiative that a whole host of departments are involved in including the Department of Finance, the Department of Culture, Heritage and Citizenship, I believe Highways, and Agriculture. Again I do not think it is something that has a lot of mystery surrounding it; it is just an attempt by government to examine themselves in how they do business, and how we can provide better service to our various clients, and how we can more efficiently do the accounting and the paperwork and use the modern technology that is presenting itself in the workplace and in departments.

You can appreciate that millions and millions of dollars are spent on new technology, and that is across many, many departments. Sometimes departments were set up to do business in a certain way, and it has been historical. Change can be difficult to bring about, particularly if it cannot be easily and clearly demonstrated that there is a better way to do it. I think that it is incumbent upon all departments to be able to train their staff and bring them up to a certain skill level and to be sure that they are using the new technology appropriately and learning from others, learning from other departments and learning from other governments and learning from the private sector. If there is a better way to do things, and that we can free up resources within each department or within many departments.

The member will be well aware the tremendous pressure there is on all governments across this country to spend their resources wisely and the difficulties we have on the revenue side from the federal government withdrawing some of the historical payments that they have been responsible for. If we can free up resources to provide those services within each and every department in a better way and at the same time our priorities as government has always been health and education and social services, they, along with the payment on the debt, take up I think in excess of 70 percent of our budget. So if there are ways we can do business better, learn from others, learn from our own staff who often are a tremendous resource in coming up with better methods and better ideas. I think you have to create that culture within a department and within

government to encourage people to bring forth these ideas and examine how we can better do things.

Mr. Reid: Do those better ideas and ways of operating government include bringing in other fees to move toward full cost recovery?

Mr. Gilleshammer: Well, certainly we have to be mindful in our department, where we do cost recover over 60 percent of the cost of doing business. I think our fees have to reflect the cost of those services in many cases. I think we have to be aware of what it costs other people to do the same thing and, also, doing cross-Canada comparisons. I know anytime we look at fees in this department or in any department I have been in, I immediately say, well, what does it cost in Saskatchewan to do the same thing? What does it cost in Alberta? If our fees are out of proportion, they are significantly higher, then I think you either reduce them or freeze them. If they are lower, then I think we have to look at raising them, but I think we always have to be able to have the ability to justify what those fees are.

If it costs our inspection people or some of our services that we offer a certain amount that we can quantify and quantify accurately, and if we are providing that service to outside sources, we have to be sure those fees are fair.

Mr. Reid: Can the minister tell me, is the department—are you as minister contemplating or are you in the process of adjusting any of those fees?

Mr. Gilleshammer: Yes. I can indicate that there are some licencing areas and some inspection areas where we have or we are in the process of adjusting those fees.

Mr. Reid: Does the minister wish to read them into the record or would he just like to provide a copy of them to me?

Mr. Gilleshammer: I can give some examples here. These are fee increases from existing revenue sources. Fees payable for gas and oil fitters licences and licence renewals is going to be \$40. Fees payable for testing and licensing of welders will be \$26.50. Fees payable for inspection approval of elevator drawings and design specifications will be \$5. Fees for services of

conciliation officers appointed under The Public Schools Act, the hourly rate there is going to be \$85. Those are some examples. If we had them in an appropriate format, I can maybe commit to getting some of that information for you.

* (1520)

Mr. Reid: I would appreciate if the minister—I realize they are in departmental documents. If he has a summary of the fee changes, I would appreciate his sending that information to me. If he could do it in a—I am not going to say I need it tomorrow, but if you have the opportunity in the next week or so, I would appreciate that information.

Mr. Gilleshammer: I am not even sure I was interpreting some of those columns correctly, but I will commit to get some information in an appropriate format for my friend.

Mr. Reid: Did those fee increases also include building permit fees? Does that fall under this department as well?

Mr. Gilleshammer: Yes. I am told that the building permit fees would be under the Office of the Fire Commissioner.

Mr. Reid: Then perhaps that would be the appropriate place to raise that with respect to fees. I will hold that until we are at that point then.

I will move on, Mr. Chairman, to Merchants Consolidated, dealing with more directly with the Pension Commission. I have received a piece of correspondence that I have available here, and perhaps even the minister's department has already received this or is aware of it. If you are not, I can provide a copy to you or at least let you read this one. It is a letter that was sent to the Pension Commission on May 12, not that many days ago, and it is dealing with former employees of Merchants Consolidated. Of course, the minister may know that particular firm folded operations some years ago and has been under the care of a receiver, Peat Marwick.

The employees are contesting the fact that the receiver has said that the surplus of the pension fund be

split 50-50 between the receiver acting on behalf of the creditors of that particular company and the former employees, the other 50 percent. We are talking about approximately \$137,000, so they indicate here, of surplus pension funds.

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

I realize on an individual basis this may not be a huge dollar value by comparison to what we are dealing in departmental Estimates here; but, to the individuals involved, it is nevertheless monies to which they feel they are entitled, based on their comments that they have provided for me, that they were greater contributors to the pension fund asset itself and that therefore they feel that it would be fair if those funds would be split on a 70-30 basis in favour of the beneficiaries of the pension fund versus the 50-50 formula that the receiver Peat Marwick is proposing.

Can the minister tell me what process you have in place and whether or not this is considered reasonable, or other process we have in place to deal with this, so that these employees can feel that they have in some way received fair treatment through the disposal of the assets that are remaining in this particular fund?

Mr. Gilleshammer: Mr. Chairman, a pleasure to have you with us this afternoon.

There is an ongoing process that is before the Pension Commission at this time, and it is my understanding that they have received submissions from interested parties. There is a date in the not-too-distant future by which time all of the involved parties who want to make their ideas and feelings known to the commission—it is still just a little bit further down the road. At the end of the process it is my understanding that the Pension Commission will make a decision on this. It seems that we have a situation where the receiver and the union did come to some agreement on how these funds would be shared to a certain extent, but there are individuals who are approaching the Pension Commission to give their thoughts on it, either for or against, or adding their wisdom and their feelings as to how this eventually should be resolved. So all of that, it is my understanding, is now before the Pension Commission, and in the coming weeks they will be rendering a decision.

Mr. Reid: Can the minister tell me the date that he is referencing here?

Mr. Gilleshammer: I believe it is this month. The last date at which time the Pension Commission is accepting these submissions is May 18. Then the commission will have to set a date for their meeting. That has not been set as yet dependent on the availability of the individuals who comprise that commission, and at that time they will be proceeding with their decision-making process.

Mr. Reid: Can the minister tell me, since the date is fast approaching, we do not have many days before this is to be dealt with. It seems to me to be a reasonable request and fair to the employees if they were to be involved in this process since it is essentially at least some or in part their money that they be given all of the facts so that they can make what we would term informed consent of whatever decision would occur.

So I have to ask: Have all of the former employees of Merchants Consolidated who were members of this particular pension plan been contacted and have the facts been provided to them with respect to the funds and the process that is to be followed and the decision date and other facts that they may require to allow them to make that particular informed decision?

* (1530)

Mr. Gilleshammer: I am told that the receiver, in this case Peat Marwick limited, did inform the individuals involved of the details of this pension issue and that in addition to that ads were placed in the Free Press to indicate to interested parties that this was the information and that there was a process in progress and that people gather their information from there. I suspect if more information was required that they would probably contact the receiver and perhaps some of them have contacted our staff for information and clarification. I think what the member is asking is, has it been a fair process and has it been an inclusive one and have people got the information? I am told that we are comfortable that that information has been provided.

Mr. Reid: So I take it then that the Pension Commission itself is not the party that is informing the

former employees or the beneficiaries of the pension plan, that it has been essentially left up to the receiver, who is acting on behalf of the creditors of that now defunct firm to do the consultation and advice to the beneficiaries of the pension plan.

Mr. Gilleshammer: Well, the receiver certainly provided the information. That was shared with and accepted by the union, and they came to an agreement. I am not sure if the member is saying that there is some component of this that has not been fully examined that he would like information on, or is it just comfort that everything that can be done has been done?

Mr. Reid: I am concerned here. I am not questioning the capabilities of the particular firm acting as the receiver. What I am saying though is that they do and are acting on behalf of the creditors; they are appointed as the receiver. I could be wrong in this, and the minister can correct me. When you are acting on behalf of the creditors of the firm and you are trying to dispose of the assets, you have no real responsibility to the beneficiaries or their entitlements to any pension fund surpluses and, therefore, the employees themselves, while they do have some union representation, they may not continue to be members of that particular union now because that firm has folded and those employees may have dispersed and gone off to other employment, perhaps in the nonunion sector or as members of other unions.

So in a sense there is not that cohesiveness or that sense that all the information has to be provided, because there is no balance in there that says you have to represent me or a duty to represent both on the part of the receiver acting on behalf of the creditors and the union itself that is obviously no longer representing the former employees at that firm because the firm is now out of business. So I am worried here that the employees—and this is what I am asking the minister—is to make sure that the process is as open and clear as can humanly be expected to make sure that the former employees who may have some entitlement to the surpluses of those pension funds are treated in a fair manner and can make an informed decision, and at the end of the day they have all of the facts available to them to allow them to make that decision.

I am a bit worried here, judging by the letter that has been provided to me, that while an agreement may have

been struck between the union that was formerly representing these employees and the receiver, that the employees themselves, judging by the names that I have here—and I know it is not the majority, but there may be others that the Pension Commission may know about—are not happy with the arrangement that has been made to the 50-50 split, because they say they contributed more to the pension fund itself, to the base asset, and therefore should have a greater entitlement to any surpluses that are resulting or accruing as a result of those investments, and that what they are calling for is a 30-70 split in favour of the beneficiaries of the pension fund.

In that sense, if that is accurate, I would like to know whether or not the Department of Labour through the Pension Commission, or through other parts of the department, can play a role in this process to make sure that indeed the number is 137,000 in assets. While it is not large in dollar value compared to the departmental budget, to these people it is a significant amount of money and they want to make sure that they receive their fair entitlement. That is the essence of what I am asking here of the department.

Mr. Gilleshammer: I think in his conclusion, I think we share that concern. I am certainly not going to be critical of the union. I do not know which one it was or who their staff were. I just know that the union involved did reach agreement with the receiver because the amount of money was not large and because if this ended up in court, the legal fees easily would have exceeded the amount of money available to be redistributed. So this was seen as a way of solving it between the receiver and the union to split it 50-50. The alternative was to get lawyers involved representing both sides and perhaps representing individuals and because of the amount of money involved, there would have been nothing to share.

This proposal, it is my understanding, was put forward to resolve the issue in a format or an agreement that was acceptable to the receiver and acceptable to the union. Now I recognize that the union maybe did not have the complete membership involved and, in fact, my understanding, because this receivership goes back to August of 1988, some of the individuals had passed away and are actually represented by other family members here. So it was seen as the best way of

resolving the issue without having the principal, the funds involved, completely eaten up in court costs and legal fees.

So, at the present time, I guess the appeal mechanism here is the Pension Commission who have invited concerned parties to put forward their case, to put forward their thoughts. Obviously, a deadline had to be set and it is later this month, May 18, and they will, at a subsequent meeting of the commission, render a decision.

Mr. Reid: I need to know—and I am sure my constituents will want to know the trigger point as well. There are four names shown on this list here, and they may have other names. I am not sure how many names the Pension Commission has collected with respect to these surplus funds. Can the minister tell me how many former employees or their beneficiaries or family members have made application to the Pension Commission disputing the decision that has been reached between the union and the receiver?

Mr. Gilleshammer: I am informed about 8 percent of the beneficiaries have formally notified the Pension Commission of their opposition to the proposal.

Mr. Reid: Eight percent of how many employees?

Mr. Gilleshammer: The 8 percent translates into 30 beneficiaries.

* (1540)

Mr. Reid: Can the minister, because I asked what the trigger point is—I am not sure of the process that is followed by the Pension Commission. Is there a hearing that takes place to allow these former employees who stand in dispute of the decision that had been reached between the union and the receiver? Is there a process that would allow them to come out and appeal that particular decision or at least voice their concerns and have that taken into consideration? What process is there that would allow, or mechanism that would allow, for them to have their voices heard?

Mr. Gilleshammer: I am told that, in the process that is followed by the Pension Commission, they will review all of the information that has been presented to

them, and the individuals have until May 18 to, in some form, present their information to the Pension Commission.

Mr. Reid: So I take it then that, since these four individuals, and 30 in total, have presented their viewpoints to the Pension Commission, now am I to conclude from that that there will be a hearing that will occur, and that these members will have the opportunity to sit in, at least hear, be part of the decision that is being made or be involved in the decision-making process? Can you tell me, because I am not familiar with the activities of the Pension Commission? How is it that a decision is arrived at so that I might inform my constituents?

Mr. Gilleshammer: I am told that their process, the process of having input from these individuals, is the process that is going on at this time, that they have been asked to submit their concerns, their ideas, their opposition, their thinking on it, by a certain date. When that information is gathered, after that date the commission will be holding a meeting, and, based on the information that has been presented to them, they will render a decision.

Mr. Reid: I know time is short here. With respect to the decision date, I just wish there was a way that was more open in a process that would allow them to more actively pursue or impress their viewpoints upon the decision makers in this, because it is their money. I understand that, if this goes to court, there is potential that lawyers will eat up through legal costs any of the funds that are said to be in surplus. I am sure we do not want to see that happening. We would like to see this money returned to the beneficiaries of the plan. But it is unfortunate that, if there was a contribution greater by the employees than by the former employer, those funds could have been dispensed or split more equally along the lines of the contributions on a ratio that would represent the contributions that had been made. So I am just basing that comment on information that has been supplied to me by my constituents, and that is why I have raised that matter with the minister.

Mr. Gilleshammer: Yes, just to help the member maybe put this in perspective, and he may have this figure, but I am told that the average amount paid per beneficiary would amount to about \$175. So that is the

level of money that is involved, and you can readily understand that, if you are going to launch into a court process here, there will be nothing. So this, again, was the recommendation of both the receiver and the union as a fair way of splitting up these proceeds, and there are 354 beneficiaries. So I appreciate the sum, the \$175, is a significant sum, and if they feel they are entitled to more of that, it might grow to \$200 or \$250. But to others this is not—and, I mean, I do not know any of these people. I do not believe any of them have written to me. If they have, I have not seen the letters yet.

Mr. Reid: Do you want to read it?

Mr. Gilleshammer: Yes, sure. So, again, given the numbers of people involved, given the amount that would come to each beneficiary based on the receiver and union agreement, at some point this has to have closure brought to it because it has been almost 10 years now since the company went into receivership. I guess it could be argued that it is even not timely now, that it should have been resolved earlier. But it has been in front of different people for 10 years. I am sure the Pension Commission will review the information that has been brought forward by the union and by Peat Marwick and by the 30 beneficiaries who have had their input into this. At some point, as I say, closure has to be brought to the matter and a decision has to be made.

Mr. Reid: Well, I shared the letter with the minister and, I mean, there is nothing to hide in the process. I am just here representing the interests of my constituents on this matter and some of the others that may have some concerns with respect on how these funds were split. I will leave that. I hope that the best decision is made to represent.

I have never made any secret about my feelings with respect to pension funds. It has always been my belief that pension funds belong to the employees for which that particular pension fund was established, and that includes the surplus. The funds should remain in there for the benefit of the employees. That has always been my feeling. I have been involved with pension funds in the past, and I know that there is a bigger question that needs to be answered in this country with respect to the ownership of pension funds. We are going to see more

problems in the future as companies, as we are seeing with Eaton's employees right now, where Eaton's want to take the surplus out of that particular pension fund, feeling that they have some entitlement to it. But it has always been my understanding, my impression that those pension funds were established for their employees, either in union or nonunion operations, for the benefit of the employees, and there is a formula that is set up to put those funds in place.

Yes, if those funds are set up in a proper way and the investments are made and there is an experienced gain from those particular pension fund investments, those funds should go back into the pension fund for the benefit of the employees, for enhancing services to the people that are retired. That has always been my viewpoint with respect to pension funds, and I hope that sometime in my lifetime that that question will be addressed, perhaps even through the courts. We will have to make that decision because I think that question needs to be addressed on who actually owns the pension funds in this country.

I want to ask the minister, with respect to the LIRAs and the life income funds, the locked-in funds, whether or not there is going to be some move. Is some research being done by government department through the Pension Commission dealing with the flexibility?

(Mr. Chairperson in the Chair)

I have received phone calls on this, and I know I have talked to Mr. Gordon about this on more than one occasion. Members of the public have consulted me about the lack of flexibility of their particular pension funds having to be put into LIRA or to an LIF. They are not happy with that process. They would like to have their funds made available to them at their discretion. So if they choose to take out certain amounts of money in a period of time when they have health available to allow them to travel or for whatever purpose, they want to have that flexibility.

* (1550)

Is any research being done with respect to policy in the Pension Commission or in the Department of Labour allowing for further expansion or flexibility to allow these funds to be transferred into an RRIF versus

into the only two available options, which are the LIRA or the LIF?

Mr. Gilleshammer: Yes, I am told, as a department, we are continuing to monitor this and to make adjustments where it is deemed appropriate.

Mr. Reid: So when you say you are monitoring this, then, you are registering the number of phone calls that come in and the people that are worried about the lack of flexibility and, at this point, you have not made any move to have any further policy research done.

Mr. Gilleshammer: Well, I think the member is maybe making light of the work that is done by the people in Pensions. I believe that they not only record phone calls but take very seriously the information that is brought to them by members of the public and groups representing pensions and clearly analyze those issues and try to understand them. Where necessary, as I have indicated, we make those adjustments that are needed. So it is not just a question of registering phone calls. When I use the word "monitor," I believe that the issues that our pension people will be looking at are issues that are common right across the country.

I would indicate that part of our legislative package this year is a bill on pension reform, and I did offer a couple of weeks ago to have staff come in and go through that in some detail, to give my honourable friend a good understanding of it. These are, I am finding, complicated and complex issues, some of which are new to me, and I think it would be very beneficial if we could set up a meeting just on that particular bill, because the process that I have been through with the department and by others who have viewed this legislation feel that we are making some very, very progressive changes there which are for the benefit of individuals who have paid into pensions.

I am not sure when this legislation was last looked at, but we have been looking at it and have tabled a. We would be pleased to go into the detail and the thinking behind that with the honourable member.

Mr. Reid: Yes, I realize the minister did make the offer to have a briefing with respect to the various pieces of legislation that he has, and I appreciate that offer. I will attempt to find the time to have that briefing.

I am just trying to get an understanding here, and I am not trying to minimize the efforts of the department. When I said, "registering phone calls," I should have broadened that and said that any correspondence you may have received in this regard too. The calls that I received, there have been a couple, but I could tell you that the people were very irate when they found out that they did not have any flexibility. They thought that they were responsible adults. They had been that way all of their working years and had very carefully managed their own funds, but they get to the end of the day and they find out that their monies have to be transferred into an LIRA or to an LIF, and there was little flexibility for them. They are quite concerned, because they had been responsible; they wanted to have the care and control of their own funds and how those funds are spent in their retirement years.

One of the reasons why we participate in pension plans or invest into RRSPs is to provide for our retirement years, and then to have someone say that you are only going to have X number of dollars a month until your expected date of death based on actuarial evaluations says that you are not responsible. So that is why they are irate, and those are the comments that they have made to me. That is why I ask with respect to further flexibility that the department may be researching in regard to RRIFs, to allow them some greater flexibility to make those individual decisions.

I understand there are consequences potentially. Mr. Gordon has drawn to my attention, and I appreciate that, with respect to potential social costs down the road should the people not manage their money appropriately. But I think that by far the majority of people would be responsible with their own funds in providing for their future years and through their retirement years, and that is why I raise it with the minister.

Mr. Gilleshammer: Well, I agree wholeheartedly with the member for Transcona that nothing is more near and dear to the hearts of people who are in a pension plan, particularly as they get into their 40s and 50s or nearing those retirement years, that they want some certainty about what their income is going to be in retirement.

I know from my experience as a high school principal in this province that every year as we approached May

31 there would be from time to time people on my own staff, but certainly throughout the division, who were contemplating retirement. It is a very emotional thing. I think maybe one of the most difficult letters to write is that letter of resignation, because they know that, once they sign it and convey it, it is a done deal. I had many experiences where people said early in the school year, yeah, this is it, my last year, told everybody, and, you know, along about Christmas I would say: "Well, do you want to make that official?" "No, I am just going to wait awhile," and inevitably, sometime in May and sometimes in the last hour of the last day, they would eventually get that letter written.

In the meantime, I think a tremendous amount of work had been done by them and their advisers and their pension plan people to examine in minute detail what their pension plan meant, what their retirement income was going to be, what the rules were, and nobody wants the rules changed in sort of mid-stream. They want to examine what other income they would have, whether it was from Old Age Security or CPP, and then they wanted to examine what sort of money that they would need to live in retirement and try and understand that, if they are not paying their union dues and they are not paying parking fees and so forth, they could live with less. But it never seems to come down to sort of exact numbers that people felt they could count on or that they felt were identified in an exact way so that they could make that decision.

So I certainly accept my honourable friend's comments that pensions are just so important to people. I know that, with a recent mining story about a company that has been on a roller-coaster ride in recent months, people were finding that certain pension funds had been invested there and were quite angry, upset, worried. Fortunately, most of these pension funds have a balance to them and they have some in high risk and some in low risk, and it sort of balances out. But it was, I am sure, going to be brought to their attention very straightforwardly that they should not have been playing around with mining stocks of that nature. I mean, it is unsettling. So all of these things, I think, are part of pension funds. It is incumbent upon different pension funds to ensure that they are well managed, and we as a government have a role to play, and I believe, from what I have seen in the last four months in this department, it is a role we take very seriously. I look

forward to being able to go through that legislation with my honourable friend, and I think he will see that the changes that are being proposed are going to be good ones and well received.

Mr. Reid: Mr. Chairperson, I have dwelled on this area a fair amount. I appreciate the minister's comment, and I will attempt early next week to take him up on his offer for a briefing with respect to the legislation.

I have no other questions in regard to the Pension Commission at this time.

* (1600)

Mr. Chairperson: 11.2.(d) Pension Commission (1) Salaries and Employee Benefits \$240,000—pass; (2) Other Expenditures \$79,400—pass.

11.2.(e) Manitoba Labour Board (1) Salaries and Employee Benefits.

Mr. Reid: There have been some changes to the Manitoba Labour Board as a result of Bill 17, I think, Bill 73 and Bill 26 last year. I take it that the Labour Board has taken on some new duties and responsibilities with respect to those pieces of legislation in addition to the duties that they held previously.

At the time I had to ask the former Minister of Labour because it had been drawn to my attention that there was perhaps insufficient funds to allow for the Labour Board to continue with its work. I am happy to see that the Labour Board has received some increase in funding this particular year, and it is under the heading of Other Expenditures.

Now I guess the question I need to ask here, because the former Minister of Labour—and I say this in all seriousness—denied that there was going to be a requirement for further funds even though I know full well that it was necessary that they have the ability to continue with their duties in addition to the new duties being assigned. Is the increase in funding that has been provided here for the Labour Board activities sufficient to carry on with their current role and mandate that has been now increased for them, or is there some further

requirement that they may have to allow them to complete their mandate?

Mr. Gilleshammer: I would like to introduce John Korpesho, who is the chairperson of the Manitoba Labour Board, who joined us here at the table. There was some \$40,000 that has been added to that particular line, and I am told this reflected the thinking within the department that there may be some other resources that were required there. Again, I guess it is difficult to precisely pinpoint whether that is too much or not enough, but as the Estimates were being prepared there were some new resources put into this area.

Mr. Reid: I understand it is fairly early in the year to get an accurate picture on whether or not this is going to be sufficient funds, but from my understanding of board activities in past years they have had to really stretch their budgets at the end of the year to try and make ends meet to allow them to complete their mandate. I am not saying this in a political way because I realize that there were different governments that were involved here and perhaps there were insufficient funds provided by both types of government.

I am just trying to get an understanding here based on the anticipated caseload or workload that they have that this will be sufficient funds. I am trying to get an understanding from the minister. Does he feel that, based on the assumptions that the department has made, that this will be adequate funding?

Mr. Gilleshammer: Well, various parts of various departments operate in areas where they are volume driven. I know that when I was Minister of Family Services the amount of resources you put into social allowances was based on the best information available from the department and the statistics that they were able to gather as to what volume would be anticipated for in the coming months. Often they were pretty close to being right. Sometimes they were low and sometimes they were high, and I guess any part of any department where you have to deal with certain volumes you make the best efforts to assign the appropriate number.

On the other hand, you have some departments, and I know in Culture, Heritage and Citizenship you have got a very well-defined budget that is very easy to live

within each and every year because you simply make expenditures as deemed appropriate, and when you are done you are done. There are no additional funds that you can put in there.

The member is correct, it is very early in the year. We are just six weeks into the budget year. These things were I am sure debated and discussed within the Estimates process of the department, and this was the figure that was added to this particular budget line.

Mr. Reid: Last year the former Minister of Labour said that on average there were about 73 certification applications that the Labour Board would deal with. It is my understanding that with the new process as a result of Bill 26, it could potentially involve considerably more travel. I see that the budget line for transportation has increased, including personal services for fees. I take it you are anticipating there will be more of those secret ballot votes that are held throughout the province, and that is why that budget line has increased.

Does the department have some idea, do they expect that the certification applications will remain somewhat constant compared to what the former Minister of Labour had said, which would be around 73 or so a year?

Mr. Gilleshammer: I am told that it is fairly consistent with the previous year, marginally up from last year.

Mr. Reid: When you say marginally up, can you give me a number associated with that? I am not saying that it has to be a hard and fast number here, but I know you must have some estimates that are anticipated.

Mr. Gilleshammer: The number last year was 70. In the first few weeks and months of this year, there have been 11.

Mr. Reid: Eleven secret ballot votes that have occurred so far this year, is that what the minister is indicating?

Mr. Gilleshammer: Staff are indicating, since February 1 there have been 26.

Mr. Reid: I take it that is when the legislation took effect, and that is why it is only back to that point in

time? February 1 was the trigger point and that is why your number starts February 1?

Mr. Gilleshammer: That is correct.

Mr. Reid: If we are only three months in since this legislation has taken effect, and we have 26 applications so far, if you extrapolate that out to the end of the year, you are going to be looking at well over 100 secret ballot votes this year when your historical average has been 73, based on the minister's statement, last year, and 70 last year. Do you anticipate that those funds that you put in place are going to be adequate to handle this extra workload that is anticipated?

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

Mr. Gilleshammer: It will certainly be an ongoing process of monitoring this. I do not know if you can always assume that you are going to get the same volume month over month throughout the year. I guess the reality is that we have put some extra funds in there. If we need to find a way to provide the service which is going to require more funds, then the challenge before us will be to find those funds.

* (1610)

Mr. Reid: It had been stated that—I believe I am correct in saying that five to seven days would be the time for those votes to take place. If the present trend of secret ballot votes continues for what you are seeing in the first quarter of operation under this legislation, do you anticipate that you will be able to find the necessary funds should the Labour Board require it to allow them to continue to meet the deadline that they have to make sure that those votes can take place within the five to seven days? I am trying to get some assurance here that, of course, the Labour Board is not going to be starved, and, of course, there are repercussions down the line for those that are involved, both employer and employee.

Mr. Gilleshammer: My sense is the attitude within the senior staff is that the work of the Labour Board is extremely important work, and that we have been able to conduct those votes in the past and we will continue to strive to meet those guidelines. I think the track

record has been very, very good. If you are asking, is the department up to the challenge to find more funds if they have to? I think they would take that very seriously and find a way to do it.

Mr. Reid: That is the part that bothers me, if they have to find it internally to the department. then somebody else gets starved out of the process instead of going back to Treasury Board and cabinet for having made the decision on the legislation in the first place. That is the part that concerns me here. That is why I want to get an assurance here that the minister will not just starve another part of the Department of Labour if additional funds are required, and that you would be prepared to go back to cabinet and to Treasury Board to request that particular financial support to carry on the mandate that cabinet has indicated through your government that they must undertake. That is why I need that level of assurance that other parts of his department will not be shortchanged as a result of increased activities of the Labour Board.

Mr. Gilleshammer: I think we would do everything we can to treat everybody fairly. If we need more funds, I hear the member saying is to go back to Treasury Board and get some more. Concurrent with that, I suppose, if we needed to raise more taxes, the member would be in favour of that as well.

Mr. Reid: Well, Mr. Chairperson, I feel the minister is taking the debate here and the discussion to a little lower level than it has been here for the last three hours. I hoped we had not chosen to pursue that course of action, and I am hoping we could keep this on the high road. I am only concerned for other portions of his department that may be starved for funds, because the mandate given to the Labour Board has become, perhaps, onerous, too onerous for them to handle financially, and I want to make sure that he is not going to shortchange other parts of his department to ensure that the Labour Board activities can continue, because it was the legislation of your government through you who, as a member of cabinet, had the ability to pass decision on it.

What I am trying to make clear to you here is that I want the debate to be on a higher plane here. I have not degenerated it to a lower level at this point, but I sense by the comments that you are making to me here you

want it to move in that direction. I am not adverse to that. I mean, I have played at this game now for a number of years, and we can move to that level if you want. But I am trying to play this at a higher level here and have some constructive debate take place, and I want to make sure that the department is not going to be shortchanged down the road here. I am the critic responsible, and I want to make sure that they are able to do the job to which they are mandated to do, whether it be in Employment Standards, Workplace Safety and Health or any other area of the department.

I understand the Labour Board has a job to do. I want to make sure they have sufficient funds to do it, because your government has mandated that they undertake that work. That is what I am trying to ensure here that you have the ability as minister to go back to cabinet and say, you said before I came to this job that this is going to be the role of the Labour Board. If the best guess was not accurate, because it is only a guess at this point, I understand that, that when it comes to the end of the year, if there are not sufficient funds, the cabinet has to understand that they mandated the changes and they mandated the additional workload. Therefore, they have to find in some way without raising taxes, as the minister suggested, because he wants to move this to a lower level of debate here—that Labour Board would be the cause of having to raise those taxes when it was the legislation that was the cause.

Mr. Gilleshammer: Well, this is not a game. I take this very seriously. I think the department worked diligently on preparing the Estimates, and their determination was that this part of our department required additional resources. I have already indicated that we have found those resources, and it is the very best thinking within the department that this is adequate. It might be too much. It might be not enough. We will have to deal with that at the appropriate time.

Again, the work of the Labour Board has to go on, and we will have to wait, along with the member, to see what volume of work they have and to see if this is adequate or not. I have indicated that the challenge to the department would be to find those additional resources if necessary, and they are confident that they can do that.

Mr. Reid: Okay, I will continue to monitor the situation with respect to the Labour Board activities, as I am sure the minister would expect me to do.

I want to ask the minister, since the legislation is now into effect, have there been any applications for information as a result of Bill 26 legislation, and if so, how many?

Mr. Gilleshammer: I am informed there has been one application.

Mr. Reid: Can the minister shed more light on that particular application?

Mr. Gilleshammer: I am informed that there was one application and it was rejected, because the individual who brought forward the request was not deemed to be an employee.

Mr. Reid: Can the minister indicate, was the person who made the application part of the company itself to which the request was made, or was this made by a member of the public?

Mr. Gilleshammer: I am told it was a former employee.

Mr. Reid: So that is the only request that has been made so far since February 1, the one particular individual that was a former employee of that particular operations, or member of that particular unit has made that request. That is the only person.

Mr. Gilleshammer: Yes, the member has it right. This was the only formal request.

Mr. Reid: Can the minister tell me, because he says there was only one formal application, were there any informal applications for information?

Mr. Gilleshammer: Yes.

Mr. Reid: Can the minister shed some light on who the informal request came from?

Mr. Gilleshammer: I am told it was a media request.

* (1620)

Mr. Reid: Can the minister tell me which particular media made the request?

Mr. Gilleshammer: I am told all the information we have here is that it was a radio station.

Mr. Reid: When you say a radio station, can you identify the radio station or a particular individual that, perhaps, by name would shed some light on this, so that we do not have to continually go down the road?

Mr. Gilleshammer: That information was given to me a few minutes ago, when you asked the question. I am told staff here do not have that information.

Mr. Reid: So as my leader so clearly points out here, there is no disclosure on the disclosure of who is asking for the information. Is that where we are at here? We cannot have access to the name of the company or the individual that was involved in the informal request for financial information?

Mr. Gilleshammer: I have given the committee all the information I have.

Mr. Reid: Perhaps the minister, if he does not have the information here, perhaps he can tell me, can he get that information provided to me at some point in the next few days?

Mr. Gilleshammer: I will make every effort to do that.

The Acting Chairperson (Mr. Helwer): Do you want to let this pass?

Mr. Reid: I am just trying to get an understanding here. I guess, I am trying to recall the legislation and what the requirements were with respect to disclosure. Have there been at this point in time—and it may be too early in the year and the minister can advise with respect to the financial disclosure provisions—has the Labour Board encountered any difficulties with respect to the completion of their mandate with regard to Bill 26?

Mr. Gilleshammer: I recall when I met with the leaders of the union community, the Manitoba Federation of Labour, this was an issue and an area we

had some discussions on. I think our attitude was presented to them that we were prepared to be flexible as we moved into this new piece of legislation, to work with the various unions to give what assistance we could to establish a new way of doing business, and that flexibility was going to be accompanied with whatever assistance we could provide. I am told this information, by and large, in this new way of doing business, has developed in a manner that nobody has been unhappy about.

Mr. Reid: Can the minister tell me, one last question here, there is an individual that is in the managerial capacity here, is there a secretarial or administrative support that is provided full time for that particular position?

Mr. Gilleshammer: I am told there is suitable support available.

Mr. Reid: Is that support dedicated full time to that position?

Mr. Gilleshammer: Yes.

The Acting Chairperson (Mr. Helwer): 11.2.(e) Manitoba Labour Board (1) Salaries and Employee Benefits \$567,600—pass; (2) Other Expenditures \$375,000—pass.

11.2.(f) Workplace Safety and Health (1) Salaries and Employee Benefits.

Mr. Reid: I know the minister wants to skip over this one quickly, but unfortunately that is not going to occur. He must expect—[interjection] No, I would not do that. I told you I am going to try and take the high road. It does not mean that we will not get into some debate or some discussion over what is occurring here. This is an area that I told the minister that when we were in committee on the Workers Compensation Board that I would be raising some questions with respect to prevention in education, because it is from my experience working in heavy industry for over 20 years, that—

An Honourable Member: What did you do there?

Mr. Reid: I worked as a labourer for a private firm for a number of years, and then I worked as an electrician for about 11 or 12 years in heavy industry in the railway, and then into middle management capacity. It is no secret. It is my life's experience that we have an ongoing process that is required to not only teach the new employees that are coming into the workplace, but to continually refresh the memories and to encourage both management and line employees to work in a safer fashion, and to encourage that all activities that are undertaken in the performance of that business are done in the safest way possible.

I would like to know what efforts the Workplace Safety and Health Branch are undertaking to continually educate and to train and to upgrade and to ensure that companies and employees are aware of the proper procedures, the proper equipment that is available, and if they do not know, to ask the questions.

I understand there are, and have been involved for a number of years in the Workplace Safety and Health teams that are there. I have been involved from both sides of the fence, both management and employee side, in those committees that deal with issues internally, but from my experience there was always a lot of wrangling that takes place. You do not have adequate ducting for an area that has a lot of welding, and it is an issue that is raised, and it can sometimes sit on the Order Paper for that particular operation for a period of many months, sometimes even into years. Sometimes there are various reasons, the equipment is not available, there is a technology or an engineering that has to take place. I understand that. Sometimes there is just foot dragging that takes place. That has to be dealt with.

So I need to know what type of an educational approach you are taking to ensure that the employees themselves, and that the managers in those particular operations, are fully aware of what their legal requirements are, and also the procedures that are involved to ensure that they are working in the appropriate, safe fashion. Do you have an educational process or program that is in place to continually allow for the training of the workforce?

Mr. Gilleshammer: Yes, I would like to introduce Geoff Bawden who has joined us at the table. He is the

executive director, Workplace Safety and Health Division, and someone that I have come to know and work with over the last four months. I am certainly interested in my honourable friend's background in the workforce, and I told him earlier that we had a lot in common. I too worked for the CN for a short period of time, and my father spent all of his working life working for the Canadian National Railway.

* (1630)

This whole area of safety is a concern, certainly a shared responsibility amongst employees, employers. The government most definitely has a role to play in terms of monitoring and working with various Workplace Safety and Health committees. I recall that I was in the school system when this initiative first became prominent. I recall our early attempts at setting up Workplace Safety and Health committees in a school setting, which to a lot of teachers and principals and auxiliary staff seemed rather strange because, other than ducking some flying chalk from time to time, it was not deemed to be a place that was particularly dangerous or where a lot of injuries could happen; yet, always very conscious where you had young children that you had to have all the fire safety programs in place, and where we had chemicals in the labs had to be sure that we had ongoing programs to be sure that both staff and students were aware of what could happen.

I recall in my high school career being in a lab when a piece of phosphorous was being cut and went across the room and started a fire. Later, when I was a principal, we had a supervising teacher out of the room and children were playing with burners, and we had a young lad, who is probably in his 40s now, get burned rather seriously. He was in Grade 11 at the time, but it was a wake-up call to many people in the system that these things can happen.

I recall when we first got into the ski programs back in the late '60s and early '70s, broken legs were the order of the day. We used to strap those skis on as tightly as we could and as soon as that young skier fell, often they broke a limb. So I think in my experience in the school setting that we became more and more aware of safety concerns, and that it was everybody's responsibility.

The department has some ongoing programs right across the province. I think the member probably is aware that we have offices in places like The Pas, Thompson, Flin Flon, Brandon, Dauphin, as well as here in Winnipeg, where staff are employed that are concerned with Workplace Safety and Health training. We have a rather lengthy list of activities that go on pretty well year round to be sure that individuals, whether they are management or whether they are employees, who are in the workforce have an opportunity to take these training courses.

I am told that last year some 7,000-plus hours of safety training was offered by the departmental staff and that over a hundred training courses were offered. So I guess the provincial government's role as part of the partner with employees and employers is to put in place training programs that have to do with safety issues in the workplace. This is something that has to be done on an ongoing basis as new staff come into the workforce, as new techniques are used, as new technology comes into place.

I mean who would have thought even 10 or 15 years ago that people who were doing repetitive office procedures would find themselves in some difficulty. We probably a decade and two decades ago thought of people getting injured mainly from lifting or falling or, you know, something happening on the job site and I guess have become more and more aware. Those employees and those problems were there before, but probably while they were known to the employee in a general sense probably were not understood in some cases and went undetected and undocumented. So the activities have changed a good deal.

I can recall that back probably in the '70s, the first time somebody from the Hazardous Materials came along and said we would like to check your lab to see what you had there, and I mean across western Manitoba truckloads of old chemicals were taken out of the schools. Some of them that had not been used for years and years, and with changing staff and changing students, people did not even know what it was, and if they did, they probably would have disposed of it just in the local landfill site. So things have changed a lot.

I think the department has taken a rather comprehensive leadership role in providing

information, providing courses and raising the awareness of employees and the general public to a degree that we have not seen before. At the same time, we have to be aware that certain occupations, people are involved in more difficult and dangerous work and where we have serious injuries and fatalities. I know of particular interest to me, and I think I mentioned it in my comments yesterday, is the whole issue of farm safety. We have too many fatalities, too many injuries on the farm. In fact, just yesterday, a former colleague, known to the honourable member and members here, had a serious injury on his farm where his shirt was caught in a power takeoff and his arm was—I am not sure the extent of the damage, but these things happen when people are working alone and when people are tired. People have deadlines and serious injuries happen.

I know that on Hutterite colonies where we have a lot of activity, we have a number of injuries and accidents. The reference I made in my speaking notes is that there will be a farm conference here in 1998, a conference that is often held in the U.S. So I am pleased that Manitoba is hosting it. For too long I think, we thought this was the normal business that these things happened, and it tended to be human error in most cases, but I think government, Department of Agriculture, farm machinery operators and sales people as well as agents who sell chemicals have become much more active in that area.

* (1640)

I recall the first time I heard of somebody dying very quickly from mixing chemicals, and this was an elderly, well-respected gentleman just west of Minnedosa. He actually had his sleeves rolled up, and he was mixing the chemicals by hand, using his hands and his arms without any protection. I think there was a time when we did not fully realize the dangers that these chemicals could bring on to people. So, again, we still have a lot of work to do here, and I think the department in putting forward all those courses in the last year, all of those hours, across a whole number of areas through these offices spread throughout the province are taking an active role.

I know that probably later we are going to get into talking about the Fire Commissioner's office. I had the

opportunity to visit there a number of times in recent years, and in many of our rural communities we use the volunteer fire brigade as another line of services that are given in small communities. I am not exactly sure what I was doing in April of 1995, but there was an accident on Main Street in Minnedosa where a small bridge was being built, and there was a crane operating and it was snowing. He was trying to lift something, and he was on unlevel ground. The whole thing tipped over, pinning two people underneath. Again, weather conditions, somebody taking some risks and obviously some training that either had not sunk in or had not been received, an issue that needed to be addressed.

I can recall in my student days when I worked for the federal government at Riding Mountain National Park, and we were doing water and sewer lines, somebody was sick, and the boss came along and said, well, who wants to learn how to operate the backhoe today? It is sort of humorous now when I think of people getting in there pulling and shifting levers and this awkward looking arm just flipping all over the place. But I suspect there are areas of the province that maybe that could still happen. So, again, this shared responsibility that we have with employers and employees and government leads us to believe that these ongoing training programs have to continue.

So, with those few words, I would say, yes, we have a role to play.

Mr. Reid: I understand that there is a role to play, and it is a broad role that you have. It is not just the industrialized workforce that would require your observations and interventions from time to time. There is indeed, having worked on the farm from time to time with friends and having been involved with equipment and knowing of my former colleague Mr. Plohman, who is now back into the teaching profession, his brother was killed in a farm accident where he got caught in a PTO. So I remember the stories that he was telling, and the effect that it had and the devastation that it wreaked on his family.

So I understand what is involved in it, and having been involved and watched farm operations and the amount of chemicals that are involved, and having been involved in the workforce when the WHMIS legislation came in federally, there may have been some warts in

that system, but it did provide a level of information to the workforce and made us all aware, because we had to stop and take stock of what was around us and the way we conducted our business. So, if nothing else, it was an education for us in understanding of the product that we were working with. I know it is federal in nature, but is there a requirement that the chemical information that should be available to the products that are used on the farm—does the WHMIS legislation apply also to farms? Is that information distributed to those that are operating or working on farms or own farms so that they may be aware of the risks that are involved and take precautions to protect themselves?

Mr. Gilleshammer: Yes, I am told that the labelling of pesticides and farm chemicals is under its own legislation, federal legislation. So it is lodged there. Again, I see small companies across this province dedicating a lot of staff time to being sure that individual operators who purchase product and sometimes rent equipment—I think they have taken a very serious effort to be involved in disseminating that information, although there is so much more to be done.

I can recall aerial applicators using students to mark the field so that they knew where to make the next pass, and that does not go back very far. There is lots to be done there. I mean, the whole area of student employment, as we get into that area—you are reading items in the paper now about the dangers of this whole flood cleanup, not knowing exactly what has been washed north from the U.S. and what has been picked up by that water. I know that there is going to be a lot of student employment there.

I think part of the responsibility of the agencies, whether it is the Green Team or what have you, is going to have to be sure that these young people understand that there are some potential dangers there. I know that efforts are being made with individuals, who were into cleaning up their homes, to be sure that they take whatever precautions they need to to protect themselves from some of the potential dangers that will result from this flood.

So there are so many areas where there is work to do. I think it is a challenge to the department. To their credit, they seem to be ahead of most of these things in

providing the training, providing the leadership and providing the partnership that is needed with individual companies and individual operators and employees. Again, I cannot stress enough what a shared responsibility this is.

(Mr. Chairperson in the Chair)

Mr. Reid: Just so I do not get a call from Hansard later too, I should indicate what WHMIS stands for: Workplace Hazardous Material Information System. It would be appropriate so that they know when they put that designation in the record later, they will have an idea what the acronym is for.

An Honourable Member: You will probably make somebody in the basement very happy.

Mr. Reid: Yes, hopefully, I do not get the call now. Can you tell me, because you have a farm conference, you say, that is coming up here—it would be the first time. I understand that WHMIS is a federal responsibility here, but if you are going to have this conference relating to farms, chemicals, and the potential workplace accidents that can occur there, is there not some monitoring that takes place when our inspectors go out to the various business establishments where there are chemicals, pesticides that are sold, fertilizers, et cetera, and where there is equipment that is sold, whether it be combines, tractors, augers, whatever, that the appropriate guards are in place and protections are in place, and the training, not manuals but, perhaps, brochures or pamphlets are available to those that are in the farm communities? Do you make this information available? Do you do inspections of those chemical companies to make sure that the information is available and disseminated to the farmers themselves in the province or those that are working on farms?

Mr. Gilleshammer: Yes, we have a role to play there with different companies and corporations that are involved either on the hardware side with machinery or on the chemical side. I am told that all of the Ag offices across the province have literature available, some of it provided by our department. I am sure other information is provided by other sources and that there are courses available to be sure that the Ag reps are up to speed on some of the latest technology and

equipment and chemicals that are out there. I know the member said that he did have a bit of a farm background, and he will probably recall that—pardon me, some experience in the rural area, and I am sure he is the better for it, but that the local Ag rep tends to be the individual who is the local expert. The Ag office sometimes consists of not only an Ag rep, but home economist, who also tends to be a source of a tremendous amount of information for rural people.

The Ag reps, of course, have historically played that role. In fact, farmers often would go to the Ag office to get the latest government information on what they should plant, and then they would plant something different on the basis that government did not know much about seeding and what the crops should be that they put in the ground. We do work through the Ag offices, the Ag reps and the home economists to provide the information pamphlets and a challenge to keep up to date on the latest technology and chemicals and so forth.

* (1650)

I know those Ag offices are very, very busy and dispensing information to agricultural producers across rural Manitoba, and I think they have developed real partnerships with chemical companies and distributors with organizations that sell farm machinery. Even the most experienced operators out there can get into difficulty and, again, I think part of the role that those offices have to play is to encourage people to look after their own health and be sure that they are not working 16-hour days, whether it is seeding or spraying or planting, and often that is where the accidents happen.

Again, the Ag reps have to really stay current so that the advice and the information they are providing to producers is accurate. Again, we have a role to play there, and the conference of which we speak, we will have a role to play there as well. Now I believe that there will be many partners involved in this activity. Certainly, departments of Agriculture, provincially and nationally, have experience from previous years in presenting these conferences and trying to do it in the best way possible.

We have an agricultural committee of the Advisory Council on Workplace Safety and Health and they,

again, are active in assessing issues and providing information, so it is apparent that the partnerships that have been developed between Workplace Safety and Health spans many other partners out there, whether they are government or nongovernment.

Mr. Reid: I am happy to see that there is some involvement, although I guess there is always room for improvement to reduce or eliminate the accidents that are happening in farm-type operations, so I hope the conference that is planned is successful and that we can improve on the education of those who are working in that particular occupation.

I want to ask a question to go back more directly to the Workplace Safety and Health. Can you tell me how many actual field inspectors you have this year working in Workplace Safety and Health, and are there any vacancies within the department currently? If so, if there are any vacancies, when do you anticipate that you will fill them?

Mr. Gilleshammer: I am told there are no vacancies. I have an organizational chart here and it would be my estimation, without taking the time to count them, that we have around 25 to 27, that area, 25 to 30 people involved in this area of the department.

Mr. Reid: How many worksites would fall under the category of being eligible to be inspected by these field officers that you have? How many firms would be required to be part of the mandate or inspection?

Mr. Gilleshammer: I am informed that there are about 40,000 worksites across the province and about 20,000 of those have a relationship with Workers Compensation Board, and we spend about 95 percent of our time at those work-sites.

Mr. Reid: When you talked about the number of field inspectors being 25 to 30, I would like to have an idea here on what your field inspectors are. If you are inspecting 20,000 firms and you have 25 people—let us give them the benefit of the doubt and say you can inspect three or four firms a day—that does not mean you get to those firms very often, those 20,000 firms. So I have to ask—I take it these 20,000 high-risk firms, because they have experience with the Workers Compensation system, do have workplace accidents—

how often would you get to these firms, these 20,000 firms?

Mr. Gilleshammer: Well, as my honourable friend can appreciate, that will vary from one sector to another, and as one would expect, the activities of the inspectors will be focused on those areas where they feel that there are issues that need to be addressed. Some of them are complaint driven. I know that in the whole mining area that I did see statistics on the number of inspections there, and a fair amount of time is spent in that particular sector of the economy.

I am just waiting here for the final tally, and it appears that there are 33 folks that are working in the field related to Workplace Safety and Health. The member raises the question about whether that is adequate or not. I guess, in the four months that I have been here, I do not have an opinion on that, but, you know, the member raises a good question that we would probably need some time to get some feedback on.

There may be some particular sectors where they think there are too many inspectors and others that perhaps have not seen one frequently enough. So it becomes kind of a judgment, but I can commit to the member that it is an area of some interest to me and that we will be monitoring this as time goes on. I am heartened that the information brought forward by the department shows that the number of fatalities and serious injuries has declined substantially in the last 10 years. The trend is going in the right direction. I know we have talked about this before, that any death or injury is too many, and we are going to have the ongoing challenge of trying to reduce that even further. It becomes more difficult to keep reducing it further than now, but it is still a challenge that I think we have to accept and to meet.

So, again, whether we have enough inspectors or not sometimes is a judgment that people make on anecdotal information, and it is always good to be able to look at the statistics so that we can see where the accidents and injuries and fatalities are occurring. I think it is incumbent upon us as a department to shift our resources appropriately if we feel that there is a sector that needs additional support and observation from government. We need to have the capacity to do that.

Again, there are a lot of partnerships out there. I know that I have met with the Manitoba Safety Council, probably six or eight weeks ago, and there is an outside agency that has a tremendous interest in the safety of Manitobans. Some of the work that they do is similar to what we do within the department. Their emphasis is, of course, on awareness and education, information and prevention. I think another challenge there is to ensure that we are not replicating what they are doing or they are not duplicating what we are doing. Again, I sense that this has been a positive partnership where we are not competing with one another but in turn working together in sponsoring events and exchanging ideas and trying to work towards the same goal.

So I can assure the member that we will monitor the statistics. We will monitor the sectors where incidents are occurring, and, if need be, make staffing adjustments recommended by the department to try and be as comprehensive as we can across the province in working with people to resolve these issues.

Mr. Chairperson: Order, please. The hour being 5 p.m., time for private members' hour, committee rise.

INDUSTRY, TRADE AND TOURISM

Mr. Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Industry, Trade and Tourism.

When the committee last sat, it had been considering item 10.2. Business Services (c) Manitoba Trade (1) Salaries and Employee Benefits on page 88 of the Estimates book.

Mr. Tim Sale (Crescentwood): Mr. Chairperson, I believe the minister was going to provide some remarks or give him a chance to blow his—or to extol the virtues of the trade initiatives that the government has taken, basically to brief us on the current initiatives underway, and I trust that will not take all afternoon, but I am prepared for it to be a fulsome briefing. I am sure that it will be interesting.

Hon. James Downey (Minister of Industry, Trade and Tourism): Mr. Chairman, if I may, maybe I could get an indication as to the length of time in which I speak as to how much time he wants to take to get to the end of my Estimates. I can shorten it up if it will help him. If not, I can take as much time as would be—

Mr. Sale: Mr. Chairperson, I cannot answer that question. I think that the minister should provide whatever information he wishes to provide, and I hope he will not go on too terribly long, but I have offered the opportunity to give us some information, and I am sure he will do it appropriately.

Mr. Chairperson: Maybe I could just cap it in the sense that there is a maximum of 30 minutes that the minister could take, and maybe we can work from there.

Mr. Downey: I want to, at the outset, again say that we are pleased to be able to demonstrate the successes of the many trips that we have taken as they relate to Manitoba Trade and at the outset introduce Mr. Rod Sprange who is the president of Manitoba Trade, who has also joined us at the table, and has been working very actively and aggressively to carry out the role which has been designated for that activity.

I think it is important to point out, and I can go back to a couple of areas, one which I will touch on briefly, and that is the activities that we have developed between Mexico as it relates to the development of trade with the state of Jalisco and also with a city in the state of Nuevo Leon. Both the city of Guadalajara which is in Jalisco and Monterrey in the state of Nuevo Leon are the two main contact areas.

* (1440)

I can tell the member just to set the stage as it relates to Mexico, in 1979, I was there as the Minister of Agriculture working to develop further trade relationships with Manitoba and Mexico. At that particular time there was not a lot of knowledge about Canada. There was not a very open feeling that I got towards Manitoba. We did do a little bit of business in the breeding stock business, particularly in beef cattle and in the hog business there was some taking place. At that particular time, there was not any major trade as

it relates to particularly canola. It was obvious that it was a protein source that could be of extreme importance to them but, at that time, nothing had really taken place in any major way.

Since returning to the office of Industry, Trade and Tourism and the associations that we have been able to develop, including an agreement with the State of Jalisco to further broaden and deepen trade with them, there is a tremendous openness. I put it down, Mr. Chairman, to the fact that the NAFTA agreement has given the people of Mexico a greater understanding of what is taking place within Canada and the United States, and there is a totally different awareness. The discussions and negotiations that we have had recently between companies of Manitoba and companies which we represent have, in fact, turned a complete 360 degrees—I should not say that—180 degrees, because we are now seeing extremely positive activities. As well, I may say, and particularly compliment the grain industry and the grain companies who have gone forward and developed a market for Canadian canola in Mexico, where a tremendous percentage of their vegetable oils are now being used by Mexico.

The reason I tell this story, Mr. Chairman, is because I was in Egypt and in the United Arab Emirates earlier this year, and when I was in Egypt, I found pretty much the same situation, that they currently do not use any canola oil or canola oil products or canola products. I had a meeting with the Minister of Agriculture, who is also the Deputy Premier of Egypt, and he and the Minister of Supply, who buys a lot of the grain and grain products for Egypt, are determined to introduce canola and canola oil products to the market in Egypt. Some 60 million people live in Egypt, and I see it basically as the same as what we saw in Mexico in 1979, that there is a tremendous opportunity. So subsequent to that discussion in Egypt, we have and are developing a task force of industry people. I should also add that his interests are to use canola possibly in Egypt as a winter crop, which would add to their overall economic development, as well, never with the ambition of totally producing enough canola for their own consumption, but as a base industry for their farm people and a new industry.

I have to say, Mr. Chairman, I found that some of the experience I have been able to achieve in my travels in

Mexico and my observations have benefitted me when I have participated in other trade missions throughout the world.

Now we were going to talk a little bit about the South American trade mission which I was also involved in last year, in which the objective was to improve our relationships and develop some trade activities with Brazil, with Argentina and with Chile. Again, I will make reference, and I will go back through the trip to some degree.

Chile was on the verge, at that particular time, of negotiating, or in the process of negotiating, a final agreement with Canada on a bilateral trade agreement of which some of the major concerns were coming from the agricultural community. I spent considerable time with the Minister of Agriculture. I spent considerable time with the head of the largest farm organization in Chile, at that particular time, and used some of the examples from our experience here in Manitoba with the farm community entering into an agreement with the United States and with Mexico, to try and give them some comfort that because we are a bigger agricultural country than they are that it would not necessarily be a loss for them. In fact, using some examples in Manitoba and Canada, compared to what has happened in the United States with us and with Mexico, our producers actually have benefited in a tremendous way, and I could use the potato example where we are seeing a tremendous number of potato products going into the United States from Manitoba.

We use the hog export situation as an example where, I think, three times Canada has been taken to the NAFTA panel or the free trade panel, the Americans accusing us of having in some way subsidized our hogs in an unfair way as it relates to trade. Three times we have gone to the panel. Three times we have won, and we are now receiving, the hog producers are receiving back the monies which they have paid into trust. So I was able to give some real examples of doing business in a trading relationship as it relates to agriculture, and it actually, I found—it may have given some comfort; I am not saying that it did. But it actually was reported in the press in Chile, and my argument was not totally blown away.

Subsequent to that, I was pleased to see that the Government of Canada did sign when the president of

Chile came to Canada a few weeks later—that there was a signed agreement. I can also tell the member that there is a tremendous interest in all of these countries, whether it is Mexico, South America, and I could go all over the map, but I am dealing now more particularly with the South American trip, dealing with the educational capabilities that Canada has and that Manitoba has. Chile has a tremendous investment there—in fact the largest investment of any foreign country in Chile comes from Canada. A lot of it is in the mining sector. The member knows that we have very strong mining capabilities here. We also have a company that makes diamond drilling bits which last night got an award in the entrepreneurial recognition of the year from the Manitoba Business Magazine. Dimatec got an award for their top quality, and they market internationally. Again, that is an area where they I am sure are doing business.

The point being made is that when Canadian companies are doing business there, they want to buy Canadian product as it relates to housing, as it relates to trained technicians, and I think I referred to this the other day. They want Canadian content, and of course, we are very welcome in Chile as it relates to that. We also have tremendous opportunity in the breeding business in livestock. There was considerable work being done there. We have some medical equipment being produced in Manitoba for their livestock industry, which was part of the overall activities that we were involved in. We also have the high-tech business and telecommunications which were involved with us as well, and had some successes on that particular trip. Again, they are importers of grain and grain products. We believe that there will be some outcome come from that. Again, I know that there was a report in the Free Press, which not a whole lot of people read, following that, because they were more interested in other issues that related to that, but I can say that there were some announcements made following that trip which indicated successes that were developed as we went.

Argentina, another tremendous area of opportunity for us, particularly in agricultural machinery and agricultural machinery-related product. Environmental industries, again, identified areas there where there is some environmental work that can be done. We have capabilities here which can be exported and excellent relationships and meetings with both the state

governments or provincial governments wanting to further develop a relationship because of our similarities.

Brazil, I can tell you again there were some tremendous opportunities. We had a chance to participate directly with some of the provincial or state leaders. We also have an investment, a group of people who invest in the Manitoba Rolling Mills, the Gerdau family out of Brazil whom we spent some time with, and they are very pleased with their investment in Manitoba. We are encouraging them, of course, and there are some further developments taking place as it relates to that company here in the province.

We are expecting the visit of the governor. So, as a result of this, we have the governor, who we spent some time with in Rio Grande do Sul, will be visiting Manitoba. It is his desire and our desire to further develop an agreement of greater understanding and trade development and economic co-operation between the two jurisdictions. Again, I believe that was a direct result of the visit which we paid, and he is a very aggressive governor and wants to open up activities as it relates to Brazil.

The member should be well aware of the fact that Brazil has about 160 million people in their country, of which they need a lot of product that we have. I should also say, and I am just going over it quickly, not to take up all the time that is available for the member, I think it is important to note that we had a company who supplied logging equipment who also have made some arrangements in Chile, I believe, made a contractual arrangement to sell some equipment, again, as part of it.

* (1450)

Other successes that I can report: We had representation there from people who were agents for trucking and the aerospace industry and the ostrich industry for Manitoba. Manitoba has developed a unique marketing and production activity from the ostrich business. They not only sell breeding stock, but they sell the expertise that goes with developing and looking after breeding stock. There were some successful sales negotiated, as we were there, as part of that trip.

Again, because some of the companies are doing this on their own and it is private, it is not for me to disclose them, but I can give you the names of the companies that were with us. Winkpak, which just made a major announcement in Manitoba of some projected \$35 million in expansion; some of that flows from arrangements that have been made, contracts they have signed in Mexico and work that they are looking at in South America. The food industry is continuing to grow, particularly the specialized food where product has to be put out in small containers or packages or put into preservative packaging, which they produce here, and this is now the flagship company out of eight plants in North America. This is going to be their flagship plant, and part of it flows from work that we have done with them and what they have developed in South America.

Ramfor, which is a company that sells heavy equipment for the forestry industry, was successful. Sunshine Ridge Ostrich company, that was the one that—and I will put this on the record because I do not think there is a reason why not. They have confirmed sales since the mission in the range of \$500,000 U.S., which is directly coming back to the province of Manitoba. Vansco, again, I know had some successes in the satellite business. They build a receiver component which they are marketing into—I think it is Argentina that they are marketing some product in. Westeel, which develops the silo business, the grain handling business, is continually going back and forth and developing arrangements to sell product into South America. Cosmo Trade has further been developing activities. I cannot report of any successes there, but I know that they are part of the ostrich activity. Behlen Industries was part of the trip. Red River Community College signed an agreement while they were there and, again, is very important to Manitoba.

InfoMagnetics—I am mixed up—is the company that has developed in the communications business. I will put this on the record. It does not say that I should not. They are continuing confidential negotiations, but they have signed a contract for some \$160,000 as part of the work that was done. Prairie Farm and Ranch, they are in the process of setting up people to handle what they call their stock doctor. That is the product that I talked about. It is manufactured here in Manitoba. It is a mechanism to treat livestock with. International Beef

Genetics are continuing to do a considerable amount of work, and we look forward to seeing them being involved more and more directly as it relates to contractual arrangements in the near future.

Now the other one which I want to speak about briefly was the involvement that we had when we were there dealing with the Pan American Games, which seemed to cause so many people so much concern that my wife was there promoting and working on that particular project. As to how it was instigated seemed to be a big issue. There was no intention on my part or anybody's part not to fully disclose why she was there. She was there to promote it. Yes, if the department or if I had asked whether there was a role she could play, not a big problem. There was indication that there was a role she could play and she did. She played a very effective role. In fact, I will speak to this a little more in-depth at this particular time.

I do not think we, as a province, should make any apology for demonstrating to the world that to people in Manitoba family is important to them, and that when people are travelling, if you can make a combination and get benefit for it—I can also tell the member there was a time when she paid a very expensive trip or two on her own that there was not an opportunity for her to further advance the province. That was paid for by us personally. It is not a matter of trying to fool anybody or try and take advantage. I can tell you, Mr. Chairman, myself and my wife have put 20 years in this business, not to try, in any way, to take money from the taxpayers that we should not have. If there is a legitimate reason or purpose to do it, we will do it. If there is not, we will not. We do not play games, and if the member wants to further debate it, I am prepared to do so. But I wanted to put that on the record—never any intention to try, in any way, to do anything that was not proper.

But I will say—and I hear the odd gibe about whether or not there is a group of tourism operators coming to Manitoba. I believe there will be. I believe that there will be a group of tourism operators come to Manitoba. When they do come, I would hope that the member would accept an invitation to go and meet them, so he can directly question them as to whether or not there was meaningful participation when we were on that mission.

I want to go back. I have talked on Mexico; I will talk a little bit more about it. Again, as a result of some of the missions and some of the work of our representative in Monterrey, Daniel Elizondo, who is a representative for us in Monterrey, has been working with the federal government, and they just set up a mission that was here this week. We had two major food-processing companies represented here in the province of Manitoba which we spent some time with. We believe there are potential activities. In fact, again, Winpak is directly marketing some product to one of the companies, and there looks like there can be an expansion of that business. It is the kind of situation that when you demonstrate to them what we have here—not only clean air and environment—we do have a tremendous industrial base where there can be either joint ventures or that type of activity. We had companies that, as I said, represented the food industry. One company was Sigma Alimentos, and it is probably the second-largest company in Mexico. Another one is the Agroinsa which is another company dealing in grains and livestock feeds, and again looking for joint ventures. They met with the Wheat Board, they met with the grain companies, they met with the grain commission and saw some opportunities where there can be some relationships developed.

Again, the word “Canada” to them today means a lot. I will go back to a little bit of the talk about Egypt, because, again, we just had a group from Egypt in today, just the last few days looking at small business, co-operative development, and some of the areas that they see that might be able to be developed. There are four: Agrifood is one of them that they are looking for development in; the garment industry is another one that they are interested in; another one is in the machinery and the mechanical and equipment side of things and also wood and woodworking. That is another area in which we have got tremendous strength. I should say this—the members have probably seen the export home across from the Convention Centre—that has played a very important role in demonstrating what Manitoba, the windows, the construction industry, the doors and all of the component parts, plus the prefabricated housing, and Manitoba has now advanced substantially in the prefabricated homes to Japan and see an opportunity to expand into other parts of the world because of our capabilities. Whether it is hot or

whether it is cold, the heavy insulations here work wherever they are going.

The other thing that is being—

An Honourable Member: Unless it is wet.

* (1500)

Mr. Downey: Well, we have got good shingles, but there is a good capability here in housing and housing parts, and we are demonstrating, the housing industry, the construction industry are demonstrating they can compete with anybody in the world. I talked recently with an individual who has shipped over 30 homes to Japan in the last 18 months. That is only one company.

Again, for some of the underdeveloped countries where they are looking for employment for their people, to send a prefab home over, a training program can be developed here so that those people know and learn how to assemble them when they get to their homeland. Again, it is a tremendous strength that we have. I think Manitoba Trade and all those people that have been working on it have been very important.

I will just recap a little bit the trip that I recently took to the United Arab Emirates which is a very interesting part of the world where there is a considerable amount of investment dollars. They want to try to change their economy from basically based on oil to further diversify it. There are major grain milling companies being set up there. There are major distribution centres being set up for food to go into some of the other Middle East countries.

We had Arrow Corporation, which is a seed cleaning company, with us, build equipment; Brett Young Seeds who I believe since we were there have sent at least one container if not more of pulses. Central Canadian Structures are very much involved in that area and have done some work. McCain Foods also participated in one of the food shows that we were with. We jointly participated. This is McCain Foods first entry into that part of the world, and there is a tremendous opportunity in those large populations for frozen food products such as french fries. It is time to be there, and we were pleased to be there working with and supporting

McCain Foods, and they actually are acquiring a considerable number of orders out of that area.

We also had Prairieland Grain Company who are in the pea and the pulse business. I am not aware of any contacts or any sales that they have made, but they have certainly identified to me that they have made a considerable number of contacts and there could well be some potential flowing from that.

So looking at the grain and grain products, we see the pulses are a tremendous opportunity. We see what McCain Foods is doing with their products in those markets. We see the opportunity for processing plants, for feed mill type operations to satisfy their livestock trade, building materials, I have talked on that, supply of furniture is a tremendous potential, supply of beef and/or beef products is extremely important as well, and, again, we have got good strengths there. The member is aware of the fact that there is not a lot of demand for pork there, but the beef industry certainly has a lot of potential, and the canola initiative is very exciting for not only Manitoba, but western Canada. The federal government is, as well, invited, and it is being part of it.

We are expecting a visit from Mr. Michael Bell, who is the Canadian ambassador to Cairo, who I believe does an excellent job there. We are expecting him to visit Manitoba in June. I can tell the member that one of the areas that I think we should look at closer because of the fact that Egypt buys approximately \$4-million worth of food a day is we should consider developing a bilateral trade agreement between Canada and Egypt. I think there is a good potential opportunity there for us. Again, Canada is a very key word to them.

One of the concerns that they had, and this came right from the ministers of Supply to a lot of the private sector, was that for 10 years now the Canadian Wheat Board had not been offering them any wheat, and they were desperately wanting us, the country, to provide them with an offer of wheat. I wrote the Canadian Wheat Board. I have met with the Canadian Wheat Board, and it is my understanding they are putting more emphasis in that area. I know they had some payment difficulty some 10 years ago, but that has been cleared up, and now what they are doing is they are paying cash to the United States, they are paying cash to France and

they are paying cash to Australia. I believe we should have our wheat there, at least on the market, and we may get some cash for it as well. Since that trip, I understand the Canadian Wheat Board actually has sold a barley sale to—probably nothing to do with my trip, but at least they were there following it—the United Arab Emirates. So there is a tremendous potential there. The other good news is that they have resources to buy product with.

So when you look at the trade numbers, and I guess there is another good reason—I have just been informed that the Wheat Board has agreed to do a sales mission into Egypt this year, so my contact and the information I provided hopefully was helpful.

I want to tell the member, as well, that we are extremely pleased with our market with the United States and continue to develop that. That is extremely important and we want to do that. It is also important that we do some diversification of our marketing into other markets, whether it is the Middle East, South America is a natural for us, Asia, again, extremely important, that we do not just have total reliance on one export market. That is what we are doing.

Manitoba Trade is. I think, doing an excellent job and will continue to do so. We are not where we want to be yet, but we are certainly advancing, I think, in a very positive way. The key is to get manufactured product as much as we can out of our province because it is value-added; it is important to us. That is why Winnport is so extremely important to us. The development of Winnport means just a whole lot to the future growth and expansion of the exporting activities of our province.

So, again, Mr. Chairman, I know that I am just about out of time, but once the member speaks, I understand I have that much time again so I can get wound up. Thank you, Mr. Chairman; open for questions.

Mr. Sale: Mr. Chairperson, first of all, I want to thank the minister for that canvassing of the issues that he has been involved in.

I would like to suggest to him something which may sound horribly nonpartisan. It is probably quite out of character for both he and I, but, nevertheless, he might

consider having his officials from time to time do a briefing for members of the Legislature, instead of treating this always as something that has to be cast in political terms, which I understand why governments do that. I do not think any government is immune from wanting to be helpful to its people and, therefore, when something helpful happens, wanting to be seen as having been part of it. That is pretty natural, but I wonder if the minister would consider, say, a semi-annual or so briefing from officials about opportunities.

The reason that I say that is that while the minister—and I say this sincerely; he is an incredibly energetic, active salesperson for Manitoba. He believes in the province, just as we all do, and he is an active ambassador and a very good ambassador, I think. I say that in a nonpartisan way. But he is only one person, and those of us, for whatever reason—well, there are reasons, historic reasons. Manitoba is polarized politically, and he knows the agriculture world in the south part of Manitoba very well, but some of our members know other parts of the province very well.

Some of us who are very interested in trade have contacts that sometimes come to us with opportunities, and we try to pass them on and that sort of thing, or steer them in the right direction.

I think it might just turn out to be quite useful for Manitoba Trade to consider, as other departments, I think, are considering—for instance, the Provincial Auditor is considering doing this on a regular basis—to do a briefing that is not focused on partisan point scoring but is focused on information, opportunities that are before us and also education.

I would say, just for example, it is still a prevailing myth that Manitoba is an agricultural province. Manitoba has agricultural production, but agribusiness, the agricultural support industries and research and development are increasingly merging in a way that it gets to be almost impossible to distinguish between research and development related to health issues and research and development related to the whole biochemistry and genetic engineering issues. These are all so closely related now. I think we would all benefit from that, and I think Manitoba Trade would, perhaps, benefit from it. I wonder how he would respond to that.

* (1510)

Mr. Downey: First of all, Mr. Chairman, I thank the member for his compliments. I do not think this is an area where a lot of partisan politics can or cannot be, or should or should not, be played. There is no point. I am prepared to do my partisan politics wherever I can. I do not reject the member's recommendation. In fact, one of my objectives, and this is one of the things that—and he has to appreciate we are just really getting into this as Manitoba Trade. We are getting a little more mature; we certainly do not have all the answers. One of the frustrations that I have is when I come back, or I return, is to make sure I fully assimilate the information that I have received, because I am so pumped with the opportunities that I see. How do I make sure that the majority of Manitobans get a read and a feel for the opportunities that I have seen? So that is probably a good way of doing that, that we could probably do, not only just with members of the opposition—we have tried to talk to Chambers—is to put on a full and complete briefing on the return from a mission, so that members of the opposition, the media and Manitobans can fully get a read for what is out there. There may be people sitting there that have capabilities who would want to be on a trade mission that we do not have any idea have capabilities.

So it is a legitimate question, and, as I say, there are a lot of other partisan things that we will get into in a little more serious way as it relates to the partisan part. But there is really need, I do not disagree, to further disseminate information. There is nothing to hide from a trade trip. It is a matter of fully disclosing what we have seen, what we have heard, what we have spent. There is nothing about it that is wrong.

I know one of the media people thought there was, that we should not be having a reception in some of these centres for some of the business people. My goodness, they were some of the best connections made. What I do, just so the member knows, when I am in a setting—I can tell you Canadian embassies are very helpful, but we do not take enough advantage of them as provinces. They sit there, and provinces that go and do business with them or talk through them get a lot of attention. We have been getting a lot of attention.

What I do when I go to these events and these receptions, it just is not Jim Downey talking about Manitoba. What I ask to happen is that all of our trade delegation introduce themselves, what they do, what they sell, what they stand for and a little bit of background. It is extremely helpful. They feel a little more part of it, so it is just not me leading a delegation and government to government. Every business that I have with me gets the opportunity at every chance that I can give them to fully explain what they do and what they have for sale. The networking that takes place is tremendous. So the small investment that we make in a reception or a get-together is very, very productive in terms of people getting an understanding.

So I do not reject the member's recommendation. In fact, I have been working with the Manitoba Trade to decide how we can better do it. I also say this to the member: What I am also looking at is how can we better screen—screening is not the right word—how can we better canvass Manitoba businesses that have capabilities, that want to introduce themselves into the international marketplace so that we are not seen to say, well, these people are particular, either they are a friend or just because Manitoba Trade knows this—that we are legitimately canvassing Manitobans who truly are interested in international marketing.

There is one caution, though, that I would put on the table for the member, and that is that some people may think it is just a trip to go on and it is nice to be there, but I think people have to demonstrate to some degree that they have export capabilities or can move to an export capability position. They do not know that maybe up front, and I am not negative on it, but I think there is just a caution, because there is a lot of people's time and effort.

Again I take my hat off to the people who are involved in Manitoba Trade and all the travelling they do. There is a lot of work, particularly when you are meeting with delegations of people. You have to put your best position forward all the time, and the last thing in the world anybody would want to be is an international embarrassment, I am sure, as it relates to doing business in some of these areas.

So a long answer to a short question, but I am not rejecting what the member said, seeing he was so kind

to me and gave me all those compliments. I do think it is a worthwhile exercise to consider, and I will.

Mr. Sale: Mr. Chairperson, I try to confuse the minister with, you know, compliments when he is expecting criticism and vice versa—it keeps him off balance.

I want to be clear what I was suggesting. I was not suggesting, necessarily, public briefings with press and Chambers; those are important things to do. I was suggesting that those of us in the Legislature, who are responsible in some ways for making laws and understanding opportunities, could learn something, could learn quite a lot, I suspect, from Manitoba Trade and Manitoba Trade's understanding of our economy and the opportunities our economy has.

So I really was suggesting something quite specific which was focusing on MLAs once or twice a year to provide a kind of detailed, factual, forward-looking briefing from Manitoba Trade on a kind of, well, as the minister said, nonpartisan basis. I understand coming back from a trade mission, there are things to be shared and that is fine. If he wants to share those in an other than the normal press release way, I think there would be people interested.

I was talking more about the longer-term strategic advances, opportunities, challenges, so that the members might understand from senior bureaucrat's, senior official's perspectives what the structure of that opportunity is over the next, you know, whatever the time horizon is.

Mr. Downey: I will consider that. I have no difficulty—that was part of my answer—I have no difficulty with considering that and see how it best could be arranged.

Mr. Sale: In the context of the whole trade issue, I wanted to put on the record and I will table, although I only have one copy of it so I want to read from it before I table it, a communiqué from labour organizations in the Americas, in the continents of the Americas, including Central America.

I think it is, first of all, really important to understand that labour is not opposed to trade, far from it. Labour

has always taken a position that worldwide linkages among peoples are beneficial and to be desired. What labour is really concerned about are things like this: In 1960 the wealthiest 20 percent of countries owned the equivalent of 30 times what the poorest 20 percent of countries owned. Unfortunately today that difference is doubled; it is 61 times today. So we live in a world in which 15 percent of the world's population owns 80 percent of the world's GDP. United Nations and other organizations have been very clear that this disparity is increasing.

Point of Order

Mr. Chairperson: The honourable minister, on a point of order.

Mr. Downey: I maybe missed it, but did the member identify what document he is reading from?

Mr. Sale: Mr. Chairperson, I said I would table the document. It is a communique from the Canadian Labour Congress, Congrès du travail du Canada, and it is the result of the meeting in Belo Horizonte, Brazil, which took place in the early part of May of this year; in other words, in the last week or so. I said I would table the document. It is a communique from the Canadian Labour Congress, Congres du travail du Canada, and it is the result of a meeting in Belo Horizonte, Brazil, which took place in the early part of May of this year. In other words, in the last week or so. I said I would table the document.

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

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Mr. Chairperson: If the honourable member would like to table the papers that he does have there when he is finished, that would be nice.

* (1520)

Mr. Sale: Mr. Chairperson, I had already indicated that is what I was going to do, so now we have gone around the circle twice I think.

The concern that we will be raising through questions on a multilateral agreement on investment, MAI, which we have referred to in the House and which the minister acknowledged receipt of in draft in January—actually, I think he will acknowledge there have been two drafts and that he has both of them probably, or at least his staff do. The concern is that business and trade are growing rapidly. When you measure that in terms of economies it is very impressive, but when you look at working conditions, incomes, and sharing of wealth, all of the indices that I know of suggest that, for many nations, particularly the poorer nations of the world—and that would include most Central American nations—certainly Mexico has experienced rapid polarization of a very wealthy, very successful entrepreneurial elite and a very impoverished rural peasantry, an urban migration rate that makes Mexico City—I think now it is either the second or the largest urban agglomeration in the world—horribly, badly polluted because it is in a bowl. It suffers from inversions all the time; polluted, because it simply has grown far beyond its capacity in a developing nation to meet the needs of the roughly 12 million people that live within the urban area, and then a whole lot more that live immediately adjacent to it.

The kinds of things that those of us who would identify with, international workers groups would say are these: International trade, quoting from the document, is not an end in itself. It must benefit all peoples. We oppose free trade without social safeguards, without appropriate guarantees for conditions of labour and social rights, and without protection of the environment. Comparative advantage must not be founded on the violation of basic human rights.

We know from just too many years I guess, that workers in the Andean area of Chile have paid a very high price in terms of their living conditions and their human rights for lax environmental standards, and for labour conditions which are pretty punitive. We know that the federal Liberal government, for reasons that are completely inexplicable to me, refuse to ratify the ILO agreement on child labour and the exploitation of child labour.

There are many, many concerns that I think the minister in his remarks about Bill 3, for example, the

other day, in which he indicated that Bill 3 would give us the right to challenge standards in other countries if we were in a trade arrangement with them and we perceived their standards to be allowing them to compete in an unfair way, I hope he was serious in that. I hope he was serious that we would, in fact, use that kind of capability in Bill 3. I tell him under the multilateral agreement on investment, he could not do that. The MAI outlaws any of those kinds of actions on the part of governments, in fact is so uneven in its powers that it gives to corporations the ability to sue governments but removes from governments the ability to sue corporations. So I hope that, given that it has now been raised and put on the table as a concern, he will recognize that the issues we are raising are not just sort of boogymen in the dark.

The MAI is an attempt on the part of multinational corporations to gain complete advantage over sovereign states, to outlaw any kinds of actions that states might take to protect their environmental needs over and above what might be some lowest common-denominator standard. It removes the ability of states to sue corporations and gives corporations the ability to sue states, puts the whole framework in place for a minimum of 20 years and guarantees companies that, once investments are made under one set of rules, there cannot be any rule changes for whatever reason. It does not matter what they are.

There are, in the draft document, in my understanding, literally hundreds of clauses which would substantially lessen the power of sovereign states to organize their labour and environmental codes and to require that companies locating within their boundaries, have any concern for the local labour force, local labour supply, require that companies be allowed to bring in people to do whatever work they want to bring them in to do, regardless of immigration issues or regardless of unemployment. A company wishing to locate here under MAI would have the right to bring in their entire labour force if they wanted to, whether or not our unemployment rate was 2 percent or 20 percent.

So we have got an opportunity, I guess. The minister has taken time to share with us his optimism about Manitoba's economy and Manitoba's ability to compete in the world, in the developing and changing world that we are in. I say to the minister that there are many

workers in that world whose abilities to even live are seriously compromised by the way in which companies function, and these are not just Third World companies. I think the minister may well have seen the article in *The Globe and Mail* which pointed out that only one company out of quite a number surveyed in Canada had a code of rights, a code of human rights, for workers in its Third World plants. So the stories that international labour has videotaped about environmental and labour conditions are not mythical stories. The videotapes are not filled with actors. They are filled with real people who are suffering to produce wealth on behalf of a very small minority of their countries' populations in order to increase the standards of living and wealth of a small, small proportion of the world's people.

I believe, as a matter of just basic fundamental belief, that you cannot have a stable and peaceful world, you cannot have a sustainable world in which the divisions between rich and poor are so extreme that the rich live in incredible luxury by any kind of historical standards and the poor live in the same kinds of levels of poverty that we knew in biblical times. That is just not a sustainable, stable world order. So, insofar as we do trade, I hope that we are asking questions about the companies that we are doing business with in terms of their records of labour and human rights.

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

I hope that, when we buy or sell into countries which have some serious questions in their records, we at least ask those questions in passing and that we do not take the view that the only thing that matters is business because the business of business is business and the business of business does not include human rights and the sustainability and survivability of the kind of planet that we live in.

So I appreciate the minister's briefing, but I want to put on the record that there are really serious concerns about what trade is doing particularly in developing nations. For example, nations are putting valuable and very fragile land into flower production to supply flowers for the tables of the wealthy in North America and Europe and are shipping those flowers all over the world. That is very nice. I like flowers too, but the notion that this is what we ought to do with—I am sure that one was probably grown in a Third World country,

Mr. Minister. The question of what we do with the kinds of valuable resources that allow us to enjoy fresh strawberries in the middle of the winter, where those strawberries came from, what conditions they were produced under and what proportion of their value on our table actually found their way to the workers who harvested them I think is a very important long-term question for the stability of our social relationships on an increasingly small planet.

Mr. Downey: I appreciate the member's comments in that regard because it is always a situation where one has to be concerned about who is taken advantage of, if that is, in fact, what is taking place to better the position of any economy, that it is a matter of trying to make sure there is a balance in a society. Again, we signed the side agreement on labour within NAFTA to try and accomplish that. That was one of the indications by this province.

I should just go back to the multilateral agreement on investment, and if there is an apology required, I would. I guess it was a misunderstanding between my departmental staff in our discussions the other day. Because of the fact that the multilateral agreement on investment basically is still some distance, I am told by the department, from a consolidated text or from being finalized—that is why I said earlier in Question Period today that it was very early, as far as I was concerned, the information that had been provided to my department since the other day, and it is the interpretation that it does not bind the provinces, that we were not actively—I should not put it that way—that we were not directly as involved in negotiating a new agreement as the member may have thought we maybe should have indicated we were.

* (1530)

So I can assure the member that there would have to be a tremendous amount of negotiations, discussions and work done before we would ever be part of it and at a clear understanding as to what implications it would have. I do not consider us being very far down the road, if at all, as it relates to being part of a multilateral agreement on investment. I take the warnings the member has given seriously, that those would be things that would have to be considered, but I think it would be a little presumptuous to say that we

are, in fact, well into an agreement as it relates to a multilateral agreement on investment as far as Manitoba is concerned.

Mr. Sale: I thank the minister for the comments, but that is surely exactly the point, that the only time you are likely to be able to get changes in something as substantive as an OECD-based agreement is at the early stages. The longer it goes, the harder the cement sets and the more difficult it is to get any changes.

My information that has come to me is that, in fact, there are provisions binding subnational states in the agreement, and that is a very specific component of the agreement as currently in draft form. The difficulty, of course, is that all states are not federations. Unitary states, such as France, for example, or Great Britain, negotiate, and they are the only level that has to negotiate, whereas if you are a federation where there is a division of powers, it is a different issue. Germany and the United States, Canada and Australia, for example, are all federations with varying degrees of centralization, but they are all federations, and they have different needs in regard to international treaties that have implications for subfederal levels.

I think it is important that this government, first of all, take some steps to educate Manitobans about what is at stake here, if they are concerned about things that are at stake and, secondly, develop and share a strategy and a policy, so that it is very plain whether or not this government, for example, agrees with the very broad definitions of investment that are in the MAI, very, very broad definitions, whether, for example, they would have impact, as some provinces fear they might, on the ability to manage our own health care system.

In spite of the NAFTA reservations, some provinces are suggesting that MAI would override those provisions. I think this is a very important issue to have discussion about during the national election, because if this government, provincially, has the view that there is no threat here, we are at an early stage and we do not have to worry about this, I think it should say so.

That is not my view. My view is that if we were even slightly concerned about NAFTA, we ought to be bloody terrified about the MAI, because it essentially threatens to enshrine the rule of corporations and to

severely diminish the role and rule of sovereign states. I acknowledge there are limitations that sovereign states always enter into when they sign treaties, but the MAI forbids any kinds of local standards or local requirements on any investment decisions. Absolutely removes any ability of countries to stop companies from inappropriately transferring capital through transfer pricing agreements. Basically it is open season for the world's multinationals and severe limitations on the world's sovereign states.

So I hope, Mr. Minister, Mr. Chairperson through you to the minister, that the government of Manitoba will say where it stands on the MAI, as it now exists, because this is a treaty that began its negotiations about three years ago, perhaps a little longer. I am certain the business community has had it in mind much longer than that, but it began after a meeting in Seville. It really took off after that meeting in 1995, and the drafts have started to appear since that particular meeting.

What is the minister's view? Is this just something that we can worry about later because it is at an early stage and, besides, we do not really know what it means anyway, or is it something that is actively before the cabinet, taking some positions, giving some instruction to trade officials, to Mr. Sprange or to Mr. Barber, or whomever, Mr. Eldridge, perhaps, and suggesting that Manitoba has some concerns here? Or does Manitoba have no concerns and is quite supportive of MAI, as currently drafted. Let us get on with it. What is the government's position?

Mr. Downey: I think, again, the member is taking it down the road a lot further than what it actually is, or trying to indicate that it is down the road a lot further than it is. I believe there is a considerable amount of work that would have to be done. I have no difficulty in indicating to the member, that it is my opinion, my belief, that an extension or a marrying of NAFTA as it relates to this, that we have the protection we need under the NAFTA agreement. If that were to be the principles of which we were to negotiate and discuss it, I think could be acceptable, because it has been demonstrated under NAFTA, we have supported the NAFTA agreement, we have added the sidebar agreements on environment and labour; that those are the kinds of principles that we support. I am saying

that as it relates to any agreements that one were to enter into.

The NAFTA agreement is one which, yes, it had some changes for political reasons, by the current Prime Minister, because he did not like the one that was signed, but the bottom line is that, I think we have the protections that we need under the NAFTA agreement. He may disagree and that is his prerogative. Again, I can assure the member that would be my position in going forward and I can assure him, as well, that his concerns that he has raised at this committee will certainly be taken into consideration.

I am not, in any way, trying to lessen the importance of any trade agreement. There is always importance to be involved if it is going to impact on us. I make two points: One is that it is, I am informed by the department, that we would not automatically be tied in if the federal government were to do it. I understand that the federal government still have not advanced to any final stages of a text, and that if there were to be the advancement that would be important to—be similar to the NAFTA agreement as it relates to this particular agreement.

I do not have a whole lot more to add. If the member wants to raise it as part of the national election campaign, he may want to do so. I am not so sure who he will get to pay attention to his debate.

Mr. Sale: Mr. Chairperson, have senior officials of the department provided the minister or other members of the government with a briefing, with materials, with recommendations? Has a position been taken?

Mr. Downey: Mr. Chairman, there has been some material available but not any extensive discussions at this particular time as it relates to my department.

Mr. Sale: Mr. Chairperson, when did the minister have this material? When was it available?

Mr. Downey: Because, Mr. Chairman, I was not taking it quite as, I guess, at the point of being on the threshold as the member is pressing it, I cannot give him the exact time. I imagine the department probably was in receipt of it sometime in January, as it relates to the federal government.

Again, as part of the briefing notes, they are available. They came through to my department but, again, it was not highlighted and/or identified as something that was of an immediate urgent situation because of the fact that we as a province were not seen to be bound by the federal government's actions on it. In fact, the federal government had not seemed to be moving very aggressively on it because a lot of things had to be done as it related to them advancing to concluding any agreement.

Mr. Sale: Mr. Chairperson, my impression from other sources, I guess, is quite the contrary, that the federal government was quite aggressively pursuing this and that, in fact, Canada was one of the promoters, one of the active promoters of this development, that it took part in some of the early meetings and was quite significantly involved in this.

So I hope the minister's information is better than mine. It probably is, but my information is that Canada, in fact, is quite aggressively pursuing this, obviously not at the time of a federal election for public consumption because it would be devastating to the position of the Government of Canada, I think, if citizens knew what was in the draft agreement on investment. This would not be a positive development for them, so I am sure they are not talking about that publicly, but my understanding is they are quite aggressive about it.

I ask the minister, Mr. Chairperson: The other day it seemed to me I went around the block several times and said are there any other treaties, are there any other discussions in which your officials are involved or of which you are aware, and he said, no, no, not aware. Yet now we learn that in January he got the material and, indeed, he did; every province did. There were two drafts circulated and he got them both, I am sure. I am sure his officials, as competent bureaucrats, would have immediately moved to prepare a briefing material, a note, and would have met with the minister and informed him.

So I just wonder how that slipped his mind when I asked that question about as carefully as I could to see whether he would be willing to share with the committee what was going on in regard to the MAI.

Mr. Downey: Mr. Chairman, I did not say that I got the document in January. I said that the department got it in January, and it was forwarded to my office some time later than that. I am not sure specifically when it was, and as I said, again because of the discussions that we had the other day, if he had been more specific at that time, I am sure we could have dealt directly with it. At that particular time, I did not see it as one in which we were so directly involved.

* (1540)

I just want to make another comment, that the information that I have is that from Canada's perspective, there are still a number of issues which are outstanding, which indicated to me that when you have a series of issues that are outstanding, then it is not one which would have them advance it the next day.

So if there was a misunderstanding, there was certainly no intention on my part to not fully discuss or debate or disclose it. When I, in fact, had the staff here, if he had specifically raised that issue, then we could have dealt with it. So I do apologize to the member. It certainly was not any intentional way of not wanting to debate. I will debate him on any subject at any time and any place.

Mr. Sale: Mr. Chairperson, it is not my job to do the minister's job. The minister's job, I think, was, first of all, to be forthright about the fact that this was a very important issue. I do not understand how he could think that a treaty being negotiated among OECD nations that has consumed at least some time of staff in Manitoba—and surely, surely, knowing who they are, I am confident they read it very carefully and raised concerns—I just think it is difficult to believe the minister would not be concerned about that issue.

But more than that, Mr. Chairperson, when a treaty is in the draft stages is exactly the time when potentially affected parties have to become knowledgeable about the implications, have solid opinion from trade experts—and I am sure we consult trade experts; I am sure we do not just rely entirely on our staff—and they have to take a position, and it has to be a pretty forthright position because you are seeking to presumably—well, unless you are accepting it as it is drafted—make changes in something in which there are

some 24 partners involved in negotiating at the senior level and goodness knows how many at the lower level involved in negotiating components if you count all the members of the federated states that are involved in this.

I can tell the minister that the governors of the western United States are very concerned about the MAI, and they have written a letter to their government saying, what does this do to our ability as states in the United States to deal with investment within our borders? What does it do in relation to our ability to set environmental sustainability standards that appear now to be able to be challenged by a company that feels like they are now going to lose some profit because they cannot log up the side of every mountain in the state?

These are western governors. These are not socialists, that the minister may think that we are only concerned about the poor and trees. I think we are concerned about the poor and trees, but so are many, many others, and I ask him to be concerned on behalf of Manitobans and to take this draft treaty seriously, to bring himself up to speed on it and bring his colleagues and cabinet up to speed on it, take some positions and let the public of Manitoba know what those positions are, so that the public can be informed about how its government is acting to protect our long-term interests and future.

There will be very little need for governments if MAI is implemented in the way in which it is currently conceived. Governments will simply be caretakers that have very little initiative available to them in terms of their economy to make any differences. Those that go into it rich will get very rich, and those that go into it relatively poorer will stay that way and get worse, because the power moves from your hands as government to the hands of multinational corporations through this kind of agreement.

So I am appalled that the minister, first of all, did not share the information with the committee. I am appalled that he is not up to speed on it. I am appalled that the government does not have a policy, or if it does, that it is not prepared to share it. I urge him to get up to speed on this and to take a stand because around the world organizations are raising serious concerns about the loss of sovereignty, the loss of the rights, for

example, of small and locally based businesses to be able to compete effectively in that kind of environment that is dominated by global players.

I do not have any other comments about that, but we will sure continue to raise the issue, and I sure hope the minister takes the time to get fully briefed on what is in the draft document and what the implications for sovereignty are and whether, in fact, the draft contains the provisions that bind subfederal authorities that I believe are in there.

Mr. Downey: Mr. Chairman, he may be appalled if he likes. I think I have explained quite clearly what the issue was as it relates to the discussion at committee and as to why it may not have been brought forward, the fact that we were not and have not been in the status of which he is trying to put us in the position of; secondly, that I am somewhat up to speed on it, and I am not going to say that I am overly knowledgeable of it. It is a matter of taking a considerable amount of time to get all the detail. Again, taking it down the road further than it is, the federal government may well, because of the information we have from them, not proceed to be part of it. If that is the case, then the additional work and effort that would be put into it—we will have a comment, and it will be made public in a position as the need arises.

He is pushing on the issue; fine, that is his responsibility. He has raised his concerns; they have been noted. Again, I want to assure the member, though, it is taking it a little further than it actually is. I will take his comments as they have been presented here.

Mr. Sale: Will the minister table the draft agreement as currently in the second draft that was received in January?

Mr. Downey: I am informed that we are unable to do so because of the discussions that have taken place with the federal and the provincial departments, that it is not available to be tabled at this point. As soon as anything is available to me, then I can assure the member he would get copies.

Mr. Sale: One other issue in the area of Trade. The minister referred to it, and I wanted to wait until Trade

was up before I raised it, and that is the whole issue of co-ops. We have a tiny little department of Cooperative Developments still attached to one of our units. I think it is small business that it is attached to.

Co-ops are not actually small business. The credit union movement in Manitoba has assets in the billions of dollars, and the Red River Co-op and others are not really small businesses. They are pretty medium-sized or, in some cases, in the form of credit unions, at least as a movement, I would class them as large businesses. Certainly in terms of total employment they are.

I think, more important, the minister probably knows and certainly his trade officials know that in many parts of the world co-ops are a dominant form of economic organization. In the northwestern part of Spain, virtually the whole region of Mondragone is a co-op. Northern Italy and central Italy are dominated by very, very aggressive entrepreneurial high-tech co-ops. Co-ops are a form of doing business in many parts of the eastern United States, the co-op movement in the United States, as a whole, in the farm and electrical utility area. The whole notion of co-operatives is a very, very large element of the world's economy. There are world organizations dedicated entirely to the development of co-ops.

It seems to me that we lag far behind here in Manitoba in making use of the opportunities that co-op frameworks provide for employee ownership, employee sense of participation and commitment. I wonder whether Manitoba Trade, in its experiences, sees opportunities for how things are organized in other countries that might become useful to Manitoba, in other words, to import some of our experience rather than just to be always focused on exporting.

* (1550)

The co-op movement in the United States, in fact, is a bigger movement—although it is interesting in the context of that country—in proportion to its economy by a fair amount than it is in Canada. I wonder why, as a department, we are not more actively promoting co-operative forms of enterprise at all levels. The minister probably knows that in some European settings and many American settings, utilities, water supply, sewage treatment operations, transit, many different forms of service are co-operatively owned and managed. There

are some real advantages to that approach. Yet we have, I think, only two staff in the whole province, with one administrative position, devoted to a sector of our economy that deserves, I think, a much better form of support. Could the minister comment?

Mr. Downey: I guess what I should state clearly is that, any time we run across or Manitoba Trade become involved in any ideas, expertise or systems, their activities within travel are brought back and disseminated through the department as it relates to opportunities. Particularly in the co-op development area, there are probably three areas within government, maybe more, four areas of which the whole area of co-operative development takes place: Consumer and Corporate Affairs, with their involvement of consumer co-ops; Department of Agriculture certainly, and my honourable colleague the Honourable Harry Enns is no stranger to co-ops, and there is a tremendous amount of co-operative development that takes places throughout the agricultural community; Rural Development is also an area in which we see some participation in co-ops; and the Department of Industry Trade and Tourism. We continue to see a considerable amount of co-operative organizations set up.

Again, I could make an example that a lot of people think totally of maybe an elevator company or the elevator systems. We have had co-op programs in the feeder cattle co-operative business, where it has encouraged people to get into the whole area of further adding value to their livestock. We have participated in the last year with the rural gas co-op, which, by the way, I am pleased to see is up and running and doing quite well. We have seen a considerable number of water co-ops that have been developed throughout the province, which, again, are very important tools to provide neighbours the ability to organize and provide a service for themselves.

So we have not, in any way, downplayed or not made use of the co-operative movement. We have been strongly supportive of it. I think we have had something like 23 co-ops set up in the last period of time, 23 co-operatives in the last year of which there are several numbers of members.

Again, one change that I would like to see considered and will be looking into is what they refer to in the

United States as a closed co-op, so that there may be a group of 10 or 20 individuals who form a co-op and that is the limit. It is somewhat like a limited partnership corporation, but it, I think, has some advantages to it, and I think that is a basic principle that should be further considered. There are a considerable number of them setting up in North Dakota, I understand, and I think it would be worthy of consideration to look at here in the province of Manitoba. I am getting the positive head shake from my colleague the Minister of Agriculture (Mr. Enns), and once he nods in the affirmative, nothing will stop it.

The member for Turtle Mountain (Mr. Tweed), also, is certainly giving the affirmative. The member for Pembina (Mr. Dyck), I know, is unable to speak because of his position in the chair, but when you get that kind of a power base moving behind you, I am sure that it will happen, Mr. Chairman.

The Acting Chairperson (Mr. Dyck): Would there be leave for the honourable Minister of Agriculture (Mr. Enns) to make a comment.

An Honourable Member: You do not need leave; just recognize him.

Hon. Harry Enns (Minister of Agriculture): Just to support what the minister has been saying, particularly in the direction that agriculture and value-added agriculture is taking—has pointed the finger very directly at the co-operative type of structure to put together the necessary pools of capital. The rural task force spent considerable time looking at that, and I believe, quite frankly, it has real opportunities for doing two things, that we can provide opportunities for local people, local money, rather than total reliance on offshore or big companies, you know, handling all this processing. It is interestingly enough to note, something that I am not happy about at all, that it is essentially the sugar co-ops in North Dakota that are continuing to process sugar very successfully, and that model is under review right now as to whether or not—if we were to be successful to provide some fresh opportunities in sugar processing in Manitoba. We have the expertise, we have the farmers, we have traditionally seeded upwards to 30,000 acres in sugar. Regrettably, a great deal of international trade

politics, sugar politics, have dealt us unkindly in that aspect, but the opportunity, in my opinion, of bringing back the sugar industry, for instance, to Manitoba most likely would be that route, through the formation of a co-operative.

Mr. Sale: In other words, sugar has been used as a sweetener in international trade deals that Canada has made.

An Honourable Member: Not for Canadians.

Mr. Sale: Well, that is unfortunately what has been done. It has been used to trade off against other agricultural products, and so Alberta and Manitoba have gotten the sour end of the deal.

The minister has spoken strongly about co-ops. The Minister of Agriculture (Mr. Enns) has added his comments. Am I simply not remembering history, but it seems to me that there was a Conservative government that took a co-operative education curriculum and shredded it and sold it finally to the Co-op College in Saskatoon and to York University, I think, were the final recipients of that. This probably dates me—I am not nearly as old as the minister, but I guess I am old enough to remember that.

An Honourable Member: Aging quickly with these questions.

Mr. Sale: Actually, he may be surprised; I may be closer to him in age than he thinks. Perhaps there has been enough time passed since that unfortunate episode in which a number of civil servants lost their jobs simply because they were involved in the development of an education curriculum, some of whom were people that I subsequently got to know as fine educators.

Would the minister not think it important, given the scale of co-op enterprise in the United States, in Third World countries and in developed nations in Europe and in our own province, to have some more resources available in that whole area and to provide at least some level of education in co-op models of entrepreneurial activity so that Manitobans are not without some understanding of just what a powerful engine for local and regional development co-operatives are?

Mr. Downey: I happen to remember that material he was referring to that hit the shredders. That would have even turned the communists off as it relates to how involved the state should be involved in business, and so, with the greatest of respect, it was scary material. As it relates to education—

An Honourable Member: Were you the minister that paid them off?

Mr. Downey: No, I was not. It was scary, very, very scary. That was in the time when we had the state farm program under the New Democratic Party, as well, so that really added to it. Anybody that was associated with free enterprise was running—

An Honourable Member: Oh, you are older. I take back my comment. You are a lot older.

Mr. Downey: I am a lot older and, hopefully, a little bit wiser, but that is to be judged.

So the question is to the further advancing in the development of co-ops. We have the Co-op Promotion Board which is a very useful tool. I know you, Mr. Chairman, from your background and your community, that you have been very directly involved in the co-ops and the co-operative movement, and they have been very successful. We look across the province as it relates to the credit union movement which also falls under the cooperative development act. Again, they are promoters and I take my hat off to them—a credit to them. A lot of places where the private banking industry is leaving communities, where there are small banks, single bank towns, where basically without the credit union movement and the co-operative movement they would not have a financial facility or capability.

* (1600)

So, I am not sure whether there is more education needed; it seems that there is a balance out there. If I felt that there were an opportunity for a co-op anywhere, I would certainly advance the idea. I would do so very aggressively because the word co-op does not bother me. Co-operative is a different structure or a different combination of people working together under a structure to accomplish a goal. That goal is to develop a business. It is to develop, in some places, on

a consumer side, whether it is the credit union, whether it is the co-op housing. It is a system of development.

(Mr. Chairperson in the Chair)

So I do not think we are in any way starving the co-ops when you look at the record that has taken place, when you look at the fact that we have seen some pretty aggressive development in co-ops in the last while, and I, quite frankly, think that the community is very much aware of the availability of co-ops. After all, Manitoba Pool Elevators which is a co-op that goes back many, many, many years, it is not only involved in rural Manitoba, but its head office has been involved here.

Some of the things that are interesting, as we see what is happening within the co-operative movement, of course, has been the Saskatchewan Wheat Pool which was one of probably the oldest and the strongest co-operatives in western Canada. It has now changed its strategy and has gone to the public market for funds through the stock market. It appears like it is an alternative way for them to grow and expand their company and that they are doing both within western Canada and internationally with their combination of joining Cargill and an export terminal—I do not want the member to get too excited, but reality has to be told to him once in a while—the grain terminal at the West Coast and investments in the U.S., investments in other provinces.

So there are changes within the co-operative movement. The old, traditional co-operative system that we have seen is changing and I think will continue to change as the demands of the public change. I am satisfied that we have a very capable person in charge of the co-operative section with Small Business, and that if there is anything lacking, I am sure I would have heard from the general public and, quite frankly, I have not. Most of the calls I get are generally of support, and they set their co-ops up and do their development.

Probably one of the co-ops I am most proud of is the natural gas co-op called Gladco, which is an alternative for those communities where, in fact, they could not get the traditional private sector gas company to set up a system. They have done it, and now, of course, the private natural gas company is very interested in getting into some of these rural communities. There is finally

an alternative that is out there that is demonstrating its worth.

Mr. Sale: Mr. Chairperson, in the additional information, there is a heading, Access To Capital. Manitoba Trade provides counselling and assistance on accessing export financing and acts as a liaison between Manitoba firms and export-financing institutions.

Is it the experience of Manitoba Trade that export-financing arrangements are adequate, that they work well, that there are not blockages here, or are we running into problems about access to capital in this particular area?

Mr. Downey: Mr. Chairman, it is always a challenge, particularly for smaller companies.

There are two or three points I would like to make. One is that I think we are seeing a different attitude toward banks dealing in the international marketplace because in our visit, again, to South America, we have met many of the Canadian banking companies that are, in fact, setting up branches or associations with banking organizations in those countries which makes it easier for companies to do business, because you have to have a banking system that supports the commerce between two jurisdictions unless you are awfully well-heeled, and if you are that well-heeled, most people would say, then, have a nice day because you are on your own.

The member mentions Russia, and I feel pretty pleased that we were able to encourage the Moscow Narodny Bank to come to Manitoba, to set up their head office here for North America, so they could be the bridge between trade here and Russia. They are a Russian-directed bank, but they are basically owned and chartered in the U.K.

Again, we are pleased that they came, and it came again from one of our trade trips that we had. The agent that we have in London set up the meeting, and it turned out to be successful. The question was asked by the media—when the Moscow Narodny Bank was asked, why would you set up in Winnipeg, the answer from the chairman of the board was, why not? I thought it was an excellent response.

Again, as it relates, there are some federal programs in place like the Export Development Corporation. We

are looking at, through out department in the next while, how we can better enhance the financial supports for companies that are looking to trade internationally, what some of the shortfalls are and what can be done to improve them. So we will be putting some resources forward in the next while to try and identify how we can improve that, because there is a difficulty there at certain times.

Mr. Sale: Do any other provinces and does Manitoba have any programs that essentially are export guarantee programs? Do any provinces underwrite exports?

Mr. Downey: Not as directly as the member would ask. I think there maybe is a combination working with banks as to—the head of Manitoba Trade indicates that probably in B.C. there is a combination with the government and the bank. Again, I identify it as a problem because, for example, some of the smaller companies that have travelled with us, if they were to accomplish a contract, a good sale of a product and they were to ship that product, and for some reason the company at the other end was not able to pay for the product or there was not advance payment or the proper letters of credit, one shipment could well cripple the company that was trying to get into the international marketplace.

So it is that kind of security that we believe has to be put in place to make sure that the people, when they enter into it and venture into the international marketing, do not get put in a vulnerable position right off the hop.

Mr. Sale: Mr. Chairperson, is Manitoba considering getting into some combination of guaranteeing or partially guaranteeing in collaboration with a bank, or, in any way, becoming a partner in export finance, either directly or indirectly?

Mr. Downey: At this particular time, I think we have to do a little bit more work in this area. Again, we would certainly prefer the banks to do it. The banks should be the ones that do it. If there is still a shortfall, I guess, following the work that we are going to do in the next short while, if we were to consider it, then I would have to advance it through to Treasury Board and to my colleagues to get support on it.

At this particular time, I would not be able to give that as an affirmative answer because there has to be a little bit of work done. Is there going to be need to do so? I would like the banks to step in and do it without us having to be a part of it. There may be some options that flow from the work that we do in the next while as to how involved we get, but we certainly have not got any authority at this particular time to put the province in the position of any guarantees.

We believe there is some support from the federal government through the Export Development Corporation. That should be the one that has the first call.

Mr. Sale: I think we could pass this area down to the subtotal (c).

Mr. Chairperson: Item 10.2.(c) Manitoba Trade (1) Salaries and Employee Benefits \$1,080,800—pass. (2) Other Expenditures \$1,934,300—pass; (3) Grants \$250,000. Shall the item pass?

Mr. Sale: Just briefly, could the minister outline the grants that are made here.

Mr. Downey: Basically there are two areas, Mr. Chairman, and that is to support companies for trade show promotion activities and also for materials and development of promotional activities as it relates to—I can table a couple of documents here which would clearly explain what they are. That is basically what they are, for trade shows and for the designing of material and website participation. I will table those for the member.

* (1610)

Mr. Sale: In the annual report structure, pages 51 and following, there are a whole list of little grants, Trade Assistance Program, for example. Could the minister indicate which of the headings, one, two, three, four, five—for example, five is Trade Assistance—which ones of these would come out of this appropriation?

Mr. Downey: If you would go to pages 52 and 53, they would be the grants that would flow from this particular grant program.

Mr. Sale: Mr. Chairperson, that total is about \$153,000. Is it just that expenditures have increased, or is there another subsection of this appropriation that is spent somewhere else?

Mr. Downey: Mr. Chairman, it has been increased because of increased demand and the projected increase in the use of this program. As we grow our export activities and more companies get involved, then there are more resources required to do it.

Mr. Sale: Pass.

Mr. Chairperson: Item 10.2.(c)(3) Grants \$250,000—pass; (4) Less: Recoverable from Rural and Urban Economic Development Initiatives (\$1,000,000).

Mr. Sale: Could the minister just outline what it is that is being recovered here? What services are being provided in return for this?

Mr. Downey: Mr. Chairman, it is an internal allocation, and it is a recognition that some funds that would come into the department would be used for the rural and urban activities as it relates to some of these programs.

Mr. Sale: Are these staff services or actual staff who are actually in the Department of Rural Development, or are these services provided to that department, that that department is, in effect, transferring funds for?

Mr. Downey: This is a financial transfer.

Mr. Sale: Then, for the record, these are services provided by this department to Rural Development which, because they are under Trade, I assume that the purpose here is to enhance the trade opportunities of rural agribusiness, rural producers, and this department provides those services and recovers a fee for service, in effect.

Mr. Downey: Basically that is it, Mr. Chairman.

Mr. Sale: Is this simply a kind of pro forma million dollars, or is there actually an accounting that goes back and forth for services?

Mr. Downey: It is a pro forma.

Mr. Sale: So in other words, Mr. Chairperson, the minister won the arm-wrestling contest and got some pay for some services that he had been providing, and the Minister of Rural Development (Mr. Derkach) gave up something.

Mr. Downey: I would not put it that way. I would not put it in that context, Mr. Chairman. I would not put it quite that way. There was a willing giving and a willing taking.

Mr. Chairperson: 10.2. Business Services (c) Manitoba Trade (4) Less: Recoverable from Rural and Urban Economic Development Initiatives (\$1,000,000)—pass. 2.(d) Telecommunications Marketing (1) Salaries and Employee Benefits \$299,500.

Mr. Sale: Mr. Chairperson, the former director of this team was Mr. Swain I think, or at least at one point it was. Who is now the overall director of this team?

Mr. Downey: Steve Demmings, Mr. Chairman.

Mr. Sale: Mr. Chairperson, how many people are involved in the team at this point?

Mr. Downey: If the member gives me a minute, I will introduce Mr. Steve Demmings.

Mr. Sale: All right.

Mr. Downey: How about that? Co-operation. This is Mr. Steve Demmings, who is in charge of the Telecommunications Marketing branch.

Mr. Chairman, the question is, I understand, how many people are employed in this section? I will get that information. The answer would be six.

Mr. Sale: Mr. Chairperson, could the minister indicate whether any consideration is being given to developing some standards or expectations of companies that come to Manitoba under this initiative? The minister, and we have talked about this before, has told us that there are some 5,000 jobs.

I have raised, on behalf of the opposition, some concerns about working conditions and quality of those

jobs, the standards. Is there any consideration given to expectations of companies that come here in terms of the quality of the work setting that they will offer to their employees?

Mr. Downey: Mr. Chairman, I guess the question is where we are involved directly in any financial programs we have a little more opportunity to have some say or direction. There are those who would come within the system, setting up a business that, if they meet the labour standards and they meet the conditions of environmental standards and all of those things, there would not be a lot of room for the government to regulate them to be out of business as long as they met the different criteria and standards that fall within the different acts of the Legislature.

As it relates directly to the operations, we are targeting companies that would be more in the specialized fields, whether it is health care, medicine, information, financial information, value-added calling, I guess one could call it, to this industry. As far as drawing up certain guidelines, thou shalt or shall not do certain things, again, one has to be considerate of the employees and the labour standards that are met, the work conditions, the environment and all those things that I have referred to. So, as far as setting up rules and regulations as thou shalt or shall not do, I do not know whether we would have the ability to do so or whether we would want to as long as they met the, I said, the workplace health and safety conditions in all of those traditional areas in which we would want to make sure that the people were protected.

Mr. Sale: Mr. Chairperson, increasingly in industry there are ISO9000, ISO901, 902—I do not know how far it goes now, but 903 or 904 I think I have seen. There are probably higher numbers. The whole concept of best practices is certainly part of many industry groupings, and the minister has talked about that and seen that in the Price Waterhouse study of his own department.

It seems to me that it would be in everybody's interest. Manitoba is now a centre of telemarketing expertise. We must have some track record that shows us what works and what does not work. What is more profitable, what is less profitable. We have had some in this industry, some smaller call centres have closed.

Others have grown very, very rapidly and seem to have a good book of business that they pursue. I think there is general agreement that inbound calling, where the caller is asking for something, is generally easier to make a rewarding occupation than widget selling. Outbound telemarketing, it takes a particular kind of person I think to thrive doing that. But would it not make some sense to begin to compile some information about best practices, what seems to work, what seems not to work, about training standards, about the kinds of industry approaches that will make a new entrant have the highest likelihood of success? I do not want to be entirely critical of the industry. I am certainly critical of some of the standards in it, but is it not time that as a department we began to take an approach that looks very clearly for quality and not just for quantity?

* (1620)

Mr. Downey: Mr. Chairman, I can inform the member that the industry itself is setting up an organization which is going to deal with the kinds of concerns that are brought forward by the member, and I compliment them on doing that. It is better if the industry self-disciplines than if there is forced regulatory activities that force it to happen. They see it, and it is certainly in their interests to do that. Again, I think it is a reflection as to an industry if there are certain bad apples that are not, in some way, shown to be carrying out an activity. Again, my preference is to see the actions and the activities within the industry self-disciplinary, and I am sure that their standards will be established and set which probably would be more effective than if we were to do it as a government.

Again, I guess if the fact that there was a period of time in which there were continued complaints, concerns, and the general individual or public interest were suffering because actions were or were not being carried out on behalf of this industry, then we would have to take some action. But I am confident that we are seeing some action in this area, and I compliment them in doing it.

Mr. Sale: Mr. Chairperson, first of all, I was aware that association was being set up, and I am glad it is being set up. Is the government an active promoter, supporter of that association and its establishment? Is the government a participant, observer, whatever?

Mr. Downey: Mr. Chairman, the initial development of it was encouraged by the department. Secondly, the department feels that it is now the opportunity now that they have established themselves to carry out the work of the association and organization, and it is my understanding that they are working and are targeting the education and training of the individuals who are working within that industry. It is in the initial stages. The department was very much involved and instrumental in getting the organization established. It is now underway.

Mr. Sale: Mr. Chairperson, I thank the minister for that. The minister and I yesterday had some exchange around also the issue of evaluation in the whole area of employee retention, turnover, and those issues that I raised yesterday with the minister—and he may have had a chance or may not have had a chance to talk with staff about that—but is the industry in and through that association interested in developing some overall awareness of what average retention rates are, average cost of turnovers of new hirers, all those sorts of issues that I think affect the long-term viability and profitability of these enterprises. Obviously, the lower you can have turnover, the better, the higher skill you can produce among your staff and all those things are for the benefit.

So is the minister interested in the proposal to have such an evaluation with the assistance perhaps of the Manitoba Bureau of Statistics, who have some expertise in doing those kinds of surveys and undertakings?

Mr. Downey: Mr. Chairman, as I recall yesterday's discussion, it was the question as to whether we could do an analysis of the turnover of people and if people were being taken advantage of as it relates to this and companies were using the programs as a subsidy for the company, a little clear analysis of the industry. As I said yesterday, I would be prepared to look at it. In discussion with staff, we could discuss that with the association to see how best it could be done. I think there would be—I cannot speak for the association, but I would hope there would be a willingness to put in place the kind of mechanism to gather the information on the telephone. I think it would be in their interest and for the fact that they are setting up. Their targeting on training and personal development in the initial

stages probably would go without saying that if they are going to set it up, they would want to measure how effective it is. So I would be prepared to have staff promote with the organization the recommendations that they had and see how best it could be handled. I have no problem with that, and I think it is a worthy idea.

Mr. Sale: The member for Dauphin has asked questions about a reservation system which currently we are calling Toronto to get a California firm's answering service for reserving sites, and the minister indicated, the minister responding, Natural Resources responding, indicated that this company was going to come to Manitoba and locate itself here. I do not know whether it would come here under the name of Destinet or whether it would come under some other name, but can the minister tell the committee—presumably the company is coming—when is he expecting it to be located here and what is the scale of its operation?

Mr. Downey: I think that better would be answered by the Department of Natural Resources because he is the minister that is directly involved in dealing with it. We will further follow up on it as it relates to the call centre activity, so I will take that as notice and refer it to the Minister of Natural Resources (Mr. Cummings).

Mr. Sale: Mr. Chairperson, am I right in understanding that the department responsible has no knowledge of this company at the present time coming to Manitoba?

Mr. Downey: I would not necessarily say that. That could be the case.

Mr. Sale: What would the minister say?

Mr. Downey: The minister would say that we should talk to the Minister of Natural Resources (Mr. Cummings) to see what the status of it is and get that information.

Mr. Sale: Mr. Chairperson, I think, then, the minister is saying that he does not know the status of that company's plans in terms of it coming to Manitoba at the present time and his staff is not aware of it, so we will ask the Minister of Natural Resources (Mr. Cummings) that question.

Mr. Downey: I can tell the member that I have talked to the minister as well, and he has indicated that is the

case, that the company plans to move to Manitoba, so that is basically the information that I have available to me, to the member.

Mr. Sale: Does the minister know whether a condition of the contract was the company moving to Manitoba?

Mr. Downey: Mr. Chairman, I am sure the member would get that information from the Minister of Natural Resources (Mr. Cummings). It is my understanding the plan is to have the company move to Manitoba.

Mr. Sale: Mr. Chairperson, in the area of TeleSpectrum, I raised a number of concerns about TeleSpectrum yesterday. In terms of basic standards, I mean very basic standards, this is a situation where 250 staff at any one time are competing for four tables in a lunch room. The lunch room is tiny. There are two washrooms on the floor for 250 staff. I mean, not two separate washrooms but two stalls, two toilets. The cleanliness standard of them is reputed to be horrible.

People are treated as though they were children. For example, if you make an error, you have to wear a silly hat. At least, that was the practice a few weeks ago. I have a hard time seeing that as dignified work or work that takes seriously the rights of workers to work in a setting that respects their humanity.

* (1630)

I do not know whether the minister gets any complaints. He said yesterday he did not, but I would like to ask him: Do his staff, do his department people get any complaints from workers who find their working conditions unsatisfactory?

Mr. Downey: No, I can tell the member that the head, who we are dealing with here, of the Telecommunications Branch has not had that brought to his attention, although I would ask that a further review of those concerns be looked at, because I think that is important, that the information that has been provided, if that is the case, then somebody should be looking at it. I will find out specifically even though it has not been brought to his attention.

Secondly, I can tell the member that there was a visit to Red River Community College, I believe, yesterday

of which the participants are in the seventh week of an eight-week course of which some are from the social services support system. Basically, there is a good confidence level. They are very optimistic about their training there taking place and look forward to becoming involved in the industry. So I will see if there is any merit or any substance to what the member has brought to this committee.

Mr. Sale: Mr. Chairperson, thank you for the minister's answer. The training program at Red River, I am sure, is a good program. When I was making remarks about training in regard to going to work in a telemarketing centre, I was referring not to people who are coming through the social assistance referral route but people who were brought in more or less off the street that were given little or no training. In the cases that have been brought to our attention again in regard to TeleSpectrum, it was the reading of a manual and very quickly being put on the boards, on the computer, which to me sounds like a silly way to waste human energy and staff dollars, because I find it hard to believe that people would be able to do that without some training. Nevertheless, that is what we were told.

I am also wondering about basic deceptive trade practices. One of the reasons, though not by any means, I guess, the only reason, for locating a telemarketing centre in Canada to market exclusively into the United States is that it is relatively hard for consumers in another country to have any comeback against something that originated outside that country. For the most part, it is just going to be too expensive to try and undo something that took place in Winnipeg, in a conversation with Winnipeg, and so you write it off to whatever.

The people in at least two centres that have come to us have said, in the case of TeleSpectrum, for example, they were instructed to say they were calling from Delaware, not from Winnipeg. Others have been instructed to say that they were calling from north of Minneapolis. I guess that is one way to get to Manitoba, to go north from Minneapolis, but perhaps a little less than forthright to suggest that they were calling from north of Minneapolis, geographically accurate, but perhaps not forthright.

Are there any requirements when a call centre receives funding from the province, AT&T, Transtech,

Faneuil, TeleSpectrum and others, that they make a commitment to adhere to fair trade practice and not to deceive those whom they are calling in terms of where they are calling from?

Mr. Downey: I am not aware of the situation and/or any enforcement activity that would be in place, although I am sure the association, which is being developed, will have the same kind of application and discipline as it comes to that particular area. I would not know why anybody would want to misrepresent where the calls were coming from. The member is referring to some kind of liability, I guess, or some kind of a comeback. Again, I would think the company would not get along very well if that was in fact the word that was going out, that they were misrepresenting their location of the call. Again, I think it will be a disciplinary question within the industry and the organization, if there is a complaints department or a complaints committee set up, that that would be the place to refer it. Again, I ask the member, if he has hard evidence of what he is bringing to this table, I would ask him to produce it.

Mr. Sale: Mr. Chairperson, it is the same problem that I referred to yesterday, the hard evidence is in the heads of workers who—some of whom still work for the company and some of whom do not. I suppose the problem is that if they go public, then there are the problems of reprisal. So I can only ask the minister to have his staff make inquiries of people as to whether they were instructed to identify where they were calling from. There may have been a change since I received this information, which was about three weeks ago now. So if there has been, that is an improvement.

I ask the minister to consider not so much what it does to the company. It is very hard for some caller and goodness knows where in the United States to know where they called or did not call from and to be concerned or not concerned about that. How that would ever come back, I do not know, except in lack of success in a program, I suppose.

What does it do to a former welfare recipient who has been trained, that the first job they have tells them to lie about where they are calling from or tells them to represent benefits of a product as free benefits as opposed to services for which they pay? This is in the

case of American Express and Platinum cards that were being marketed. They were told on the board to represent 23 free benefits. In fact, there are 23 services, all right, but you pay for them. They are not free benefits. What does it do to the morality of young people and of welfare recipients who are first—their first serious job requires them to misrepresent the products they are selling? Not much of a first job, in my view.

Mr. Downey: Mr. Chairman, I have sat here, and I have tried to be as co-operative as can be, but, again, if the member is prepared to produce some hard evidence, put it in writing that there are people being told to lie by a call centre, then he should produce that. He wants me to—he is saying what kind of training is that, what kind of example is that. Well, it is not a good example, but it is equally not good if he comes to this committee with a lot of innuendo and accusations that cannot be backed up.

If he wants me to have staff go out and chase wild stories which he is bringing to this table, I would ask him to put some more concrete evidence on the table. Is he prepared to do that, and, if he is, then I will prepare to advance it. But I think he is spending a considerable amount of time trying to berate or to in some way tear down this industry that is growing and developing and creating jobs and taking people off of welfare and putting them into a meaningful job.

I have just given him a report of how successful the training programs are working. I told him yesterday that people were involved from Education, which is a department he is familiar with, from Family Services and, Mr. Chairman, I quite frankly think the civil service have integrity that if that were taking place and it was knowledgeable within the civil service that it would be corrected. I do not know what problem he has with the call centre people.

He has really, for some reason, gotten himself upset about this and is going to any way, shape or form try to malign them. I think he is being somewhat unfair, and I will challenge the member to put on this table or to give us a written statement of somebody or himself that he knows where people have been told to lie or told to misrepresent where they are calling from. All of these accusations are no better than what he is trying to tell somebody else that they are doing. So I would

challenge the member to come forward with his clear background and clear information that he is putting on this record in dealing with the call centre people. I, quite frankly, am getting a little disturbed at the approach he is taking.

* (1640)

Mr. Sale: I think the minister has reason to be disturbed, but not about the approach I am taking. I do not expect the civil service to know about this. It is not their job to go and talk to individual employees. I think if they did know about it, they would be concerned, just as I am.

Let me ask the minister: Is the minister prepared absolutely to guarantee the anonymity of any complaints that are received and any evidence that is provided by staff so that they will not be exposed to reprisals from their employer and to make absolutely sure that there is no way the employer can connect the concern with a particular complainant?

Mr. Downey: I will do my best, because he is quite often criticizing me for not providing information as it relates to third-party information, as it relates to loans that are made by, whether it is Vision or whether it is anywhere else. I will do my best. I cannot give an absolute guarantee that somebody may not get the name of an individual. I think that can be done in confidence with myself, if a name comes forward, that it would be certainly—I do not even need a name. If he can give me an example of a situation that I could follow up on in writing with his signature on it, it would be certainly helpful.

I will look into it. I will ask the association. I will tell them. They will get a copy of Hansard as to what has been said at this committee so that they can follow-up on what he has said. I have asked him for hard evidence. If he does not want to—and I do not want to put any individual in a position of reprisal, of retribution of any kind that is not fair. I appreciate what he is saying; I cannot offer that guarantee.

I will endeavour to try and find out if the accusations are accurate. If I cannot find anything and may need more information, is he prepared to do it? I would hope that—you know, again, we are sitting here listening

to these accusations and these comments that there is somebody being told to lie, that they are told to tell them that they are from a different jurisdiction. I do not accept that as good business practice. I do not accept it at all, and I will ask the department if they have any way of getting that information without in any way endangering the job of an individual. That is not our intent. If I have to proceed further to get a specific name or individual and have to take an undertaking not to disclose that, I would do so. Let us take a first look at it. I would hope though the member could give us a little more—narrow down a little bit more as to what we are looking for, and it is for sure I will make sure a copy of this Hansard goes to the call centre association and individuals whose names have been brought to this table to get their responses as it relates to what he has said.

Mr. Sale: I appreciate the minister's response. Then we can pass this area.

Mr. Chairperson: Item 10.2.(d) Telecommunications Marketing (1) Salaries and Employee Benefits \$299,500—pass; (2) Other Expenditures \$409,700—pass; (3) Less: Recoverable from Rural Economic Development Initiatives (\$177,300)—pass.

Mr. Sale: Just in terms of process, I want to make a suggestion that we leave (e) until the end, just before the Minister's Salary, and that we proceed through to finish as much as we can. I believe we probably can finish the remainder of the Estimates. I believe we come back on Tuesday I think with standard hours. I do not think we have Monday hours on Tuesday, do we? Regular hours? [interjection]

It has not been decided, but if that is agreeable.

Mr. Chairperson: Is it the will of the committee to leave (e) till last, just before we are going to be considering the Minister's Salary? [agreed] We can proceed then with 2.(f) Industrial Technology Centre \$905,000—pass.

10.3. Tourism and Small Business (a) Tourism Services and Special Projects (1) Salaries and Employee Benefits \$557,400.

Mr. Sale: Mr. Chairperson, I think what we would do is, just when I have had a few questions, comments

about this, we would pass this whole thing at once before we rise at five o'clock.

We have had considerable discussion about tourism in which we have traded statistical questions. [interjection] The minister probably wants to introduce Ms. Clarke.

Mr. Chairperson: The honourable minister, to introduce his staff present.

Mr. Downey: Mr. Chairman, I would like to introduce Loretta Clarke who heads up the Manitoba Tourism Division, also a Small Business Division, and now if the member wants to finish this by five o'clock, we can do that.

Mr. Sale: Mr. Chairperson, as I said, we have had lots of discussion about the situation, but I think it is fairly well accepted that Manitoba has to sharpen its tourism image and that maybe that is the purpose for the contract that was let most recently to Barbara Biggar and the Brown company.

Could the minister tell the committee what the plans are in this area to focus the image, improve the marketing?

Mr. Downey: Yes, Mr. Chairman, we will be focusing on the product that we have in the province, the people we have in the province to deliver it and be involved in it, the places we have in the province all the way across the province supporting one another, rural, north, urban, and also the packages that are put together within those areas. So it is product, people, place and package.

Mr. Sale: Mr. Chairperson, is the government looking at what I guess we have talked about before as niche marketing, I suppose is the way it has been talked about? My favourite example, because I am a train buff and we have talked about this before—me and Magnus Eliason we are the train buffs—I keep seeing this historic train that we have and it is sitting idle this year because the CNR or the CPR withdrew their running rights, or at least it is withdrawing that subdivision so they do not have a subdivision to run on.

I keep seeing that as an incredible resource, given that at least one magazine I read said there are over a

million members of rail organizations in North America, rail-promoting organizations, steam fans, whatever, and when you look at that train, you look at the Union Station, you look at The Forks, you look at the Lower Fort, you look at our fairs all across Manitoba, and you look at the history and the themes involved in that, it seems to me that this is just an incredible marketing tool that we could be using if we simply had a couple of railways that cared enough to make that feasible without making it so exorbitantly expensive to run on their tracks that it is not feasible.

That means you have to find all of those associations, and you have to market to them a package, not just the fact that there is a train here but that it actually goes to interesting places and that if you come this week it will go to the Morden Corn and Apple Festival, and if you go this week it will go to the Islandingadagurinn in Gimli and on other days where there is not something special, it will run back and forth to the Lower Fort with people going the other way by river, so you have a package, an interpretive package with experiences. That seems to me what families are seeking in touring, to meet people, to understand history and to experience. That is what families seem to want now. How are we reaching out to that audience?

Mr. Downey: Mr. Chairman, I would like to take a considerable amount of time and really go after the federal government because if one were to lay blame—

An Honourable Member: Any Liberals here?

Mr. Downey: It does not matter. If one were to lay blame as to why we are losing some of these opportunities, it is because of the federal government's policy to allow, quite frankly, the disbanding of our rail system in western Canada, and I can name several examples. In southwestern Manitoba we have lost the line from Deloraine to Waskada because there was nobody—but the line is going to be maintained by local people, but almost was lost. That could be and they are working on a tourism promotion for rail line running of tourism. The CN line that goes out to Steep Rock of which the Prairie Dog Central, we asked for an extension of the closing of that line to save it for this year. We lost on that, but at least we requested it. Unfortunately, again the line is being abandoned. I am not blaming the railroad in particular, but again it is

policy within the federal government that is allowing this to take place, and they should be held accountable.

* (1650)

Yes, we are working to try and find some niche market activities whether it relates to native entertainment, whether it relates to replacing the Prairie Dog Central on other potential lines. I do not disagree with the member. All of those things add to a total tourism package when people come. So I do not disagree with him in any way, shape or form, but I do think we should hold responsible why we are dealing with these kinds of shutdowns that we are. It is because the federal government, quite frankly, I think, has been a little negligent in just saying, they are gone. I get a little emotional on this because quite frankly I think decisions are being made.

For example, I know one line is being closed down that would cost \$30 million to \$40 million to replace it and probably should be operated and sold for \$2 million or \$3 million. It should not be let go. It is an infrastructure that is going to be lost. I say thank goodness they were able to do something with the Churchill line which has been productive, and we need the Churchill line for a tourism attraction, that is for darn sure. If we were to have lost that, then it would have been really difficult. I am a little disappointed a Manitoba company did not get to buy it. It did not have the best proposal apparently for CN. CN sold it to OmniTRAX. That is their business. Again, it is going to operate, and we are pleased with that. Again, native tourism, the whole business of ecotourism, niche marketing is one which we are very strong on, and again I am as disappointed as the member opposite at it relates to the Prairie Dog Central not running this year.

Mr. Sale: I do not sense that that is an answer to the question I asked. I understand the frustration of the minister, I share it, with the federal government's rail abandonment. I have listened to the minister talk about the world as changing, and we have to adjust and all the opportunities that come from that. Well, I am glad to hear him now taking the view that rail line abandonment is not a great thing when it takes place in the way that it is taking place now. What concrete things are we doing to put together a package? Why is that train not running out of Union Station? Why does

it run outside of St. James Station on Sundays instead of where—I think if you look at the stats, Mr. Minister, you will find that there were some six million visits to The Forks last year, an incredible success story. They have a museum there; they have a children's museum with a locomotive in it, and we have the rail museum upstairs in the station. Why is the engine not running out of there? Why are we not packaging and aggressively going after CN and CP for the rails that are left. There are still rails to Selkirk. There are still rails to southern Manitoba. There are not as many as there were, but there are still some. So what are we doing to package these opportunities, and I am just using the Prairie Dog as an example. It is not the only thing.

Mr. Downey: On this specific thing we have a committee developed between the province, the city, CN, and the vintage rail people to try and come up with some alternative options. One of the reasons it is not running out of the other station is because of the outside storage of the machine. That is not in the interests of those people who are responsible for it.

Again, we are working aggressively, the head of Tourism is, but we are also working on regional forums to try and come up with alternative opportunities. It is a major initiative that the department is carrying out. It is coming forward with some excellent ideas which can bring to the table some other opportunities, so it is not that we are not doing anything. There is an active committee as it relates particularly to the loss of the Prairie Dog, and what are some of the alternatives.

It is not that we are sitting back. We have a committee established which is looking for alternatives.

Mr. Sale: Mr. Chairperson, last year we talked about snowmobiling as well. Is the department actively seeking out lists of clubs, lists of organizations in the United States and Canada that use this kind of tourism and linking them with the local communities that have extensive trail systems, for example, in the Parklands area, in the Eastman area and so forth?

Mr. Downey: We are working with the snowmobile organizations and those people who are responsible for trails. They are basically encouraged to take the lead, because they have expertise at it, and we are going to be putting some further resources toward the further

development of that. It is a winter sport development because when one looks outside, we have a considerable amount of winter in this province and have to take full opportunity to maximize the weather that we have. There is a considerable amount of work being done with the snowmobile people.

Mr. Sale: My final question in this area, well, two final questions. The short one: When does the minister expect to begin to see materials, promotional packages that are resulting from these new initiatives? When are we going to start seeing the hard results?

Mr. Downey: The new campaign will be introduced the 1st of January, 1998.

Mr. Sale: I am sure, with everybody else, we will look forward to that, and I hope it goes well for all of our sakes.

The last question in this area: What specific measures are being taken to combat what might be a negative image resulting from the flood? On the other hand, maybe there are some opportunities in that negative image, too. I would just be interested in seeing how the department has thought about that.

Mr. Downey: There has been considerable work done in the last few days, headed up by Loretta, Ms. Clarke and the different government agencies. There is aggressive work being done to try to—because we have the international recognition that we have received, turn that international recognition into a positive. [interjection] Again, I think there is—come see Duff's Ditch, but no there is certainly an opportunity to turn—we believe—that into a positive so people can come and visit whether it is the Z-dike and Duff's Ditch, and the way in which the people have responded. There are a lot of things being done, and would encourage input from the member opposite.

Mr. Chairperson: 10.3. Tourism and Small Business (a) Tourism Services and Special Projects (1) Salaries and Employee Benefits \$557,400.

Mr. Sale: Very briefly, has consideration been given to producing a video, because there is wonderful footage? I would think that there are some real possibilities of both education and a kind of tourism

opportunities here, because there are some amazing achievements by people in the last four weeks.

Mr. Downey: The answer is yes.

Mr. Chairperson: 10.3. Tourism and Small Business (a) Tourism Services and Special Projects (1) Salaries and Employee Benefits \$557,400—pass; (2) Other Expenditures \$978,700—pass.

10.3.(b) Tourism Marketing and Promotions (1) Salaries and Employee Benefits \$614,400—pass; (2) Other Expenditures \$3,979,900—pass; (3) Grants \$75,000—pass.

10.3.(c) Tourism Development (1) Salaries and Employee Benefits \$311,000—pass; (2) Other Expenditures \$386,200—pass; (3) Grants \$336,200—pass; (4) Less: Recoverable from Rural and Urban Economic Development Initiatives (\$161,000)—pass.

10.3.(d) Canada-Manitoba Partnership Agreement in Tourism (1) Capital \$70,000; (2) Grants, blank—pass.

10.3.(e) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits \$1,174,900.

Mr. Sale: We are okay here, Mr. Chairperson, we have a minute and a half. I just want to underline that we did have some comments about this in the opening discussion, and I am sure that the staff and the minister will have a chance to talk about this. I express my concern again that this section is attached under tourism. It just seems to me to be something that might be better served elsewhere and get the focus on the tourism which is really the big item here.

Mr. Chairperson: Item 10.3.(e) (1) \$1,174,900—pass; (2) Other Expenditures \$897,900—pass; (3) Grants \$30,000—pass.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$9,250,600 for Industry Trade and Tourism, Tourism and Small Business, for the fiscal year ending the 31st day of March 1998.

Mr. Chairperson: The hour being five o'clock, committee rise.

HIGHWAYS AND TRANSPORTATION

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

We are on Resolution 15.1. Administration and Finance (b) Executive Support (1) Salaries and Employee Benefits \$438,900.

Mr. Gerard Jennissen (Flin Flon): With the minister's approval, I would like to move on now to another larger theme which would be railway transportation in the Port of Churchill. I would like to start off again with Mr. John Heads' Manitoba Transportation Action Plan to the Year 2000, because in 1990 when that report came out, there were several recommendations on what the provincial government should do with regard to railway transportation, some suggestions for improving it.

The first suggestion was, and I will quote it to the minister and let him react to it, determine whether it is in the interest of the province to continue burdens on the railways in such areas as payroll tax, diesel fuel tax and increased property taxes on railway right-of-way.

* (1440)

Hon. Glen Findlay (Minister of Highways and Transportation): It is probably not uncommon for everybody who pays taxes to think that they are paying too much relative to somebody else. We hear it quite often from different categories of taxpayers, and, clearly, when we go to WESTAC meetings the railroads quite often do raise the tax issue and say they are paying too much. They say relative to their U.S. competitors they are paying too much, and on it goes.

The province did recognize that we were out of sync on one particular category of tax, and that was diesel fuel, and I believe it was three budgets ago, phased over a period of time and starting July 1, 1992, we reduced the fuel tax on diesel for railroads from 13.6 cents down to 6.3 cents in three steps from '92 to '95, which put us pretty much in sync with all provinces except

Saskatchewan, which remains up at 15 cents a litre. So we responded to level the playing field, to attract the rail industry here and to not offend the rail industry in terms of taking more tax than would be the average across the country.

Property taxes were mentioned there, and I know when the property tax assessment bill was in the House here about two years ago, there was some major discussion involving Rural Development and the railroads as to what was the appropriate level of assessment on rail properties, particularly, I believe, rail properties other than where the rail track is. There was ultimately a decision made in that context, and I could not tell the member to what degree taxes were changed or altered. I think it would be best to ask that of the Minister of Rural Development (Mr. Derkach).

But, clearly, on diesel fuel, we have responded as a province. I think B.C. is a province that has maintained fairly high property tax assessments on the railroads, and I think on at least a bridge or two, in terms of taxation, there has been some reductions in B.C. in recent years.

Railroads are gaining a little sympathy in terms of taxes. As I think I tried to indicate the other day, I for one do not believe that the railroads' success over the next 20 years is guaranteed. It is going to take a lot of effort to maintain their competitive viability in North America, particularly I am thinking of CN and CP, of course, and we have to give serious considerations to requests on taxes and other things that they bring forward.

Mr. Jennissen: I thank the minister. The second recommendation made by the same study may perhaps look a little ironic now, but I will quote it anyway, is to examine all opportunities to increase CP Rail's car and locomotive heavy overhaul activity in Winnipeg.

Mr. Findlay: Mr. Chairman, a lot of things certainly are changing in the rail industry, and it has been a recognition by both CN and CP that some of their locomotives are old, and they are in the process of buying new locomotives. I can recall I think particularly CP buying a hundred new locomotives recently, GE locomotives. CN has bought some new locomotives. When GE puts the engines in, I think they

are a million dollars apiece, those locomotives, or a million plus. I notice in just recent days here that CN has signed an agreement with GE to do the locomotive maintenance in Symington, I think it is Symington Yard here in Winnipeg, and the hope is that they can do more than just the CN locomotive maintenance at the yard there on a contract with GE.

We signed an agreement, I believe, with CP about two years ago, again associated with GE engines where they were going to be increasing some level of the Industrial Benefit Program for the province of Manitoba.

This comes back to both railroads having to make decisions that increase their efficiency, decrease their costs, and I support decisions like that which allow them to have a better chance of surviving as competitive rail entities in the future.

Mr. Jennissen: As the minister knows, and in fact has made quite clear, there are global changes in the transportation systems happening everywhere, and they impact on us quite negatively in Manitoba. For example, the loss of the Crow rate and rail line abandonment have serious negative consequences for all of us. Not only that, there is a job loss. I think it is fair to say that we have lost at least 5,000 rail jobs since this government came to power, and perhaps that is not a fair way to characterize it, but certainly there have been thousands of jobs lost in the rail sector; I would estimate 5,000.

Does the minister have any suggestions how we can ameliorate ourselves in this trend in job loss? We know it looks bleak over the next 20 years, but in other jurisdictions, other countries, they are certainly aware of the scarcity of fossil fuels, and they are certainly aware of environmental issues, which I would suggest should give trains a high priority.

Mr. Findlay: The member identifies losing 5,000 rail jobs, but we are still a very large centre of rail job location in the province of Manitoba compared to any other place, other than maybe Quebec, and Alberta is challenging us a little bit in terms of total rail jobs, but I am sure the member is talking just about rail jobs associated with operating the railroad on the rail line. Clearly, with newer equipment, better technology—it is

like the telephone system. You need less people to maintain newer technology, newer equipment. We saw this reality three or four years ago and pursued very aggressively getting new-technology, rail-related jobs to Winnipeg. That caused me to pursue getting the customer service centres here for both CN and CP. We did succeed in that direction. Both CP and CN have their customer service centres here for dealing with customers all over Canada.

I think, with CN's case, they had something like—I am not exactly sure of the number, but about 11 service centres, customer service centres across Canada, and they now have one. It is all in Winnipeg. That is over 500 jobs down in the Eaton's—[interjection]

No, CP is in the Air Canada building and CN is in Eaton Place. There are over 500 jobs in the CN centre and around 200 jobs in the CP centre. So we brought those kinds of jobs. They are higher technology jobs. If we had not made that initiative to get them here, they would have been located somewhere else. So we are losing, yes, at the rail end in terms of jobs. We are gaining in the customer service nature of jobs, but that is a reality. We at the same time are gaining significantly in transportation jobs associated with the trucking industry. Again, that is a reality; it is happening. There are shifts taking place.

I would contend today versus, I think the member said, when we came into power, there are more jobs in the transportation sectors here in Manitoba now than there were then, in total. I am talking rail, trucking and air-related job activities. I dare say there are more today than there were then, but many of them were in newer technologies than existed at that time. The customer service centre is clearly an example of that.

There are shifts taking place. One could pick just one little segment and say, well, we are losing rail jobs, but you have got to look at the bigger picture. Have we got more total transportation jobs or less. I contend we have got more, and we have got some of them in the area of where the new technology is being put into place.

* (1450)

Mr. Jennissen: The minister may be correct that perhaps in totality there are more jobs, but I am

wondering, you know, how high paying those jobs are as compared to, let us say, 10, 15 years ago. It seems to me that, especially in some of the high-tech industries—yes, there are many jobs created, but these are McJobs, very often paying very poor wages.

Mr. Findlay: I would say no. The average salary in the customer service centre is up in that \$35,000-plus category, which are not McJobs. Trucking jobs today are well-paid jobs. I have heard young people say, I and my wife are going to spend the next number of years on the road as co-drivers; we are going to build up our nest egg and then we are going to settle down. There is good money to be made. Yes, there is a commitment there in terms of being away from home a lot. There are pretty long hours. I think that is true in every job today; you have to work longer, harder to stay competitive. I know the member mentioned the word “competitive” in his opening remarks. It is a reality.

I do not buy the argument that they are lower paying jobs. When we brought the customer service centre, I said the average is around \$35,000, and there are some pretty high paying jobs in there because the CN centre has been identified in the telecommunications industry as being a very top-rate, first-class centre and is used as an example for incoming companies that are looking at, you know, a customer service centre that they might want to copy and be setting one up for themselves as we try to bring more and more of those kinds of jobs to Winnipeg.

It is in the 5,000 to 6,000 job category now. It is the way of doing business. If that is the way the companies are going to go, we have got to work to get those jobs here, but they are reasonably well paying jobs. I have never encountered any young people working in those places that are dissatisfied with either the workplace, the work environment, or the nature of remuneration or the opportunity for growth in those jobs.

Mr. Jennissen: Mr. Chair, what in dollar terms does the minister estimate it will cost extra to make up for the wear and tear on Manitoba roads just for one factor, the loss of the Crow rate, which then led to consequent rail line abandonment? How much did the feds offset this in terms of whether it is infrastructure grants or Western Diversification, whatever? What is the figure

it is going to cost us to make it up, and what do we get back from Ottawa?

Mr. Findlay: I want to spend a few minutes on this question because it is exceptionally complex. The real short answer is it is nearly impossible to give definitive numbers to what the member has asked for in any kind of defensible position that, you know, five years later somebody would ask were your numbers right or wrong, probably a 100 percent chance they are wrong.

In the business of grain movement, growing of grain, marketing of grain as to where it was going and what was happening, it became evident to myself, partly because I am a farmer, and partly because I was in Agriculture, the minister, and then in Transportation. It became evident to us that there was a tremendous change happening out there, whether it was talking to truckers, talking to elevator managers or looking at the growth of the grain feeding industry, particularly in hogs, and we became aware that southeast Manitoba is a feed-deficient area and realized they are all hauling feed in. Where is it coming from?

I went and called UGG and Manitoba Pool, the two biggest elevator companies in Manitoba. I said it is becoming apparent to us that a lot of the grain that goes in your front door is leaving that elevator by truck as opposed to by rail, which was the standard model one would think was always happening. This would be about two years ago, two and a half years ago I made that phone call, and at that time they both acknowledged that about 25 percent of the product going in the front door was actually leaving by truck, whether it was special crops going to processing, whether it was feed barley or feed wheat going to a feeding operation somewhere, whether it was canola going to a crushing plant, those kinds of examples, or flax going into a crushing plant in North Dakota, or malting barley going into the U.S. There was more and more of that already happening as the discussions of removal of the WGTA Crow benefit or increased abandonment was going on.

So there is an evolution in that direction already driven by the commerce of high cost of exporting that grain, that feed grain, low value grain to places like Thunder Bay or Vancouver for export, more and more desire to feed that here. We were promoting it as

government, to feed it here and have the value-added industries of producing meat from that grain. Then there is higher value, more jobs.

So that has been going on all the time, and, yes, it will continue to escalate. We have lots of rural jobs associated with the trucking industry, lots of five-truck, 10-truck small companies, one truck per person kind of company. A farmer may run a truck in his spare hours, hauling grain in every direction you can imagine in Manitoba, just meeting each other on the highway. You can haul grain one way across Manitoba, and get a back haul going the other way.

There is a tremendous commerce now that did not exist 10 years ago in moving grain, and it is happening by truck. You kind of would wonder when an elevator company like Pool would take in canola. They have a crushing plant at Altona, they have a crushing plant at Harrowby, and they were moving it there by truck, always have, take it in the elevator. It is hauled on a road to the elevator, and then it is hauled by B-train from that elevator to those crushing plants. One would say, why did it not go by rail? A number of factors involved there. There are the reasons why they made the decision to use trucks over the years. That is going on.

We certainly argued that the federal government has a responsibility to offset the impact of moving grain from rail to road. Every prairie province clearly has, and that is why we argued, as I mentioned yesterday, for the Crow adjustment fund, infrastructure adjustment fund that it should go to roads, and it was not anywhere near enough. It would maybe cover 10 percent of what was going to happen in the next year or two, but my deputy makes a good point. With the increased truck traffic, there is absolutely more diesel fuel being burned by trucks hauling grain. We are, at this current moment, getting half of the gas tax that they are paying—is provincial tax. The other half is federal gas tax, and we are not getting any of that.

If the federal government, in the prairie provinces, would allow the provincial governments to receive that federal tax as paid on diesel fuel that is burned in trucks hauling grain, it would move a long way toward creating the revenue we need to offset the impact of their use of roads. It will be an argument that will go

on forever and has been going on ever since the first round of abandonment started back in the '60s. The provinces have made very little progress in this discussion with the feds. They just say they do not have any money, we are not going to do anything. At the end of the day, we have no choice but to respond as best we can as provinces, because we are closer to the user, closer to the citizen, closer to the taxpayer. By default, we have to accept all the responsibility even though we will argue forever and a day that there is a need for a federal commitment, a federal response. The silver lining on all this is more jobs created here in the trucking industry, and these are jobs scattered all over Manitoba.

* (1500)

I think the member will also recognize that, in the industry of moving ore and moving timber, there has been an escalation of trucks on the roads and moving more product and moving in very long hauls. I was surprised here—about three months ago I went to a ribbon-cutting ceremony opening a transfer plant in Transcona for taking fertilizer off of rail which had come from Saskatchewan, potash from Saskatchewan, taking it off of rail here in Winnipeg, transferring it to trucks and then hauling it into North Dakota, Minnesota, Iowa, down in there, and 2,600 B-trains a year are going to make that trip. Now the jobs are created here from that activity, but there was an economic advantage for them to move it from rail to truck here as opposed to doing it somewhere closer to where the end product was being received.

So those are the kinds of changes that are happening. They are driven by economic decisions, and the government is going to have to work hard to keep up to be sure that the infrastructure serves all users.

I am sure the member has had letters from people saying, get those trucks off our roads. We, of course, write back and explain the value of having trucks out there. So the public sees more activity. Some of those would like the roads for leisure and pleasure and see it as a disadvantage to their leisure and pleasure, but we are going to have to work hard to be sure the roads are safe, that the rules of the road are safe and that the safety requirements for truckers are universal across the country, and, through our inspection process and their

compliance, be sure that they are driving as safe as possible trucks on our roads. Considering the number of trucks out there, their accident rate is phenomenally low. Maybe once in a while there is a spectacular one that gets your attention. It is just like an airplane crash. There are very, very few of them, but whenever one happens you think the world is coming to an end.

So to get back to the basic question, we will always argue for more federal dollars in every way we can, but I guarantee they will never fill the total need or the level of impact that they have created on us by their federal decisions.

Mr. Jennissen: Yes, the minister makes a good point. I was especially interested in the one about the fact that a lot more diesel is being burned, because as the rail industry rationalizes and some of their lower density lines are being, I guess, eliminated, is the word, there is more reliance on diesel trucks or big trucks, and, of course, Ottawa makes more money. So if there ever was a reason for Ottawa to be paying us some more money, I guess now would be the time. That is for sure. So I certainly do not disagree with that.

I would like to ask the minister if he has any updates on some of the rail lines that have been abandoned, the smaller rail lines in Manitoba. Now we all know and we are very fortunate to save, at least it looks like we have saved, the Bay Line and also the Sherridon sub, but there are a number of others controlled by CP and CN that have either fallen by the wayside or appear to be falling by the wayside. There were some initiatives on using some of those lines. I believe some of them were to be used for transporting gas, gas pipelines, I believe.

So I would like to ask the minister if he could give me an update on some of those subdivisions like Lyleton, Russell, Neepawa, Oak Point, Steep Rock, Erwood and Cowan, among others.

Mr. Findlay: Yeah, I am going to give them to the member as two groups: CP lines and then CN lines. In the category of CP lines, there is the Russell subdivision from Binscarth to Inglis, and it was abandoned August 1, '96. The Gretna subdivision from Altona to Gretna, abandoned also August 1, '96. The Lyleton subdivision from Deloraine to Waskada was

abandoned August 1, '96, but there has been a group of farmers there in the process of forming a company to raise the money to buy the line. My understanding is that \$400,000 was talked about as the amount that CP wanted for them to buy that line. They have raised the money, involving local farmers, investors, and from Brandon, Gord Peters's company, Cando Contracting. So we understand they have raised the money. We understand that \$400,000 was requested. We presume then that the deal is going through and that one will be operated as a short line. The fourth one under CP lines is the Arborg subdivision from Winnipeg to Arborg. It is designated for a transfer to a short-line operator. No further date of any action has been announced.

On CN lines, we have the Rosburn subdivision from Rosburn to Russell, abandoned August 1, '96. We have the Oak Point-Steep Rock line that the member mentioned, Winnipeg to Steep Rock. It is designated for discontinuance, and it was offered on April 20, '97, to the province and municipalities. The Cowan-Winnipegosis subdivision from Dauphin to Minitonas and Sifton to Fort River, designated for discontinuance. The Erwood sub from Swan River to Birch River is designated for discontinuance, and the Miami-Hartney sub—that is the line running from Morris to Elgin, designated for transfer. Then all the northern lines which are in the course of transfer from CN to OmniTRAX, the final negotiation is still underway there, but we do fully expect that OmniTRAX will operate short line on those lines and take ownership of the Port of Churchill which will be key to their using those lines.

So there are significant lines involved, more by CN than CP, and as I mentioned, there is quite a network of lines in the North, some 810 kilometres to be short-lined, and the Lyleton sub to be short-lined some 17 kilometres.

Mr. Jennissen: I thank the minister for that answer. In early April, the Canadian Wheat Board officials actually launched a complaint against the major rail line companies for upping their fees again. It would cost the prairie farmers another \$85 million. I am wondering if the minister would comment on that, specifically in light of the fact that they say, well, we are making these lines more efficient; we are making things work better because we are getting rid of all the

unprofitable parts, and yet there seems to be backlogs. They cannot seem to get the grain to market on time. It is almost as if despite the so-called efficiency there is no payoff, and yet somehow they are building in more profits, and it is hurting the farmer. I wonder if the minister could comment on that.

Mr. Findlay: This is a very large issue. If we can get a positive outcome of what has been initiated here by all the players in the system, maybe we will have a better system in the next five years. This past winter, going back to November, clearly some things started to happen in the grain transportation industry that led to up to 40 ships sitting in anchor outside of Vancouver waiting to be loaded. Severe winter certainly impeded the ability to get grain through the mountains, particularly snow slides. The issue became very serious late January, early February. The federal Minister of Agriculture held a meeting in Calgary with all the players there, trying to design a way to recover from what appeared to be significant shortfalls in grain movement to the West Coast. Ultimately, a lot of finger pointing got started. The Wheat Board first, I guess, pointed fingers at the railroads, made some very negative comments in press releases. Then CN, particularly CN, started making some negative comments about the Wheat Board and other players. The Wheat Board ultimately launched a complaint under the CTA which they have to rule on in 120 days.

As ministers of prairie provinces and B.C., we take a broader view of what is taking place, particularly I will comment more from what I believe. I do not for a moment think that one player was at total fault in what happened this winter. The reason I say that is because one of CN's letters clearly indicated that they were very close to meeting their targets in terms of grain hauled to Vancouver, within a few percentage points. They also indicated that the transfer elevators in Vancouver were very close to being full. They were never less than two-thirds capacity. If I remember right, 600,000 tonnes is what they hold, and they had 430,000 to 450,000 tonnes, which sounds like a lot of grain. It begs the question: Why was that grain not being loaded on those ships?

CN also pointed to a fact that they identified some 1,300 cars that were picked up in Saskatchewan in the last quarter of '96, that were empty; they were not

loaded. So it is easy to point fingers at the railroad. It is easy to say the winter in the mountains should have been the problem. I think there is a lot more problem here than first meets the eye. I have met with people from Sask Wheat Pool, other members of what was called the SEO group, the senior executive officers of the grain companies, railroads and the Wheat Board.

* (1510)

The four western provinces wrote letters to the federal minister saying it is time for an inquiry as to who all has to change what they do to increase the efficiency of grain movement. I would say it was about 10 years ago we took great pride in western Canada, we exported 30 million tonnes. Last year we exported 18 million tonnes. This year it will undoubtedly be less. Something is not right in the efficiency of the integration of the grain handling and moving system and ship-loading process.

So I do not think there is any one party at fault. The Wheat Board and CN have kind of taken shots at each other which is maybe unfortunate. We are advocating at this point, and the most recent letter I have written to the federal ministers is that they reconvene the CEO group which, about two years ago, had a recommendation on the table which every player was around the table and everybody gave a bit and they came up with a series of recommendations of changing the system and rewards and penalties in the system. The federal government decided to ignore that report, fundamentally ignore it. All they ever did was get into a fight over who should roll in those 1,300 government rail cars, and they never even resolved that. I think the federal government has got some blame here for not acting on a major report where all the players can see that they all gain a bit but it would make a better system.

I say, reconvene that CEO group. Let us get those players around the table. I originally thought that they could do it with themselves just at the table, but because of the Wheat Board and the CN taking shots at each other, as they are, I think there are some hostilities there that would be very difficult to resolve. The deputy and I have talked about this in the last week or so, and we are of the belief that it is time to bring those parties together with a neutral chairperson, maybe even

a chairperson or a co-chair that has ability on dispute resolution. Let us get the hostility dealt with first, and then we will come to the table and work on the issues that are of importance. We are in the process of proposing that to the federal minister, as this thing unfolds. It cannot be left hanging. It cannot be allowed to drag out.

As I said earlier, I am a firm believer—knowing some of the players, having talked to different ones over the last two or three months—that there is not one player totally at fault. Everybody has got some little bit of blame here. Originally, I had a fairly hostile letter from CN that indicated we were sticking our nose in. I said, well, if everything you say is right, you have no trouble defending yourself around the table with everybody. Ultimately, we got a letter back with the tone way down saying, we are prepared to come to the table. That is where you have got to get everybody, to the table to find a way in which the system can work, to get back to exporting 30 million tonnes. I mean, I remember in the early '80s how it was such a big mountain to climb to get that 30 million tonnes. We achieved it in the mid-'80s, and we have never been able to get back there since. There has got to be some reasons why. We have certainly, in a certain sense, better equipment out there, newer locomotives. We thought we had better efficiencies in the system, but it is not fully true.

I find it unfortunate that the Wheat Board has taken the tack to launch a complaint as opposed to saying, let us be party of a process where you all come around the table and try to find resolutions that everybody can live with. It is not about finding fault with each other, and that has been what has going on in the grain industry for the last 20 years. Everybody says, the other guy is at fault and I am okay, but it is not good enough to approach this issue that way. It is too complex, too many players, too much integration. Everybody has to hand off to each other, and there have to be efficiencies in the process. There is no question about it. It cannot be done by pointing fingers or government passing acts and ordering this and ordering that. That is such a convoluted, slow and difficult process, and, until you have willing players prepared to do their share, that system will not work.

So that is where it is at, and it is a moving target. I would say, at this point, initially both railroads did not

want to be part of it. Then CP said they would, and, as I mentioned early, finally CN has indicated that they would be part of a process of coming together. Now I have got to find the will at the federal end to call it together, because there is no sense of all those players coming to a resolution this time if the federal government is going to ignore the recommendations, because ultimately they have the power, they have the legislative capability to put in place whatever recommendations come out of any kind of discussion process. They were all a little bit cheesed with them because they had recommendations two years ago. They chose to ignore them. Now we have got another problem.

This is not the first winter that we had slowness in the movement of grain, and Mother Nature will create problems in the mountains again and again and again. Knowing that, we should get some grain out earlier before the winter season strikes and be prepared to shift into really high gear when winter is over. I gather just recently in the Co-Operator, there are some comments that there is another snag in the system. So this is complex, it is unfortunate, but it cannot be allowed to continue because the economy of western Canada is hurt big time by this. We are talking different reports, \$35 million, \$65 million, maybe \$100 million of income is lost. That is serious. It hurts all our economies, and maybe even more so it hurts our reliability in the eyes of our buying customers in Japan or China or wherever. We cannot reliably deliver on our contracts, and that is very serious. Unless your buyers have confidence you can meet your contractual commitments, there is big trouble.

That is really the long answer, but it is that big an issue, that complex, and I cannot report at this moment there is a process in place that is going to lead to giving me comfort in saying that it is leading to a resolution. It is hopefully developing. The four western provinces are on the same track.

The federal government, to its credit, has recently said we need incentives and penalties in the system just like exists in the movement of potash and sulphur and coal, but it does not exist in the grain industry. If somebody does not do their part, no penalty. That is not right today. If there are contractual commitments at different stages in the process, there have got to be

contractual commitments and penalties for every player through the system.

Mr. Jennissen: That is a very good point the minister makes. In fact, I can quote Barry Prentice who says pretty well the identical thing. Prentice also wondered if deregulation would help smooth out the problems. Currently, there is no penalty paid by railways, or anyone else, if shipping agreements are not fulfilled. Instead, the cost of those problems is shouldered by the producer I think, which is basically what the minister is saying.

The point the minister made earlier that intrigued me, from 30 million tonnes of grain in the '80s to 18 is quite a drop. It seemed to me, as the minister was talking, he was saying that the elevators were full, the ships were waiting, so is the bottle neck then the ports? Is that where the problem is? Is that where the demurrage occurs? I am not sure.

Mr. Findlay: I really do not know the answer to that. I am just picking bits of information that different players have brought forward. The elevators are full. The railroads said they were hauling up to what was expected, almost to what was expected of them. There was lots of grain in the export terminals, but there were ships sitting out in the ocean. I say there are some questions along there as to—if all those points are true and everything I have said has been what somebody has reported—if all those points were true, why were the ships not being loaded with the grain that was there?

Now what it could easily be, it was the wrong grain for the sales that were in place. So it was an organization problem maybe, but we are speculating, getting bits and pieces of information coming from different directions. We are speculating as to what the answers might be. I say the only way you can get to the truth and to the bottom of this is every player gets around the table, everybody parks their six gun at the door when they come in and all their biases, and let us deal with the issue. We have a chairman who will keep the discussion on focus about the issue that must be resolved. It takes a very good dispute-resolving chairman to do that. It should not be one of the members in the group. It should be somebody independent who has got no vested interest other than moving the process through.

* (1520)

There are some good dispute-resolving people out there that are trained in this process. I think they are needed here now. This is no longer, in my mind, a political question. It is a very significant economic question for all the players, because everybody collects their tariffs off when action happens, and when action is slowed down, everybody loses, and particularly, the member mentions, the farmer. At the end of the day he pays for everybody's shortcomings. The ship sitting out there, he pays its demurrage. If grain is not hauled from his elevator, he cannot haul, so he cannot sell his. He has to store it on his farm. If the price goes down while that is in place, so good luck, sorry about that. He pays the price. He has no say, he has no authority to change anything. He has no ability to inflict a penalty on anybody who did all these stupid things. This has been the history of the grain industry. Today, with the high cost and the need for cash flow, everybody is net 30 days. He cannot wait six months for the next pay cheque. He has to roll steadily. The member could put himself in a position—you are a lawyer, if people do not pay your bills, it is kind of hard to pay your bills. If you get a cheque every six months, it is a long drought in between.

If somebody is committed to expect to sell some grain and halfway through that period it does not materialize because others failed to do their job, the banker does not like to listen to the argument. He says I am on a net 30-day. I have to pay my staff every 30 days, and he is right.

In the interests of fairness, there has to be some significant federal leadership here to bring this to a resolution. They have to come to the table committed to accept the outcome of the discussion process, not ignore it for political reasons after that process is done.

Mr. Jennissen: I agree with the minister. We want to move more western grain out. Of course, it is obvious that if we can move it three directions, that is, east, west, and north through Churchill, we would I am sure have better luck in getting the volume increased.

At one time we talked about a million tonnes through Churchill. Of course, that has not been happening, unfortunately. It was interesting the minister's

comment about the farmers being at the short end of the stick always. Certainly, my father was a farmer in Saskatchewan. I was involved as well, so I know all about that feeling. I guess as long as farmers are rugged individualists, they will probably be taking that. So, I have often wondered, maybe tongue in cheek a little bit, if they were more unionized, maybe they would have a stronger voice. I do not know.

Anyway, I would like to move to the Port of Churchill itself and go back to, actually the one recommendation from the Churchill Task Force, report of the Churchill Task Force Gateway North, January 1995. In fact, I think Mr. Don Norquay was one of the illustrious members of that task force. I think they did come up with a very good report.

(Mr. Neil Gaudry, Acting Chairperson, in the Chair)

I would like to read the first recommendation which is, public commitment to the preservation of the transportation infrastructure and services. Although this does not really mention railroads per se, it does have some interesting things to say. I will quote: Government should make a commitment to the continued maintenance and operation of the existing transportation infrastructure and services, due to their identified public benefits, and particularly the major economic benefits of the spaceport Canada project. Government should ensure the continued operation of the grain elevator at the port, as the elevator is essential in order to maintain and build the traffic necessary to achieve long-term viability.

Actually, they do mention the transportation system as well. I had not noticed that. That was certainly, I think, a fairly powerful recommendation. In light of the fact of the changes, perhaps we are not as directly involved anymore as you would have been at one given time. At any rate, the port supposedly will go to OmniTRAX and, supposedly, will do good things for Manitoba.

There are still some unresolved issues. In fact, if I can mention some of them, in an article from the Winnipeg Free Press, May 7: Port sale near say feds. Some of the issues that come out of that article concern me somewhat. The first one is the unresolved dredging issue of who pays for this, why is it—well, I guess it is

necessary, but I have heard arguments pro and con that river flows were altered for hydro power needs, so on and so on. I guess the end result or the end question will be, who actually will shoulder the bill, because apparently that port will have to be dredged to make it a fully functional port. Would the minister comment on that?

Mr. Findlay: Mr. Chairman, the Churchill task force was a very good process. It brought players to the table and out of the recommendations the member read, there is a lot of mention of government this, government that. What became apparent after was that it is difficult to force things to happen unless somebody has an economic investment that causes them to work hard to really make it happen, and that is why the Gateway North process came into being which eventually evolved to try to negotiate with CN to take ownership of the lines, then CN identified the Sherridon line.

Then there was need for CN to be sure that they did a deal with somebody who could really operate the system, both in terms of maintenance of the system, operating the equipment on the tracks but also be able to generate activity down that track for whatever reason, whether it is for tourism or whether it is for movement of products north or moving a product south and be able to do business out of the port with the rest of the world. Then that is when OmniTRAX stepped in and signed an initial agreement with CN and are continuing, as I mentioned, in the final negotiations which will, hopefully, wind up by the end of May.

They are negotiating with CN relative to the line and all the interchange aspects between CN and OmniTRAX. They are negotiating with the federal government on the port, and there is no question that part of that negotiation is that the port be in an acceptable situation so that the deep-sea ships can operate there, and there is a dredging factor involved. That is all under negotiation. You have seen the May 7 article which indicates, as I said, May 31 as a hopeful conclusion. I think Axworthy was quoted there. That is as close as we are to knowing what is going on. We are not privy to that discussion. It is between the feds and OmniTRAX with regard to the port.

I would recommend to OmniTRAX that they get all these issues clarified now because if they do not get all

the issues clarified, it will impede the ability for their economic plan to unfold and as Manitobans, we want the economic plan to unfold, the use of the track, the use of the port, creating the jobs, the economic activity and have a shot at making the million tonnes or million and a half tonnes or two million tonnes, whatever it can be. But if all these elements are not structurally brought together at this critical stage, they will drag on for years as arguments and the line's ability to succeed will be jeopardized.

The involvement of government over the years and no grain company up there with a vested interest to move grain and CN's reluctance to use the line for whatever reasons, it just was not working. When the Liberals in '93 promised a million tonnes through there, well, that sounded good, and it is just like getting rid of the GST, it sounded good, but they could not deliver on it. They fundamentally could not deliver on it because the fundamentals, the economic fundamentals were not there to do it. I think the process of OmniTRAX coming in as owner, investor, they have got risk now, they have to fulfill their business plan. The incentive is really there now to bring it all together.

I have noticed them talk about moving grain out of the northern states through Manitoba through Churchill, and if that is economically viable, the old system was never going to get there to doing that—"them" as committed, invested. When your rear end is on the line and you stand to lose your shirt, you can sure get up early in the morning and work a lot harder and go to bed awful late and get up early the next morning and get at it, and that is what has to be done there. Because the member knows there are strong forces wanting to pull the grain east, west, south as opposed to north. So I think we are on exactly the right process to have success up there, involving dredging and everything else. Everything is resolved now so we can get on with a smooth future.

* (1530)

Mr. Jennissen: Yes, I agree with the minister. However, not all the players are equally willing to sit down and participate, because Tellier has made it quite clear that CN was not going to pay a penny for the dredging, and that kind of worries me, that sort of hard-line attitude right at the start, but maybe that is just a

negotiation gambit. I wonder if the minister would comment on the fact that one of the bidders for the northern CN line, Gateway North Transportation limited, basically Manitoba-based, asked the Canadian Transportation to investigate their belief—this is Gord Peters's belief at any rate—that the bidding process was tainted. Does the minister have any information on that?

Mr. Findlay: The Gateway North Transportation people were certainly directly involved in negotiating with CN, and only they know what went on directly between them and CN, and they have launched a complaint and the Canadian Transportation Agency is a quasi-judicial body and they will review the evidence, the information and will ultimately rule. I cannot comment on pro or con or on the validity of the substance of the complaint, nor probably should I at this stage.. I hope the complaint will be dealt with without impeding the process of what we just talked about in the last question about getting on with the future of Churchill. So I think I would just as soon leave it at that now, and we will let the agency do their investigation, subject to the complaint and rule and hope that the process of developing Churchill's future continues unimpeded.

(Mr. Chairperson in the Chair)

Mr. Jennissen: While we are on CN for the moment, I am just wondering if the minister has any indication how many of the 1,200 job cuts that Tellier was announcing for the future for CN were going to affect us, and it worries me particularly because CN had one of its most successful years in its 77-year history, \$142 million profit. We know the company is 64 percent American owned and it just kind of worries me an awful lot when I see an American-owned company saying, we are making a lot of money, and yet, oh, by the way, we are going to cut 1,200 more jobs, and Tellier says they are going to do that. Now, how many of these jobs are going to be cut in Manitoba? Does the minister have an idea?

Mr. Findlay: The member mentions 1,200 jobs or something like that that they are proceeding to downsize this year. They had gone through significant downsizing previously, some 11,000 jobs throughout the system. We have always argued that we do not

want to be proportionately disaffected relative to the other locations as they go through this downsizing. I think it is fair to say we have maintained our approximately 12 percent of the workforce in Manitoba year in and year out through the downsizing, so we have not been disproportionately affected. That has been the argument I have had anytime I have met with Tellier, and he has conceded that every province has asked for the same thing and that it would be their intention to proportionately downsize uniformly across the network. They have no reason not to believe that the same will not happen again, as they do what they are doing.

The member mentions the fact that they made profit. One must not forget that they lost a lot of money. Both railroads lost a lot of money over recent years, and when you lose money, you lose your economic viability. You lose your ability to invest in further capital replacement, whether it is in buying locomotives at a million dollars a piece or whether it is building rail lines or building bridges or coring tunnels out of the mountains. The railroads making money just means that they have some money to invest in future capital to upgrade the network to make them more viable to be an entity that will stay in business for the long run.

I always see making profit as positive, because you have some capital to invest in the future and it stimulates the economy. It secures everybody's job when the company they are working for is making profit. Losing a hundred million dollars or \$200 million a year is not a very enviable position, is not sustainable. They have to turn the corner and they have, and for that we congratulate them.

The layoffs that they do are primarily like we have done in government. They are primarily attrition, early retirements. They are the direct impact on employ—although you might be out of a job earlier than you want, but at least you are not dumped on the street. The union contract that they have is very good for the employee in that regard. I will just leave it at that.

Mr. Jennissen: I would like us to move on to VIA Rail for a moment. The minister probably knows that VIA Rail cutbacks have also impacted negatively on Manitobans, specifically in the North. I believe it was only several months ago when VIA announced that at

least four people were being cut; they were downsizing The Pas and I believe it was Dauphin. That is a bit sad because rail passenger service is certainly more environmentally friendly than vehicles on the road. I think a lot of countries are aware of that and know that, and more than that up North where I come from it is absolutely necessary, rail passenger travel.

We do not have roads in the far North, and so there are communities, especially communities on the Bay Line that have to rely upon railroads. Railroads are their lifelines, but it does not always appear that VIA is very receptive to our needs or even to giving good passenger service. I noticed that when VIA tried to expand to six trips a week in B.C., they were mandated to cut back or to keep it at three by the federal Transport minister. So I was wondering if the minister has any idea or is aware of any plans that VIA might have that will also impact negatively on us in the near future? In other words, is he aware of any cuts coming from VIA?

Mr. Findlay: Mr. Chairman, VIA had been receiving very substantial subsidies from the federal government over the years. The federal government started to make decisions a few years ago of reducing the degree of subsidy, and they were cutting by the hundreds of millions. It caused VIA to have to rethink the way they were doing business. Clearly, where people have a choice of how they can transport from point A to point B by air, road or rail, rail is a distinct third choice. The passenger travel by rail has really dropped off over the years, but the member does identify a unique circumstance where in the North it is the only means of ground transportation, the only means of transportation really, period. With many of the communities all the way along the Bay Line, there is no—there is a unique situation. When the Premier (Mr. Filmon) and myself and two or three other cabinet ministers met with CN, it was one of the points that we really stressed hard, that you are not only talking about closing the line and rolling it up and saying you cannot make money hauling grain to Churchill or Sherridon lines, places like that. We said you are not only impacting that, you are impacting people's only means of transportation, and we will not allow railroad to be rolled up. You must find somebody else prepared to operate it. If you do not have the ability to manage it economically, we

guarantee you there is somebody else out there who will, can, and you must pursue them.

So it is a unique situation. It would have been criminal not to have that line there for those people for the passenger service, but VIA, as a whole, has been losing tremendous business over the years because of customer choice, whether it is price, whether it is service or convenience or just pure desire. I think the automobile has everybody's attention big time. Even the bus transportation industry is losing ground because people choose to have independence of their own vehicle where that is possible, but in the North that is not possible.

* (1540)

I think the nature of discussion we had that day motivated CN to be very aggressive to find another service provider to maintain the line and also we identified with them, if you roll the line up you surely lose the business of interchanging that grain traffic to a short-line operator. So, Mr. Chairman, as long as the discussions currently underway are successful, we will maintain rail transportation for the people in the North.

I have no reason to think that it will not continue to be successful and am very pleased at the process of OmniTRAX coming in and operating the line. It puts it on solid footing for years to come, whereas we all know in recent years it was not on solid footing with CN and they eventually were going to walk away. Another alternative that is viable does exist, and VIA is going to have to continue to adapt its operation to where it can make a dollar.

We are not aware in Manitoba of specific job-related decisions that they are going to make other than we do know a line where they are going to continue to have an opportunity to do business, and that is going into the North, whether it is for the local traffic, passenger traffic or whether it is the tourism activity going to Churchill which moves a fair number of people every year. There is an opportunity there if properly run.

Mr. Jennissen: I cannot help but compare the way VIA operates and the way OmniTRAX is attempting to operate. OmniTRAX is at least trying to base its Canadian portion, Manitoba portion, in The Pas, so it is

close to the action and close to the people, whereas VIA, whenever whenever you want to find out whether the train from Pukatawagan is late and you are in The Pas or vice versa, you have to phone New Brunswick or if you want to make a reservation—I believe it is New Brunswick, or is it Newfoundland? I think it is New Brunswick. It has always struck me as odd that you have to phone to the far end of the country in order to find out whether the train 10 miles down the road is late, and it bothers northerners. Maybe in terms of electronics it does not make any difference, but it somehow feels like it is the wrong thing.

Mr. Findlay: I know it feels wrong to have a phone answered that far away, but electronically the information is there. It is just like the customer service centres that we have operating in Winnipeg where the call comes from Alabama about information in Alabama, but it is transmitted by a phone receiver here in Manitoba. Generally speaking, the person making the call does not know where it is answered. We have a lot of jobs in Manitoba doing exactly what the member is talking about.

I would like to have the jobs that VIA has in this connection in Manitoba, too, as opposed to New Brunswick, but electronically the information can really be transported anywhere. It is really like the operation of 911. You make a call from Russell and dispatch the fire engine from Russell, but it could be answered in Brandon. That is the most efficient way. Distance is no factor with electronic transfer.

Mr. Jennissen: That is indeed true, but for an irate customer, he would just as soon be able to walk in and kick somebody in the shins. If it is 3,000, 5,000 miles away, that is pretty hard to do.

To continue, though, on a serious note, northerners have not been impressed with the VIA cutbacks or with the VIA service, in fact. I do know there was an April 1994 report on passenger rail service in Manitoba with Ron Duhamel and Elijah Harper, and they did trudge around the country quite extensively and spent a lot of the taxpayers' money. Northerners were less than impressed, because I do not think anything ever happened to any of those recommendations. In fact, I will ask the minister: Has any one of those recommendations ever been implemented? In other

words, was the report just shelved and is gathering dust, or was something actually ever done?

Mr. Findlay: Mr. Chairman, fundamentally, the member is right. Two Liberal M.P.s, Duhamel and Harper, did carry out a series of public hearings in northern Manitoba—and I guess they came to Winnipeg at one point—collected a lot of information. A lot of people made presentations. I personally made a presentation to them in The Pas. That might have been the first presentation they heard advocating pretty much what the member is saying and what I had said earlier, that it is critical for the transportation needs of citizens along there—because they have no other means of transportation—to maintain passenger service via VIA.

I think the Liberals did it just to indicate that they showed some interest. At the end of the day, nothing different has happened. The report, as far as we know, has collected a lot of dust, and it is disturbing to all the people who made recommendations, who made presentations that nothing has come out of it that has changed anything. [interjection] It has just been mentioned to me that they were probably at that point proposing to make more cuts than they ended up really making, so maybe that was the positive outcome of it. They got enough messages that they felt that they could not politically carry out some of the additional cuts that had been proposed at that point, but, in terms of anything else changing, no, nothing has happened.

Mr. Jennissen: In fact, to prove, I think, at least for us, that VIA does not really care about northern passenger service, I would like to read just a few portions of a bulletin that came from VIA on equipment maintenance. It is an equipment maintenance service bulletin, bulletin C-100, and the subject is HEP1 cars on the Winnipeg remote service.

Perhaps the minister is aware of this. This came out, oh, three or four weeks ago, and I will not read all of it, but parts of it go like this: The WMC's assigned equipment for HEP1 cars does not require the same level of maintenance programs as all other HEP1 cars assigned to the Winnipeg maintenance yard, I believe it is. Furthermore, they say, these cars are specific to the remote service in northern Manitoba and so on. This service does not compare with the service given on the silver and blue, the easterly class. Later on in the

same bulletin: approving the reduction of the level of the preventative maintenance, and then it lists the cars, and it talks about minimum required inspections and so on, but the whole tone of this is that we can live with a two-tier system that northerners are not worthy of having decent inspection on cars.

Now, I phoned VIA right away and, in fact, put out a press release even, and they phoned back a day or two later—and I think some of the unions also agitated strongly against this. A day or two later, VIA came back and said it was a memo mixup, but we do not believe that in the North. I do not know if the minister agrees with us and perhaps trusts VIA a little more than we do, but we think it was that we backed them down just prior to an election. I wonder if the minister agrees.

Mr. Findlay: I would agree. It is incredible that any company today dealing with safety could think they could get away with making that kind of statement, that you can do less preventative maintenance because you live here versus you live there. I can relate more closely to the trucking industry where we as a province have a lot of say in what the safety regulations are, whereas with rail it is federal.

There is no such thing as two classes. It is the same for everybody, and you must maintain the highest level of preventative maintenance possible. Otherwise, you end up with accidents and you are subject to legal recourse if you have not done that kind of maintenance and an accident happens. So it is unacceptable today, completely unacceptable, but the rail safety issues are a federal responsibility.

Yes, I am sure that some Liberal M.P.s got pretty nervous when they saw that kind of release coming from VIA and had to do something to close off the complaints.

Mr. Jennissen: We are definitely into an appropriate pre-election fed-bashing mood, but before we dance in the streets, maybe just get back on the topic, and that is, two of those particular cars that they were not going to maintain up to the standards that we desired were cars that were made prior to 1910.

I could not for the life of me believe why VIA would suggest less maintenance would be needed on cars that

are that old—that would not be used anywhere outside of Bolivia, I believe—considering the distances, the terrain, the cold winters and so on. I honestly believe that they do not have a clue about northern Manitoba, and, furthermore, and this is more painful, they do not care. If you have a complaint, you phone New Brunswick, I guess. Mr. Terry Ivany is on holidays or something, I am not sure.

I guess my question for the minister is, would he lean on VIA for better services for northern Manitobans?

* (1550)

Mr. Findlay: Well, I do not know if we can lean on VIA any harder, but this is a publicly run system, and might I say when we are dealing with private sector people, we do not have these kinds of troubles because they are a little more aware of public opinion, just like what the member mentioned, that it is deemed inappropriate and unacceptable to do what they are doing.

Sometimes the public sector thinks it can get away with this. I think the member might be a bit of a supporter of the public system, and he might remember that I am a little bit of a supporter of the private system, and I think the private system is always very conscious of customer thoughts, customer satisfaction, customer safety, because their lifeline depends on it. There is not an automatic pay cheque at the end of the month or the end of the year if you do not listen to the public very carefully.

In the public system, that same level of accountability is not always as good. We have stiffer and stiffer safety requirements in Canada for obviously good reasons, and I do not think it is fair that some company or some group, whether it is public or private, thinks they have the right to do what the member has just mentioned. So we will do what we can through our activities at staff or administrative levels to be sure that the acceptable Canadian level of attention is paid to safety continuously by all service providers, public or private. We have a very good and enviable safety record in Canada, exceptional record, but it is not 100 percent perfect. There is constant need to be ever vigilant to maintain it at the highest possible level.

Would it be okay to have a short break now?

Mr. Chairperson: Will the committee take a five-minute recess? [agreed] Five minutes.

The committee recessed at 3:52 p.m.

After Recess

The committee resumed at 4 p.m.

The Acting Chairperson (Mr. Mervin Tweed): We will call the committee back to order, and I guess we will continue to proceed.

Mr. Jennissen: If we could continue on the point we left again with VIA. Does the minister have any idea how VIA's plans in northern Manitoba are going to mesh with OmniTRAX? The reason I ask that is when I talked with Mike Ogborn of OmniTRAX several weeks ago at the Hudson Bay Route Association meeting in The Pas he was not clear himself apparently on the maintenance of the rail cars and so on. Obviously VIA is running over OmniTRAX tracks, I believe, so there has to be some kind of meshing, but I believe it is not for lack of trying on OmniTRAX's part. I am just wondering if the minister has any idea of how those two operations are going to mesh.

Mr. Findlay: OmniTRAX will own a rail line, which naturally they would want to maximize the number of customers they would want using that rail line, and, clearly, VIA had a contractual arrangement, agreement, whatever, with CN for the use of the line or use of whatever other service facilities they needed. I would think that that contractual arrangement that CN had with VIA should be a matrix from which to develop whatever OmniTRAX and VIA would negotiate as an agreement for use of the line. I do not see any problem there or any reason to be concerned because OmniTRAX have every reason in the world to want to have VIA there and VIA, in terms of operating their business, has to use the line. So the two partners will naturally come together, and it is not that they start from scratch to negotiate a contract because there is already one that exists between the previous owner and VIA.

Mr. Jennissen: One point I want to make, Mr. Minister, and actually put on the record is that I am up to this point impressed with what OmniTRAX is doing. I am extremely impressed with the fact that they are consulting with northerners and aboriginal people, for example, before they decide on logos or colours of their engines. They went to Pukatawagan and talked with aboriginal people. I have met OmniTRAX people in Lynn Lake, spokesmen. Mike Ogborn, in particular, is very well spoken and very sensitive to northern issues. He stopped in places like Swan River and Winnipeg, and he is out there beating the bushes for business.

I guess it intrigues me that an American company from Denver can come and set up headquarters for its Canadian component in The Pas and show that kind of sensitivity when our own company which was owned by the people seemed to not give a hoot whether we existed at all. That bothers me I guess as a Canadian. I know this is more of a philosophical reflection, but perhaps the minister can comment.

Mr. Findlay: I guess it is the perfect chance to get you converted. I am glad that the member sees it that way, and I am very pleased that OmniTRAX is respected that way. I am not surprised that they are out there trying to satisfy their customers because they have risk, they have investment, they have to run a business, they have to attract customers, and they are doing the right thing obviously if the member sees it as positive in terms of dealing with the aboriginal communities, other communities along there to be sure that they are seen as a good corporate citizen so that they get the business.

But that goes back to what I said earlier. When you get a publicly owned system, there is not the attentiveness to the customer in terms of service, quality or reliability that the private sector has to consider because they have their own money on the line. That is why I say, maybe I can convert the member because he is seeing more and more in this discussion the last two days that the private sector is pretty responsive, responsible. There are always a few bad actors, no question, but our system of rules and regulations is there to catch those as best we can. But the the public sector delivery system that theoretically should work does not have the attentiveness, as good a quality of response to customer needs. It is something to do with the psychology of the person. If your job is

on the line and your salary is on the line relative to the job you do, you motivate you. If you know you have a guaranteed job regardless of what kind of job you do, you are not as motivated. I do not mean that to be critical because I know most public employees are committed. A few maybe are not, and it is those few who tend to stay in the job that could cause a bad image for everybody. In the private sector, you get peeled out fairly quickly if you are not good, responsive employees.

So I guess that is how I am going to try to convert the member for Flin Flon, but I am very pleased that he sees OmniTRAX that way. I hope that the people along the line do see them that way, because I agree with them. I think that they will be a very positive entity out there in the future for increasing the level of activity, the degree of service on that line for passenger use or for hauling freight. There are still negotiations going on, so we cannot say it is 100 percent there, but we are comfortable that it is proceeding towards conclusion. I hope that nothing to do with the federal election causes anything to be disrupted in this process of arriving at the very final agreement.

I am glad that the member said what he said. You may say why would somebody from Denver want to do this? Well, I always use the argument that everybody has to be from somewhere. We live in the global village today, so whether you are from Ukraine or from Denver or from The Pas, you are fundamentally the same kind of person. If you have investment, you have the same desire to retain your investment and have a return on your investment and that motivates good service. If you are not motivated that way, you are ultimately going to fail.

Mr. Jennissen: First of all, I want to thank the minister for his kind invitation to convert me, I think. I have been on the horse on the road to Damascus, but I guess when I was converted when lightning hit me, I fell off on the left side, not on the right. So I would like to speak in favour of the public sector. There certainly are some negatives on both sides, but there are also positives on both sides. I would not want the minister to think that I had a late-in-life conversion.

I would like to change the topic slightly, that is to the future of Churchill itself and, again, some sort of

pointblank questions at the ministers, basically updates. One of them is something that we have talked about a lot, that is the spaceport, the Akjuit space centre, and what is the outlook for that. [interjection] The spaceport, the space centre at Churchill. [interjection] Yes, could the minister give us a status update? I heard that there was great potential there. I heard about even Russian technicians and engineers being involved in a launching of perhaps some rockets. I am not up on it, and I wonder if the minister could give me an update.

* (1610)

Mr. Findlay: Mr. Chairman, I can tell the member that fundamentally the news remains very positive with regard to the spaceport at Churchill. They are in a process of negotiating financing contracts with people who will want to launch rockets from there. The member mentioned Russian scientists, and yes, they did sign a contract for Russian launch vehicles. I suppose a lot of the information that we might like to impart is reasonably confidential and I would just summarize it by saying there are no obstacles in the way, there is no reason to have any concern. They continue to develop their plan, their business plan of acquiring customers.

There are other launch locations in the world. I can remember a presentation that I sat in on from the spaceport people, and they were going to be negotiating with people currently launching in such places as Edwards Air Force Base or Cape Kennedy, and naturally those locations will fight hard to keep the business. If I was somebody who was in the business of wanting a location to launch, I would be having both sides negotiating one against the other, looking for the best possible deal, but there are so many technical advantages to launching from Churchill as opposed to those other two locations that I mentioned that the natural advantage is Churchill. We are very confident that Churchill will see launches in '98-99, and they continue to do what work is necessary to achieve that.

Without a rail line, that whole thing might be in jeopardy. The rail line security for the long term is so much better today than it was two years ago, so that little obstacle towards their success has been removed with OmniTRAX coming into the picture, hence naturally an OmniTRAX advantage to have them as a client, too.

So it is all going in exactly the right direction, and as I say, I have heard nothing to give us any concern whatsoever about their ability to get their game plan up and running. The only thing that has happened really is, it always takes longer than initially expected to go through all the process of negotiation that takes place, and as I mentioned earlier, people currently having those contracts will fight hard to keep them. That is one of the reasons it does take more time.

Mr. Jennissen: I thank the minister for the answer. I have always heard that the fate of Akjuit spaceport did depend on the viability of the railroad, but I am not quite sure why that is. Just for my own information, is that because the pieces of equipment they are hauling are of such huge size that it cannot be done by ship?

Mr. Findlay: It is to get the rockets. Let us say company X in California wants to launch rockets. It has to get them there and they are long, they are big and the rail line is the way to get them there. The last time I talked with Akjuit people, they talked about having to have unusually long rail cars to move the rockets up there, and the other thing is the communications business today is so much dependent on orbiting satellites. There are so many low-orbiting satellites constantly being put up. They might have a five-year lifetime, whether it is for television or just general communication. There is a lot of business to be had, but these rockets are not small. The rail is for the transportation of the rockets.

Mr. Jennissen: Just several more questions on the Port of Churchill, and some of these perhaps do not really fall under the rubric of Highways and Transportation. I am wondering if the minister knows of any initiatives or directions that OmniTRAX may be going or plans to go that would make both OmniTRAX and the port more viable. I am thinking here tourism, back haul possibly Voisey Bay, although I think that is out, but also, I believe, hauling container ships from Greenland. The Royal Arctic Line, I think, it is called. Is that all in the works? Are there any other initiatives that could make the port grow?

Mr. Findlay: Mr. Chairman, I think, suffice it to say that the attitude of people in the business community in Manitoba, particularly those who do business in the North, is very much like what the member opposite

mentioned, that OmniTRAX is viewed very positively, and anybody and everybody that has something that they want to offer, or a recommendation for OmniTRAX to do business, those recommendations are being made.

OmniTRAX has part ownership of an elevator in Estonia. I think that is where the thought of moving grain out of the northern U.S. as well as western Canada to that facility was something OmniTRAX would consider. There has been mention of moving ore from Voisey Bay into Thompson for processing. Clearly, any kind of ore product where there is processing in the North, there is the opportunity to bring it in there.

I have also heard of potential of moving—I cannot think of what it is right now. It is currently brought in through Vancouver to Alberta from some part of the world—phosphate rock. Phosphate rock is an option, that it may be more cost-effective to move phosphate rock from Florida, which is one of the places it is mined, through Churchill to where it is converted into fertilizer in Alberta, as opposed to the current process. So there is a tremendous number of opportunities, and, as I said earlier, everybody who has opportunities or ideas is making them available or making OmniTRAX aware. OmniTRAX has given the commitment that they will follow up every lead possible to see whether there is a viable business opportunity.

So from two or three years ago when you were all gloom and doom and wringing your hands about Churchill, I think the world of opportunity is really wide open now, and I think a lot of successful things will unfold there that may not have even been thought of two or three years ago. Again, I only can say there is great potential. The potential of realizing some of those dreams is so much better now than it was when CN was the owner of the line.

Mr. Jennissen: Regarding the Port of Churchill, I received a letter from a Mr. Alexei Stroganov, the president of the Russian Trade House located in B.C. It is an open letter to the Right Honourable Jean Chretien, and I am sure maybe the minister received it as well. If not, I can certainly table it. It is a long letter, but it is a fairly interesting one, and I am not sure how serious to take it. There are a couple of

paragraphs I would like to read into the record and have the minister respond to it.

Mr. Stroganov states in the second paragraph of his letter: Although I have no way of knowing how the deal is structured—that is the deal with OmniTRAX and the Port of Churchill—it is obvious to me that it is not so much the rail line that OmniTRAX is after as the Port of Churchill itself. They know exactly what they are doing. With creative marketing and progressive management, the port could be turned into a major multicommodity depot, and its efficiency could equal, or even surpass, some North American ports that enjoy a year-round shipping season.

Then perhaps, one more short paragraph. Here he is suggesting, I think, a consortium composed of people involved with Russia's northwest ports and Canadians, and he is saying—I am quoting again—it is a very realistic plan that needs leadership and commitment of both sides. It could become a dynamic working model for the long overdue active implementation of the Arctic Bridge Agreement. Innovative and efficient shipping and trade alliances with Russian partners can be formed. The movement of goods and services along this unique trade route can be increased beyond the boldest prediction of experts over the decades that the Port of Churchill has been operational. This is precisely what OmniTRAX is after.

* (1620)

I guess what he is saying is: Why did Canadians, along with forces in the former Soviet Union, not form a large consortium? They could have done it, and they could have focused on the Arctic Bridge Agreement as sort of the nucleus to start all of this. I guess he is saying, by default, why did you give it to a small railroad company—not so small railroad company—in the United States, and perhaps not—give is the wrong word.

Mr. Findlay: I think this goes back to what I said in my previous answer, that two or three years ago we were standing around wringing our hands because CN had not done what they might have done. The federal government was not doing what it maybe should have done in terms of making sure Churchill was used, and it seemed that the majority of the forces that should be working toward using the port and the rail line for the

kind of economic activity that the individual mentions in the letter, just was not happening. We have had years and years and years where that public system, Canadian-owned, had its chance, and it never happened. It just never happened. Actually, the amount of grain exported there was going down and the willingness to make any effort to increase it was not there.

We talked to the Wheat Board, we talked to CN and we talked to the federal government. You would have nice discussions, and say, oh, we will do something, but nothing happened to increase what was going on, and now we have come around full circle to say, well, if the public sector, public ownership cannot get the job done, let us see if the private sector can do it. Clearly, there is a great opportunity that has not been delivered yet, but the opportunity and the optimism is so much higher today.

We were involved in promoting the Arctic Bridge concept. I mean, I was in Russia with Eric Stefanson at the time, and it must have been about '92, when the agreement was signed with Murmansk. The concept was there, but you had to have players prepared to make it work and governments, we can philosophize, we can promote, we can say it is a great thing to do, but somebody has to come to the table and say, yep, I am prepared to invest. There is an economic opportunity, there is a business opportunity; I am going to do it. You cannot do it just because it sounds like a good idea to do. It has to make economic sense. It has to be able to pay its bills, at least, and have a longevity that warrants the kind of capital investment that the investor has to put in.

So what the member read from the letter, and I would not mind having a copy because I do not think we do have a copy, it is there to be done. You know, doing business with Russia has tremendous potential in the future, but they are on a learning curve as to how to do things. I mentioned OmniTRAX having an ownership, part ownership in an elevator in Estonia. You know, there are connections there. We know that the Russians have a tremendous capability with icebreakers, which is important for Churchill, very important. They claim they can at least double the number of months per year that that port is used by using their icebreakers. So a lot of good things are potentially there to happen, and now

we have a motivated company there to make it happen.
[interjection]

I want to tell the Leader of the Opposition, that his member for Flin Flon (Mr. Jennissen) is getting converted today.

Mr. Gary Doer (Leader of the Opposition): Pardon?

Mr. Findlay: I want to tell you that your member for Flin Flon is becoming converted today. He is seeing the value of private sector activity.

An Honourable Member: There is not a chance.

Mr. Doer: He always believes that the private sector should work on behalf of people, not just people that own the private sector.

An Honourable Member: It was one and the same.

Mr. Doer: I have great faith in the member for Flin Flon.

Mr. Jennissen: With regard then to the Arctic Bridge agreement, is the minister saying it was just one of those nice ideas and very much like the Harper-Duhamel study of northern passenger transportation? We went out and we spent a lot of money, we travelled around, but nothing came out of it?

Mr. Findlay: I would not say that nothing came out of it. The idea evolved, and now the idea is in front of OmniTRAX to work with the kind of companies that want to do business through that connection with northern Russia, whether it is Murmansk or some place else. Like, I think the letter you read from was somebody from Russia talking northern ports. It is the same concept, and a lot of paperwork, a lot of investigation and discussion has taken place, and people from Russia have visited here. It is a long road to Damascus for Churchill, and all I say, a lot of ideas are there. OmniTRAX is the architect of making it happen, and everybody that has an idea, an interest or sees an opportunity is working with OmniTRAX, and OmniTRAX is prepared to work with them to find those viable opportunities to function and carry out business through Churchill.

Naturally, the writer of the letter sees opportunities that Russia should benefit from this process, and clearly, the potential is there that that will happen. Naturally, we might like to get back to selling grain to Russia, which we have not done for some time. They used to be our biggest customer. Five, 10 years ago they were the customer for western Canadian grain. Today they buy nothing, and if their economy gets going to the point where they can start buying grain, we can then start doing business with them again.

Mr. Jennissen: The minister could then actually, if he wishes to be very optimistic, envision the possibility that Churchill is the northern end of that north-south trade flow, perhaps part of the Central-North American trade corridor, so that Churchill will be the northern terminus and way down Mexico way, I guess, Louisiana, Texas, and so on would be the southern end of that. I mean, it would make sense.

Mr. Findlay: We certainly or I certainly advocate in discussions about the NAFTA highway, the north-south corridor, it does connect from ocean to ocean, north to south, from Mexico all the way through to Churchill and Hudson Bay. So that may sound a little far fetched, but it is not unrealistic, and it was OmniTRAX who identified grain moving out of the northern United States to go that way. That, I say, was very positive in terms of their seeing the opportunity.

So, yes, this whole route—a particular package will maybe travel the whole distance. It has no reason to travel the whole distance, but it travels a portion of the distance. Let us say you are removing a product out of Minneapolis. It would make economic sense to go south to get to salt water versus north. You will choose whichever one is most viable, north versus south. The north route never existed as a viable opportunity for that consideration in the past, and now with OmniTRAX involved, they are able to market their theory, their system in the United States a lot better than CN could have ever done even if CN had tried to do it, and I do not think they ever tried.

Mr. Jennissen: I would like to move on to another major topic before we actually get to roads. I know that the minister's staff have been very patient, probably waiting with specifics for certain geographic areas of the province dealing with specific roads. I notice a

number of my colleagues certainly would like to ask on road number such and such why there are potholes and so on, but I would still like to focus a little bit on air travel and airports if we could.

I know the importance of air travel to Manitoba, and, of course, Winnipeg plays a central role in that. However, some of the expansions have not worked out as well as we had hoped in the aftermath of the Open Skies agreement, and I reference the American Airlines dropping its route from Chicago to Winnipeg, the regular route at any rate, a year or so ago. So not all experiments worked successfully, but at least it was an attempt.

As the minister probably knows, and I am sure he does, several weeks ago all sides of this House unanimously supported a private member's resolution introduced by the honourable member for Sturgeon Creek (Mr. McAlpine) supporting Winnport Logistics Ltd. It was one of those rare occasions where we all pulled together because we know it is a good idea. It is obvious that when Winnport Logistics Ltd. succeeds in making the Winnipeg Airport one of the world leaders in the air cargo business, many economic advantages and spinoffs would be the result for Manitoba.

Since Estimates last year, could the minister give us a status report on how the Winnport project is progressing? Now, I do not want to mislead the minister. I did talk with Mr. Lynn Bishop and others a little while ago, but from the minister's perspective, how are things going? It appears to me they are going a little slower than anticipated, but it is a very complex issue.

Mr. Findlay: I will give a short answer. I will give the executive summary, and then I will give the long answer. The short answer is, like before, like we mentioned with other activities, like Akjuit, I guess the last time I mentioned it, it always takes longer to bring a complex process to a conclusion than ever anticipated in the beginning. What you end up with is not necessarily exactly what you started out to do, but it is generally a significant version of it. I am very optimistic. I mean things are going well. There are no problems, so to speak, that are not resolvable. There have been a lot of issues along the way that they have

resolved, and their direction shifted and moved over the course of time.

* (1630)

But the member mentioned Open Skies first off and concern because American Airlines' connection from Winnipeg to Chicago got terminated because of lack of business. Yesterday I was at this Air Canada Alliance that was announced which is five airlines: Air Canada, United Airlines, Lufthansa, Thai International and SAS, which is out of Scandinavia, Scandinavian Airlines. It is an alliance that is a result of Open Skies, and I congratulate Air Canada for what they have done and what they are currently doing.

Air Canada told me yesterday that, prior to Open Skies, they had 13 routes into the United States. Since Open Skies, they now have 36 routes into the U.S. So the Canadian carrier is creating the opportunity for Canadian and American—or whoever—travellers to go on routes between Canadian centres, Canadian airports and the U.S., and they have gone from 13 to 36. It is almost tripling the number of routes. It is a function of Open Skies. This alliance between the five companies—and they said they are negotiating with two other companies to join the alliance—definitely creates increased efficiency for all of them and decreased cost, more convenience for the customer travelling. They do not have to go to different gates or to different counters at the airports, because the counters will come together. I think it strengthens Air Canada's competitive position in the global air transportation marketplace. I hope that Canadian can keep up and equally be able to be competitive. So there are a lot of good things happening in Open Skies.

Now, when we were talking to them, I said what you are really focusing on here is, you have 106 countries that those five airlines fly into and 578 cities, but you are talking passengers. What about the cargo side? They said, well, at this stage we are just focusing on passengers, but the cargo concept, which is growing in terms of our total business, will be a future facet of this. The concept of Winnport that has been developed here, and again it has been driven very much by private sector leadership, Hubert Kleysen, and supported naturally by the provincial government, the federal government and City of Winnipeg to a very significant

extent. There is a lot of public dollars in there to help them develop their concept. They have had some hurdles; there is no question. It may be even fair to say some of the existing airlines like this would prefer to keep the business in the belly of their planes as opposed to having other planes competing with them. They have an agreement with Kelowna Flightcraft to be the airline that moves the cargo. They have been doing significant work in the Pacific Rim, countries like China, Macao, Japan, Malaysia and Singapore. That is where they see the real business opportunities. They have been focusing on it.

About six or seven weeks ago, I contacted Lynn Bishop with the idea that I wanted an update—is there anything we could do to help keep things moving for you? He was in Southeast Asia. He was there for three weeks; three solid weeks they were over there. They visited all these places, came back feeling very good that the business is there to be done. They have a service with longevity and continuity that the freight forwarders wanted. They liked the pricing process. Currently, I guess most of this is sort of day-to-day pricing. The price could change, the dependability of cargo movement, what is going in the belly of the plane is not as consistent as what Winnport could offer. I have growing comfort that they are working on the problems, the issues.

When I was at this yesterday, Lynn Bishop was there again. I had significant discussion with him. He further confirmed with me that they had letters of understanding with two major freight forwarders. Business interest is high in them. They have at their disposal, \$5 million under the Winnipeg Development Agreement. Prior to that, we invested some \$500,000 in the initiative when it was called NHDA.

There is \$1.8 million of private sector investment in Winnport. It is not all government money that they are working with. There is a lot of private sector investment. Continually more private sector investors come on stream, whether they are banks or transportation-oriented companies. The biggest issue that they have right now to deal with and, again, continue to give me significant comfort that they believe is going okay and that is getting their landing rights in these countries. They have made their formal recommendation via Kelowna Flightcraft—which is the

airline company—to the federal government, Transport Canada and Foreign Affairs, to get the necessary flight destination arrangements with those countries that I mentioned earlier so that they could fly their planes in there.

There are always a few hiccups, of course. At the other end, they may have other ideas of what tradeoffs they want Kelowna Flightcraft to fly in there, and on it goes. I have written a letter of significant support for Winnport to the federal ministers. The Premier (Mr. Filmon) is also sending one. We are doing everything we can to keep this thing moving forward. There is no sense in mentioning where the negatives might come from or who might compete with us in Canada or outside. I have highlighted maybe—other countries may have tradeoffs they want in the process of advancing those landing rights. But it is complex, takes time. The expected start-up is now more like '98. Certainly, initially, everybody was hoping for '96. It looks like '98, because it is complex.

The people on the ground doing the work are very optimistic that as the hurdles come up, they work hard to resolve and usually find a way. Right now the big decision is federal effort to achieve these landing rights that they must have to get to these countries, or find a way to allow Winnport to carry out the business end of it, of moving the freight from here to there.

It is progressing. Like I said, I have had these meetings, because every once in awhile you get a little concerned. We constantly offer them any help or assistance that they may want. We had a staff member over there for a period of three months to facilitate and help them work. We are at their disposal, staff, political support, whatever they need. It continues to move, albeit at a slower pace than everyone would have wanted, but the enthusiasm and the expectation of positive success has not diminished at all.

Mr. Jennissen: That is good to hear. Actually, the minister has anticipated my next question, which was basically whether he has contacted his federal counterpart, and also Mr. Axworthy, to smooth the way for Winnport, particularly in the access or the landing rights. I gather that, difficult as that may be for Malaysia and China, it is even more difficult for Japan. I guess that is a hard market to crack.

Mr. Bishop and Mr. Johnson, I had a chat with them a while ago, had suggested that perhaps Winnport had been a bit naive in assuming that the pieces of a very complex puzzle would fall into place that soon. I think the minister just confirmed that, and there has been considerable delay. As the minister mentioned, the hopeful start-up date would be, at least for China and Malaysia, April 1, 1998, and perhaps even later for Japan.

My question is, with such delays, are we not going to give the edge to American air cargo distribution centres, or perhaps even to Vancouver, which is closer to the Asian market?

* (1640)

Mr. Findlay: Mr. Chairman, when we had these discussions, they were pretty frank. I did not want to have somebody tell me what I wanted to hear. I wanted the brass tacks, and we challenged them a little bit. Certainly on this particular issue we challenged them: Is there any sense that anybody is gaining ground on you, catching up with you, or is going to beat you, in Canada or in the northern U.S.? Firmly answered, no, nobody is any further ahead than they were a year ago or two years ago in terms of catching us. Naturally, if they stopped and said we are going to suspend discussions for six months, they would lose it because somebody else would come in and beat them out, but in terms of moving freight from southeast Asia to the populated area of the U.S., the Midwest or middle of the U.S., whether it is Chicago, Detroit, that area, Vancouver is a nonoption. There is no economic advantage. If you land it in Vancouver, you have got to haul it over the mountains. It is a lot easier to fly it into Winnipeg and then take it down the flat land by truck. So we have got certain economic advantages. If they are going to move product into the central part of the U.S., 24-hour airport here, a truck can be on 75 within half an hour of leaving the airport. If you leave Chicago, it might take you half a day or a day to get outside and all these advantages—and Chicago is not a 24-hour airport. So all of these advantages have to be part of the package.

For somebody who wants to move freight reliably, on time, we have so much to offer. I know another question the member could easily ask is: well, we have had a flood and 75 has closed down a few times, might

we be looking at somebody saying, well, you cannot positively guarantee? They said, we have an alternative plan. If the weather, what circumstances we currently have cause some disruption with highway traffic, we will be one to sign agreements to land elsewhere to overcome that for that short period of time. So I give them credit. They had the answer.

Mr. Jennissen: Just as a bit of an aside, when the minister was mentioning a little while ago about carrying cargo in the belly of a plane, and I may be mistaken here, but is it true that we are the only industrialized country that does not have an airline that carries pure cargo, specializes in cargo? I think most countries do have airlines that specialize in cargo.

Mr. Findlay: I guess it comes down to what you call planes dedicated to cargo. There has been an announcement here in Winnipeg about six months ago about Purolator putting—this is their central operation. That is a cargo plane operation. Much smaller, Fed Ex would be another example. So I say that we have cargo operations here now, and we are not positive, but Air Canada or even Canadian might have planes dedicated to cargo at certain times for certain activities. Winnport is a specialized air cargo kind of business. It is just international, flying from another country into this part of Canada, whether it is from Southeast Asia or from Europe. You may have noticed what I said so far today, we have just talked Southeast Asia. That is where the concentration is because that is where the belief that the biggest business is and the most capable of doing business is with Southeast Asia because our growing trade with that part of the world is just phenomenal. I have had people come and talk about, well, if we could just get more access to that part of the world with food products, whether it is pork, whether it is specialty meats out of Winkler, they might have one cargo lot a month or a week or whatever going to their markets, but they need to fit in with the Winnport concept that has a lot of different freight forwarders moving a variety of products. They cannot do business by sending one. The cost of sending that one cargo once a week or once a month is prohibitive, but you get part of the bigger picture, and you can do that kind of business.

So it is coming together. I say Purolator is a small example of precisely the same kind of thing, but

Winnport is specialized, it is international and has the concept of being bigger in terms of on the ground, value-added industry associated with that incoming cargo.

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

Mr. Jennissen: The last meeting I was at with Mr. Bishop and Mr. Johnson, I thought I heard Mr. Bishop say that at the start-up phase some air cargo could temporarily be carried by the armed forces. I am not sure if that is how he worded it. I do have a letter here to that effect, and I just wonder if the minister would react to it. It is to the Minister of Defence, David Collette. It is a fairly short letter. It is signed by Bill Finlay and also a Mike Marion.

Here is what they are saying: Honourable Minister, could it not be feasible to tap into the underutilized resources of the air force transport fleet to be used to give the struggling private sector the help it needs to make the Winnport project viable? Instead of having to build new air transport carriers for the purpose of transporting farm machinery and the like, the project could rely on the support of the transport carriers the air force is not using at that time. This is an excellent opportunity for the government to give something back to the people and with very little capital expense. I think Canadians will be proud to see the military used for such a purpose. The freighting industry for transport of many products should be considered. Also we must as well consider where Manitoba is on the world map, the globe. Air freighters could be an asset to Manitoba airports and all of Canada and the growing export industry for rapid transport of products. Please consider these ideas and tell us your opinion. Respectfully yours, Bill Finlay and Mike Marion.

I wonder if the minister would comment on that.

Mr. Findlay: I know Mike Marion, he worked with Caterpillar. Clearly, Caterpillar does business all over the world. If they want to move large equipment like that, clearly in my mind Winnport would be the vehicle to do it. I cannot imagine the armed forces wanting to do that, because then they would be in competition with the private sector using public dollars to compete with the private sector. It never sells anywhere, no matter who is in government. It never sells. So in theory, it

might sound like a good idea, but when there are private sector suppliers, it can haul that material whether it is existing carriers or whether it is Winnport through the facility they will have in the future.

Also, as I am talking here I just remembered, the combine factory at Portage, remember two, three, four years ago, they sold several, 10 or a dozen combines to Russia. Russia sent in their military planes and picked up those combines here; 747, whatever it is, cargo plane. I remember it was a big deal landing at the Winnipeg airport here, picking up these combines. So there are ways and means to move equipment like that. I guess I was a little surprised at the size of the planes that the Russians sent over here, but they were military planes. In Canada, there would be a lot of unhappy people if we had the military competing with the private sector for services the private sector could supply, and our angle, of course, is that Winnport would be the vehicle to supply those services.

Mr. Jennissen: Now, if Winnport is to succeed, there are obviously some ramifications in terms of developing the area around the airport right now. I know there is a proposed \$337-million project to develop the land surrounding the airport in connection with Winnport's ultimate plans, but this is not popular everywhere and Councillor Al Golden has said, and I quote, this is a lousy deal for the City of Winnipeg compared to the deal it is for the R.M. of Rosser. Is this just some jurisdictional squabbling, or is there more to it than that?

Mr. Findlay: Certainly the idea—if Winnport becomes what it was initially expected to be, over the course of the next few years, where you will need significant warehousing space out there for the value-added activity of product brought in or transported out, there is going to be a need for land.

We had I.D. Engineering do a significant study about two years ago, and when they made the presentation to us, they brought a fellow up from the southern U.S., but it was in Texas somewhere—Dallas, Fort Worth? Anyway, it was a similar operation in the U.S. that started up a few years ago—Huntsville, Alabama, that is the place—and the one thing they impressed on us, he says: You have the land; you have no housing to the west; never allow business development or housing to

encroach on the lands that you may ultimately need over the next 10 or 20 or 30 years for the continued expansion of this. Because the mistake they made down there was they did not acquire enough land, did not foresee the need for land in the future and allowed encroachment around that limited their growth.

* (1650)

Subsequent to that, there were efforts made to get Rosser and Winnipeg together to jointly come up with an agreement of how to share the benefits of development of that land over the course of time. There are some 3,500 acres there in total. It will not all be developed next year. It will not all be developed in 20 years. It will be developed as success is achieved in acquiring business that needs that land for development. We have no reason to believe that the city and Rosser will not come to an agreement that is in that context. There is a lot of land currently owned, airport property, that will suffice for the immediate startup process, but there is an agreement to restrict development on the land so that it serves the purpose of Winnport's future expansion. Rosser and Winnipeg are together on it, and Al Golden does not necessarily always speak for the council as a whole. Al Golden is right often on his own agenda.

We have no discomfort with what is going on with the process involving city and Rosser to secure the economic benefits for Winnipeg and area of the development of Winnport, whether it is jobs or whatever it is. Everybody will benefit on a process of expansion over time.

Mr. Jennissen: So the minister is saying then that the intended expansion is in areas where noise pollution is not going to be a factor, or traffic in built-up areas will not be a major factor. Is that correct?

Mr. Findlay: Well, any time you have further truck activity or plane activity, naturally there is an element of noise, but there is ways and means to manage that today in the noise attenuator on planes. There are federal regulations to have older planes that do not currently have that noise attenuators, they must upgrade them over the course of time. I think, if I am not mistaken, for some of those 737s, it costs up to a million dollars to put the attenuators on. The airline

industry is very conscious of not offending people close to airports. So they are doing a lot of management things in flying the planes to reduce the noise. Air cargo activity does happen at night more so than in the daytime. With a 24-hour airport you have got the capability to do that. They all know that if you want to keep it 24 hours you have got to manage your planes relative to when people want to have quiet times at night such that you do not disturb them. I do not think there is any misunderstanding of that, and I have had discussions with pilots. They do not have to have us tell us what the regulations should be in noise reduction. We know for the future of our jobs we must keep noise down, and they do various things to do that.

So there are rules and regulations, and everybody realizes that people need to have their quiet time considered, and whether it is using trucks or whether it is using aircraft, you want to keep it away from residential areas as best as possible. I think the idea, the engineering plan, for roads out there did show a road going west towards the Perimeter as opposed to going through a residential area.

Mr. Jennissen: Regarding the Winnipeg Airport Authority which is a private sector corporation since January 1, it did show a very healthy profit in the first quarter of this year. In fact, I think the landing tax at \$5 per person with 700,200 passengers makes that \$3.5 million. One of the concerns that I have is five bucks does not seem like an awful lot. I know some airports do charge that, I know for sure in Europe, and I think Vancouver as well. But who regulates that? I mean, can that airport authority suddenly make that \$10 or \$20? I know in Vancouver it is \$5 for B.C. and it is \$10 for Canadian, it is \$15 I think overseas. Is that the same thing here?

Mr. Findlay: No.

Mr. Jennissen: Is there any regulation on that? How is that regulated? What is to prevent them from saying it is \$30 next year?

Mr. Findlay: The different airports currently are certainly looking at passenger facility fees to build up a reserve for capital replacement of whether it is hangars or whether it is runways, they are expensive. I remember paying \$10 at Vancouver, and we have argued that the passenger does not like the harassment

of having to pay. You buy a ticket, you get your boarding pass, and then you have to go through a gate and pay another \$10. We argue that it should be in the ticket, and I would hope that it comes to pass that way.

With regard to Winnipeg here, they do not want to do that any sooner than they absolutely have to, because they know that it is a bit of a hassle for the public, and they know the customer does not like it. So for as long as possible they will not have one here, and they ultimately, I am sure, will have to. But if you charge too high a fee you are going to lose customers. So you have got to have enough capital reserve to be able to do the capital replacement in the future you need, but at the same time you do not want to lose customers by having charges that are so high that your airport becomes less viable. So there is a balance there.

The same thing with the fees that they will charge for cargo planes. If they charge fees that are inordinately high relative to other locations, you lose the business. So that is the check and balance that is even more effective than government regulation, and there is a public accountability process required for these airports that require public meetings, public reporting that is all part of the agreement that they have all signed. I guess Winnipeg might have been the first one to sign the most current public accountable kind of agreement. The other ones like Vancouver, Calgary and Edmonton are coming on stream, and all the new ones behind us, whether it was Ottawa or whoever, will have the same agreement. So there is a lot of accountability to the public, very little government involvement on the boards. They are all private sector citizens there representing a wide variety of citizens on the boards. So we think it is well managed to handle the challenges of the future, and the accountability is there. If you want customers, you have got to keep your costs down.

Mr. Jennissen: Particularly, that departure tax is being charged right now, correct, at Winnipeg? It is not yet being charged?

Mr. Findlay: No, it is not.

Mr. Jennissen: I have never seen it on my ticket. I thought it was buried in the ticket price somewhere.

Mr. Findlay: No, as I said in my previous answer, they do not charge one here. It is not buried. The

airlines refuse to have it buried in the ticket right now. I said that is the way it should be for customer convenience in the future, because everybody knows you have got to pay it sooner or later. If you are going to pay it, you may as well pay it in the ticket; but, no, we do not have one at Winnipeg now. Their intention is not to do it until they absolutely have to, as long as they are making some profit and they have some money that they can set aside for future capital replacement. But no specific passenger facility fee in Winnipeg now, because they cannot hide it in the ticket. The minute that it starts, you will know it.

Mr. Jennissen: So Winnipeg Airport Authority profit then was not largely based obviously then on departure tax. I thought it was.

Mr. Findlay: The answer is no.

Mr. Jennissen: If I have time for one more question, Mr. Minister, it would be maybe a couple of sentence update on the St. Andrews Airport, Winnipeg Airport Authority takeover, a bit of a status report. I am not clear on that at the moment. What is happening there?

Mr. Findlay: We will answer that next day. A little longer answer is going to be needed, but Winnipeg and St. Andrews were to be together. That was the original plan, but we will get you a good answer by Tuesday.

* (1700)

The Acting Chairperson (Mr. Dyck): Order, please. The hour being 5 p.m., committee rise. Time for private members' hour. Call in the Speaker.

PRIVATE MEMBERS' BUSINESS

Mr. Deputy Speaker (Marcel Laurendeau): The House will come to order.

PROPOSED RESOLUTIONS

Res. 12—Speaker's Ruling Not a Precedent

Mr. Daryl Reid (Transcona): I move, seconded by the member for Concordia (Mr. Doer), that:

“WHEREAS on November 21, 1996 Speaker Dacquay made a ruling that essentially imposed closure on debate on Bill 67; and

“WHEREAS in her ruling, Speaker Dacquay said, '(I)t is unusual for a speaker to allocate time for debate.'; and

“WHEREAS Speaker Dacquay made this ruling despite a number of options that were open to the Government; and

“WHEREAS Speaker Fraser, whose 1987 decision was quoted by Speaker Dacquay in her ruling, indicated that each case must be judged on its own merit and his decision should not necessarily be viewed as a precedent; and

“WHEREAS the ruling made by Speaker Dacquay was an unprecedented violation of the Rules of Procedure, in that it anticipated a problem which had not yet arisen and declared an 'impasse' where none existed, and was the cause of further rules violations because, to implement her ruling, the Speaker had to seize control of the timetable of the House, even to the point of ignoring matters of privilege raised by Members of the Opposition.

“THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba strike Speaker Dacquay's ruling of November 21, 1996 as a precedent for further rulings in this Assembly.”

Mr. Deputy Speaker: Prior to putting the honourable member's motion before the House, I inadvertently missed a number of items on the Order Paper.

DEBATE ON SECOND READINGS— PUBLIC BILLS

Bill 200—The Legislative Assembly Act

Mr. Deputy Speaker: At this time, it is debate on second readings on the proposed motion of the honourable member for Thompson (Mr. Ashton) (The Legislative Assembly Amendment Act; Loi modifiant la Loi sur l'Assemblée législative), standing in the name of the honourable member for St. James (Ms. Mihychuk) and the honourable Minister of Consumer

and Corporate Affairs (Mr. Radcliffe). Is there leave that this matter remain standing? [agreed]

Bill 202—The Child and Family Services Amendment Act

Mr. Deputy Speaker: On the proposed motion of the honourable member for St. Boniface (Mr. Gaudry), Bill 202, The Child and Family Services Amendment Act; Loi modifiant la Loi sur les services à l'enfant et à la famille, standing in the name of the honourable member for Gimli (Mr. Helwer). Is there leave that this matter remain standing? [agreed]

Res. 12—Speaker's Ruling Not a Precedent (Continued)

Mr. Deputy Speaker: Now the proposed resolution. The honourable member has read it in the record. I will now reread.

Motion presented.

Mr. Daryl Reid (Transcona): I am sure that members opposite, including government members, will very much want to see this matter come to a vote. I know that they are quite willing to support this particular resolution, and I look forward to their comments in this regard, since it was this government's role and their encouragement to Speaker Dacquay in the ruling to which we are referencing here today.

That was a black day in the history of the province of Manitoba. I can tell you, Mr. Deputy Speaker, that was not a proud moment in the history of this Legislature and in my short time here. I had to say that, when I came to this place, I may have been mistaken, but it was my impression that when we came here that, yes, the Speaker was chosen by members of the government of the day, being that they had the majority of members in this House, but that the Speaker would act in a fair and essentially an impartial manner, and would follow the established rules and procedures of this House. That failing every option available, then the Speaker would take the decision under advisement and make a ruling.

But from the actions that occurred by Speaker Dacquay, as we have referenced in our resolution here

today, when she made her ruling on November 21, 1996, she effectively threw the rule book out the window. She did not utilize the options that were available. Speaker Dacquay could have gone back to the government House leader at that time and said that, no, I am not going to impose the will of government on this Legislative Assembly; each member of this House has an equal opportunity to be heard.

One of the things that I have raised in this House before was the ruling that Speaker Dacquay made effectively took away my ability to represent my constituents' wishes, something I very much regret. I have said over and over again in this House—and I know members opposite, some of them here with us today, do not want to talk about the level of pay and compensation which they received. I have said quite publicly that I am well compensated for the job that I do here, and I am honoured and proud to represent my constituents. Other members of this House may not feel that they are adequately compensated by coming to this place, but I feel that I am adequately compensated. Yet, when I came to this Legislature on November 21, 1996, and I wanted to have the opportunity to speak on third reading of Bill 67, the sale of the Manitoba Telephone System, I was speaking on behalf of my constituents and the people that had come to these committee hearings on Bill 67. I wanted that opportunity to be heard, as is my right as a member of this Legislative Assembly. What Speaker Dacquay did by her ruling on that particular day is stripped me of my rights to represent my constituents.

* (1710)

Earlier that year I had surveyed my constituents; from every single home I had received a survey in my community, and 99.9 percent of the surveys that were returned to me—and I brought them to this legislative Chamber and showed them to members here, quite a high stack of them—99.9 percent of those people that responded said they did not want their Manitoba Telephone System sold. They wanted me to represent that interest in this Legislative Assembly, and on November 21, 1996, when Speaker Dacquay turned to the government House leader and refused to acknowledge members on this side of the Legislative Assembly, she stripped me of that right to represent my constituents. That is a black day. That is a day I will

never forget for as long as I live. I think that the resolution that we have before us today wants to make sure that will never occur again in this province in this Legislative Assembly. We want to ensure that through this resolution the members of the Assembly have the right to represent their constituents' viewpoints. By taking away that right and by only looking—and this is something I will never forget as well, Mr. Deputy Speaker, when the Speaker turned to the government House leader without recognizing the Leader of the Opposition (Mr. Doer) and the opposition House leader (Mr. Ashton) on points of privilege, on points of order or on the ability to speak on third reading. What you have effectively done is prevented them as well from representing the official opposition and their constituents as well.

So what we are asking the Speaker and this Legislative Assembly to do through this resolution is that the ruling that was made on November 21, 1996, by Speaker Dacquay not be a precedent in the future.

We know that there have been other rulings that we have disagreed with, the ruling that the Speaker made with respect to the utilization or the use of the word "racist" policies and the phrases that are used here to describe actions that would take away the ability of members of this Legislative Assembly to describe things that are occurring, both inside the Assembly and outside of this building, I think that also is a black day for this Legislative Assembly. So what we have here is decision upon decision that is being made that affect my ability and the ability of all of us in this Chamber to represent our constituents' viewpoints. Whether it be on the issue of racist policies or things involving racism in this province, Mr. Deputy Speaker, I think it is important that we take the necessary steps to correct each of those areas where those decisions that have been made limit or hamper or reduce or eliminate my ability and our abilities to represent our constituency.

When the Speaker made her ruling, she used Beuchesne Citation 328, that the Speaker has some general responsibility for the operation of the House. Yes, indeed, she does have some responsibility as you do, Sir, for the activities of this House in the Speaker's absence. The intent of that particular clause and Citation 328 is not to promote the involvement of the Speaker to favour one side or the other but to make sure

that where the House had considered all options and that the government House leaders had talked about solutions to whatever impasse might be in place, that there would have been opportunities for that work to be done, but the Speaker chose not to look and pursue those options.

She could have said to the government House leader and to the Premier, listen, you are causing the Speaker's office some embarrassment here by putting the office in that particular position of having to make the decision on how this Legislature proceeds when it should be the will of the members of the Assembly themselves, but the Speaker did not choose to do that. The government House leaders, and I know the government has a new House leader now, but his colleague and the former government House leader could have made that decision to work out some way that this House could have proceeded.

They had the option of going to speedup. That was one of the options you had, to go to speedup, where we would have more than one Question Period a day and have the debate continue, both on matters of privilege and points of order and the ability to debate third reading, but the Speaker did not choose that option. She did not go back to the government and say, you had the ability to use speedup in the process to allow this particular piece of legislation that the government so desperately wanted to pass, so that they would have the ability for those brokers to proceed with the sale of the shares of MTS, because it is my understanding that quite a considerable amount of money was made on the sale by those brokers, judging by the articles that were in the newspaper, where they were going out buying new Mercedes Benz and new Jaguars as a result of the sale of those shares. Obviously, there was a lot of—I should not say a lot. Obviously, there were some people who were made very rich as a result of the sale of those shares.

The Speaker also referenced a ruling that was made by Speaker Fraser of the Parliament of Canada, what was clearly a different situation in the House of Commons than what we had experienced here. In fact, the House of Commons had been facing an impasse which the Parliament was unable to resolve. At that point, the Speaker of the Parliament had to step in and take the steps after exhausting, from my understanding,

exhausting the options that were available. In those cases, where all options were exhausted, then the Speaker would have to take the steps to make sure that the business of the House would proceed.

One can understand situations like that, but that did not occur in this situation. All options had not been exhausted. The government chose not to pursue the one that has been used by various governments of both—they are all political stripes in this Legislative Assembly, and that is the process of speedup, where we have the opportunity to have more than one Question Period a day and therefore the ability to have more debating time for all members wishing to speak on Bill 67.

The way the Speaker imposed closure in her November 21 ruling was far more draconian than the way in which the rules require the government to impose the closure. According to Rule 43(1)(2) debate can continue—my research has shown—until some 2 a.m. of the day after closure is invoked and the final debate has started. So there is a process there that would allow for some extensive debate to occur for a considerable period of time, and the government chose not to go down that road. The Speaker effectively ended debate by the procedures that she used in ignoring members of the opposition duly elected by their constituents to come to this place to represent their interests.

It is my point that the government should bear, in large part, responsibility for the decision of the Speaker. I do not know for certain, but it left me with the distinct impression that this was a particularly orchestrated event on the part of the government involving the Speaker, because had that not been the case, one would have expected that the Speaker, through the normal procedures that we see happening in this House on a regular basis, would glance around the House to determine whether or not individual members wish to be heard and to have the opportunity to stand and speak. The Speaker on that particular occasion chose to look directly at the government House leader and ignored members on this side of the Legislative Assembly. That is wrong.

That is one of the reasons why we are continuing to have difficulties in this Legislative Assembly, because the government chose to use the Speaker to impose the

will of the government, the will of the majority, the tyranny of the majority over the minority. The government has cast a large shadow over the office of the Speaker. I think it is damaging, it can be potentially damaging in the long term for the Speaker until this particular action is corrected. By bringing forward this resolution here today, we are hoping to say that—should this resolution be passed here today, which I hope it will—that ruling of Speaker Dacquay not be a precedent and that this government has to bear some responsibility for the extreme measure that was taken by the Speaker, because it left me with no other conclusion to draw other than it was an orchestrated event.

* (1720)

It was not only against the rules for the Speaker to end the debate, it is also unfair to every Manitoban who values the democratic process. I would take it that would be everyone in the province of Manitoba. People have to know and have a right to know that the provincial government did not want to answer any more criticism about the sale of MTS. The only way they could end that criticism about that sale, since they know by far the vast majority of Manitobans were opposed to the sale of MTS—and I am talking like in the range of 68 to 70 percent were opposed that the government—the only way they could silence the opposition both internal to this Legislative Assembly and in the public realm was to end the debate. They utilized the office of Speaker to end that debate which I say, Mr. Deputy Speaker, was a black day for the province of Manitoba.

I hope all honourable members that are wishing to comment on this resolution will lend their support to this resolution, that Speaker Dacquay's ruling on November 21, 1996, not be a precedent, and that we can get on with the business of this Legislative Assembly in a fair and democratic way.

Hon. James McCrae (Government House Leader): Parliament is, indeed, a marvellous creation, Mr. Deputy Speaker. Parliament has survived in one form or another for many hundreds of years now. I guess it has done so because over the years, it has been able to respond to the exigencies of the time. It has been able to respond and be a place for persons representing constituents, partisans, and others to have their time,

their say, to be the place where public issues are debated, voted on, and progress happens.

Along the road, there is no doubt that parties of one kind or another, or individuals, become aggrieved, and there are various procedures in our rules and our practices. I was reading Beauchesne Citations 13 and 14. As I read those two citations, I was struck by how extremely marvellous Parliament really is, because Beauchesne is one of the authorities, we call them “authorities” as if what Beauchesne says is the definitive answer to everything, even though Erskine May, John Bourinot, Joseph Maingot, or somebody else, might have something else to say—on this particular day it might be Beauchesne who is the authority. On another day, depending on the argument someone wants to be making, maybe it is Joseph Maingot, or maybe it is one of the others.

To make my point I would like to read for honourable members Citations 13 and 14 as follows: Citation 13 of Beauchesne's 6th Edition says this: “The Speakers' rulings, whether given in public or in private, constitute precedents by which subsequent Speakers, Members, and officers are guided. Such precedents are collected and in course of time may be formulated as principles or rules of practice. It is largely by this method that the modern practice of the House of Commons has been developed.”

Now, that is all very interesting and fits very nicely in with the arguments being made today, I suggest, by the honourable member for Transcona (Mr. Reid). But let us go on, Mr. Deputy Speaker, and read Citation 14 which says: “The interpretation of both the written rules and tradition is in the hands of the occupants of the Chair . . .” Some of these lines bear repeating. The interpretation of both the written rules and tradition is in the hands of the occupants of the Chair and their findings forming a fundamental part of procedure.

It goes on, Mr. Deputy Speaker: “Some problems attach to these rulings. When the Standing Orders change, for example, rulings based on the old rules must obviously become obsolete. More important, many rulings must be made with little opportunity for reflection or consultation. When possible the Speaker may defer a decision to give time for research and full consideration. Time, however, is not always available

and unsatisfactory rulings may result. Finally, it must be noted that rarely are two points of order precisely the same. While previous rulings may be useful guidelines, they may well lack the precision and certainty which might be desired.”

Mr. Deputy Speaker, I read all that to you to make the point that in my humble opinion as a parliamentarian what I just read could say almost anything. If you read those two citations you will be sufficiently confused, I suggest, that you are not sure what it all means, but that somehow it has become, depending on the argument given at a particular time, certain citations in Beauchesne have had very, very heavy authority indeed.

Now I have obviously a lot of respect for Arthur Beauchesne and his writings. I am formerly a Hansard reporter from the House of Commons, and John Bourinot, I understand, who wrote so well was a former senator, I believe a former Senate Speaker in the House of Commons. Sir John Thompson, one of the most brilliant Canadians, I am told, history tells us that Sir John Thompson, formerly the Prime Minister of our country from Nova Scotia, was a Hansard reporter from Nova Scotia. So you never know where a person might come from or where they might be headed, Mr. Deputy Speaker.

Another brilliant person said this, and what I am trying to get at is that people can make of things what they decide to interpret from them. Somebody said things are more like they are today than they have ever been before in history. Now, think about that, and think about how profound that statement really is. I think it was Dwight Eisenhower, somebody of that particular generation, said that, and it has been quoted many times since. Another person said the future ain't like it used to be. Go figure, Mr. Deputy Speaker, go figure.

To be quite serious with the point being raised by the honourable member, I think with all due respect there is a redundancy that attaches to this resolution in the light of some of the things that Beauchesne said, as I just finished reading out, in Citation 14. The honourable members have also made much of the whole issue about the racism ruling. Whether you like the ruling or do not like the ruling, it was an opinion

given by a Speaker in a Legislature at a given point in time, and the weight to be attached to that ruling will depend on the circumstances of some future point of order or question of privilege raised. Now, if I am wrong about that, I am quite willing to be spoken to by someone who knows more about parliamentary matters than I do. But, Mr. Deputy Speaker, the fact is, Legislatures over the years in all of the centuries since they began have managed to conduct the affairs of state under whatever occupant of the Chair, under whoever the King happened to be, whoever the people elected to those august bodies were. Yet here we are in 1997, we still have a respect for the democratic principles inherent in the whole concept of democracy. Members on all sides of this House, I think, are all extremely proud to be able to be members of this place, to do the work of the people they represent, to work in a democratic system, and to show respect.

In fact, I have to take issue with something said by the honourable member for Transcona (Mr. Reid). He said there is trouble in this place. Well, I am the government House leader, Mr. Speaker, and I have been working with people like the honourable member for Thompson (Mr. Ashton), the honourable member for The Maples (Mr. Kowalski), the honourable member for Burrows (Mr. Martindale) and others around here. I would like to speak very positively about all of those people.

I think that we have all tried very hard to put some of the things that bother us to some extent to one side, to take up another day, or whatever. But there is work to be done for the people of this province, and members around here from all parties understand that and respect that and want to do what they should be doing, i.e., their duty, and not get bogged down in the kind of skirmishes that can happen from time to time.

* (1730)

I hope colleagues who speak after me will spend a little time on the distinction to be made between a simple ruling made by a presiding officer and a ruling backed up by a vote of the House which makes it into a House order. I am not going to spend a whole lot of time on that because I did that last time these matters came up. Honourable members, unfortunately, have tended to concentrate on an interpretation provided by

the presiding officer of this House, but they skip over the fact that it became an order of this House. It was not simply one person's opinion. It became the democratic will of this Legislature that certain things happen at certain times on a certain day.

Now, we know that the outcome was something with which honourable members opposite disagree. We know that. We could have discussed the Manitoba Telephone System issue for another 6, 8, 10, 12 months or years, and there would not have been a change of heart on either side. [interjection] The honourable member for Burrows (Mr. Martindale) is right when he says that is what Parliament is for. Maybe one of my colleagues will go into the history of the MTS bill and how that all came about and the significant period of time spent on that particular bill. That is appropriate. I think that worked the way it was supposed to. I know the ultimate decision was not to the liking of honourable members opposite, and I respect that. I have seen things not go my way in my time, believe me.

So I understand about that, but legislative paralysis and debate are two different things. Debate is an appropriate thing; paralyzing the affairs of state is another thing, and this House decided that it would put an end to the paralysis. It was not the presiding officer that made that decision, because if that was all it was there would have been no vote, the decision would have been made, and honourable members opposite may, all they like, disagree with the decision made by the presiding officer. But, no, Mr. Speaker, that decision was a decision of this Legislature, and that is a very important distinction.

So the redundancy about this resolution that I am talking about will not erase what actually happened that day. That is not going to happen because that is part of the history of Manitoba, but it does not, I suggest to you, change the rules for this and every other Legislature around the world because of something that happened on one particular day in one particular Legislature. That is why I started my comments by saying Parliament is a marvellous institution.

I do not think this is going to happen, but if history should judge that honourable members in the New Democratic Party are right in their allegations, Mr. Speaker, with all due respect, it is not going to make much difference. It will not be an important turning

point for the way we operate our Legislatures. My colleagues, no doubt, who talk about provisional rules and how everybody was in agreement, there was a gap in those rules and somehow we had to find our way through that particular problem. That is what happened. We all know exactly what happened, and there are some honourable members who remain aggrieved. I am aggrieved, or was aggrieved. I was upset and unhappy, and I had feelings of anger and all of those things. The fact is, contrary to what the honourable member for Transcona (Mr. Reid) says, there is re-emerging in this place an understanding that there is work to be done and that the people of Manitoba are looking to us to act like adult persons and do the work of the people of Manitoba, and that essentially is being done.

Maybe for honourable members in this place, whenever there is a tragedy, there is also some blessing hidden in there somewhere. You know the great flood of 1997 in Manitoba demonstrated to me in so many ways, and I know to you, Mr. Deputy Speaker, but to me as House leader in this Legislature, the floods can bring about an atmosphere of co-operation and finding accommodation and getting the job done. I mean, it would have been so easy on a few occasions, I am sure, and maybe you know about this, too, just to shut this place down. But there is the business of the people of Manitoba to be done, and with that understanding in mind, people rolled up their sleeves around here, found ways to co-operate, found ways to make the right kinds of accommodations and fair ways to do it to get our work done. For that I thank my opposite numbers in both the political parties here, and I respectfully disagree with the honourable member for Transcona when he says that we cannot work together. We can and we do. We have demonstrated that.

If it were not for the redundancy, I can certainly feel sympathy for what the honourable member for Transcona (Mr. Reid) is feeling, but a simple reading of Beauchesne demonstrates very clearly there is no such thing as a simple reading of Beauchesne because it says all kinds of things and has all kinds of different applications and so do all the other authorities. That is my contribution today.

Mr. Doug Martindale (Burrows): Mr. Deputy Speaker, it is a pleasure to take part in this debate and

this important resolution by the member for Transcona (Mr. Reid). I believe that what happened last November was Speaker's closure. We also called it coward's closure because the government did not have the fortitude to bring in closure themselves, and they co-opted the Speaker and got her to do their dirty work for them.

Now, this was nicely summed up in an article published in the Times and other community newspapers by Donald Benham, a former legislative reporter and is titled, "Who's pulling the strings?" It is so interesting that I would like to read it into the record because I think it sums up what happened here quite nicely.

It begins this way: "The Ventriloquist puts the Dummy, dressed in black robe and tri-cornered hat, on his knees, and slips his hand under her robe.

"Ventriloquist: You know, Louise, a funny thing happened to me on the way to the theatre.

"Dummy: What, Gary?

"Ventriloquist: A man asked me for a loonie.

"Dummy: What did you tell him?

"Ventriloquist: I told him to buy MTS shares and soon he'd be rich.

"Dummy: What did he say?

"Ventriloquist: He said, 'I asked for a loonie and I got one.'

"Audience laughs.

"Ventriloquist: But seriously, folks, can you believe those New Democrats?

"Audience groans.

"Ventriloquist: Debating is such a waste of time. Why bother?

"Dummy: Yeah. Debating is such a waste of time. Why bother?

"Ventriloquist: Why don't they do like us Tories and just not have anyone say anything about all those bills and stuff?

"Dummy: Us Tories. We've got to stick together.

"Ventriloquist: We used to debate. We tied up the House for weeks during the French language debate. Remember that?

"Dummy: No, I didn't have my head screwed on yet.

"Ventriloquist: And you still don't. But we love you that way.

"Audience laughs and applauds.

"Ventriloquist: A lot of stuff at the Legislature gets in the way of passing bills.

"Dummy: Like what?

"Ventriloquist: Like question period. Who wants to answer questions when there are so many Crown corporations still left to give away?

"Dummy: Who needs it?

"Ventriloquist: And presenting petitions. Who cares what some guy on the street thinks?

"Dummy: Gone.

"Ventriloquist: And points of privilege. Who wants to hear some MLA whine that he's losing his democratic rights? Like I care.

"Dummy: Pathetic. Get them out of my face.

"Ventriloquist: In fact, seeing as we know every bill is going to pass anyway, why bother having the Legislature meet at all?

"Dummy: Whatever you say, Gary.

"The audience falls strangely silent."

So we know what a former legislative reporter thinks of what happened in late November last year, and we certainly have lots of commentary by the print media and other media about what happened here.

I believe that when the Speaker made her now infamous ruling that, first of all, it was not the proper role of the Speaker to do that. The government had numerous options which they could have used, options that they had at their disposal and which those members on the government side who have cared to study the rules know that are and were available. For example, the government could have denied leave to let bills stand. I remember when Mr. Manness, the former member for Morris, was the government House leader. He was very fair. He was honest. But when it was required of him he could be tough. I remember him saying to our members, if you do not start speaking on bills, we are going to deny leave, and he gave us a week's notice, which was very fair. I am quite sure that if we had not started speaking on bills he would have denied leave and we would have been forced to speak on them.

* (1740)

Now, certainly the government House leader last year, the member for Charleswood (Mr. Ernst), could have done the same thing. When he realized that we were not putting up very many speakers on Bill 67, to use an example, he could have denied leave, and we

would have been forced to put up 23 speakers in a row if we wanted to talk on that bill and delay it from going to committee. The government chose not to do that. The government could have had the committee hearing public presentations on Bill 67 sit more often. In fact, I understand that the government could have had two or three committees sitting to hear public presentations on Bill 67.

I understand that the government was prepared to do that on Meech Lake, that when hundreds of people or maybe it was thousands of people registered to present on Meech Lake that the government was prepared to have numerous committees sitting to hear public presentations. The government chose not to do that. Then they wondered why they could not get their bill out of committee. It was partly their responsibility to get it out of committee and their responsibility to schedule the committee hearings.

Then they could have extended the hours. We have that in our rules. The government chose not to do that. We could have been forced to sit in the forenoon from 10 a.m. to 12, in the afternoon from 1:30 to six, and commencing the evening from eight until such time as the House may decide to adjourn, which means that we could have sat all night. In fact, I believe we could have sat, according to the rules, Monday to Saturday inclusive, and even if we brought in numerous amendments to, say, Bill 67, that would have put a tremendous amount of pressure on people on this side to speak around the clock, six days a week. I think it would have been just a matter of time before we ran out of speakers and the bill would have passed, but the government chose not to use extended sittings.

The government could have used closure, and they chose not to. Now, closure is not used very often. I do not know what the precedents are in Manitoba, but since I have been here the government has never used closure, but they certainly could have used closure. Instead, they asked the Speaker to make a ruling and used Speaker's closure or, as we have called it, coward's closure.

So what did the government do instead? Instead, they anticipated a problem which had not yet arisen and declared an impasse where none existed and asked the Speaker to bail them out, to solve their problem. Now, there was another option that the government had that

they did not exercise as well, and that was to negotiate an agreement with House leaders. On the last day that all the bills were being debated here, I was the acting House leader, and I still have the notes. Maybe someday I will read the notes into the record that the government House leader gave me. We normally do not do that kind of thing, but they have a certain history to them now and would be of interest to all members.

But what I remember promising the government House leader is that we would pass all bills, and I was the one that sent notes to my colleagues and sometimes used these note pads. I went over to one of my colleagues with a note saying, sit down, because we had a speakers' list and we were telling people when to pass bills and when they should finish speaking. Now, normally we would not talk about caucus strategy like this in a public forum when it is going to be printed in Hansard, but it was a very historic debate. So I think it is interesting to know what the inner workings of a caucus are.

We kept our promise. We said we would pass all bills that were in the Chamber, and we did, except Bill 67, which was not in the Chamber. It was in committee, and the government was still moving amendments, important amendments, having to do with the pension plan for MTS employees. So that was not our problem. We agreed to pass all the bills. We could not pass Bill 67, it was still in the committee.

So we believe that the government had numerous options, which they did not exercise, and the problem should never have been put to the Speaker to decide, and because they did, we raised numerous concerns about the impartiality of the Speaker. We have reintroduced a bill to have an elected Speaker, and we think that an elected Speaker would not have felt the kind of pressure from the government that the Speaker felt. We believe an elected Speaker would be much more impartial; in fact, it is quite possible that an elected Speaker would be from the government side, simply because the government has a majority, although, you never know. With a secret ballot, the government could not put the Whip on, so they could not determine the outcome of who the Speaker is.

According to Beuchesne, and I quote: "The essential ingredient of the speakership is found in the

status of the Speaker as a servant of the House.” The chief characteristic of the Speaker in the House of Commons are authority and impartiality. We follow the rules and the precedence of the House of Commons; and just as the Speaker of the House of Commons is to be impartial, the Speaker in the Manitoba Legislature should be impartial. Phillip Landry, in a very good book called “The Office of the Speaker,” on page 7 says, and I quote: The Speaker is about sectional interests and immune from party influences. He serves only the House of Commons, regardless of which faction might be temporarily in control of it. Each individual member receives and is entitled to expect the same consideration from him, but his overriding duty is to the House collectively. From the moment of his appointment, he withdraws completely from political activity and ceases to belong to any political party. Within the sphere of his own authority, the rights of minorities are therefore secure in his protection. So I would remind honourable members that the Speaker has an obligation and a duty to protect the rights of minorities, to respect the rights of all members, to act in the best interests of all members collectively, and that does not happen when the Speaker takes the side of the government and a government House leader and makes a ruling when the Speaker should have said it is not proper for me to rule in this case, the government is going to have to work it out, or the House leaders are going to have to work it out. It is inappropriate for me to make a ruling. Of course, we have made a great deal of comment on the fact that we raised Matters of Privilege and the Speaker did not recognize it, and that is another reason why we felt the Speaker was not being impartial.

Erskine May, in Parliamentary Practice, page 181, says, and I quote: Confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure and many conventions exist which have as their object not only to ensure the impartiality of the Speaker, but also to ensure that his impartiality is generally recognized.

I think we have an aphorism in the English language that this reminds me of, and that is, not only must justice be done, but justice must be seen to be done. Probably one of few quotes about, or aphorisms about the justice system that laypeople are familiar with. I am sure lots of lawyers are familiar with that expression

including the member for River Heights (Mr. Radcliffe). What we need in the Manitoba Legislature is not only the impartiality of the Speaker, but the public must see and perceive and feel that the Speaker is impartial. If you read the letters to the editor, or if you have been reading letters to the editor of the Free Press since last November, you will see that many members of the public agree with us that the Speaker was not impartial and that we need an elected Speaker so that we have an impartial Speaker.

I have been sending out surveys to my constituents the last couple of months, and one of the questions is should the Manitoba Legislature have an elected Speaker? I have probably got a couple of hundred replies back, and only one person has said, no, we do not need an elected Speaker. I look forward to getting all of those surveys and questionnaires back and tabulating the results, and my guess is that probably 99 percent or more of my constituents feel that we need an elected Speaker.

We have got a private member's bill on an elected Speaker, and we will certainly be speaking on that bill again in this session. In fact, I think what we need to do is to have an agreement before the next election on how we are going to proceed after the election; otherwise, we are going to have a problem here. We are going to have the government appointing an acting Speaker, an interim Speaker. Then we are going to be arguing over how to elect the Speaker, how to change the rules to get an elected Speaker. That could cause some procedural problems.

I think it is in all our best interests to agree ahead of time on how we are going to elect the Speaker so that everybody is clear, everybody knows what the procedure is, that we amend the rules in the Manitoba Legislature in advance, regardless of which party is in power. Even better, Mr. Deputy Speaker, why wait two years? Why wait till after the next election? We could do it any time. The government can do it any time. In fact, I know that we were in favour of having an elected Speaker any time the government wants to pass a private member's bill or a government member's bill to change the rules of Manitoba Legislature.

I think the last quote that I have time for is by Philip Landry, “The Office of the Speaker,” page 29: “Total

impartiality is the basic requisite of the Speaker and in particular in a regard for the rights of minorities.”

We believe that our rights have been violated. That is one of the reasons why we believe there needs to be an elected and impartial Speaker. I think the new Speaker will have a great deal more support than the current Speaker. There are some excellent people in this Chamber, both those who are bilingual and those who are not. I am sure that we can find someone that all members of the House could have confidence in and who would have the confidence of the public, so that the Speaker is not only impartial, but the Speaker is seen to be impartial. Thank you.

Hon. David Newman (Minister of Energy and Mines): Mr. Deputy Speaker, I am pleased to rise to speak to this matter, not because I think it is a matter that should have been brought back again, but the fact is, it has been brought back, and I am pleased to present a case against this resolution. We already have decided this matter. That will be my first point of argument, that the issue has already been decided by what is, in effect, the highest court of appeal in this Legislature, and that is by a decision of the majority party, democratically, by vote in this House.

* (1750)

I will go beyond that to deal with this whole question of precedent and what is the value of precedent and the importance of precedence in this House. I will also deal very briefly with some of the history, that is, the agreement that was behind the position that was ultimately taken by the majority on this side of the House, and that is the agreement about the rules. I will also go further than that and suggest, even though, if there were not a formal agreement, it would only be moral and fair that the Speaker do what she did in the circumstances. That is also why, I would submit, certainly I and others on this side of the House supported the ruling of the Speaker.

First, I want to deal with the already decided argument. The ruling of the Speaker was appealed, and it was brought to the House to vote and determine whether or not the Speaker's ruling should be upheld or not. In an open opportunity to express our positions, a vote was held and there was unanimous support on this side of the House for the ruling of the Speaker. This is not a situation where there is an ability to go outside

and invoke the court system. We value our independence far too highly in this House. There can, of course, be an opportunity to go outside and make an argument, exercise all the freedoms that the honourable member for Transcona (Mr. Reid) referred to. That is the freedom of speech, to hold the majority party in this House accountable for the decision that was made.

I might say it is sometimes easier, unfortunately, to oversimplify these issues to the general public and try and win support and gain support for an argument that is incomplete. That is why it is important sometimes to put on the record, again, what is the background to the position of the Speaker and ultimately upheld by all of the members of the government party.

If you put yourself as an individual member of this House in the opposition as a member of a party that, through its House leader, agreed to something which involved the session ending on a specific date, it would be a closure. No one, I would submit, thought otherwise. You also add to that agreement the quid pro quo for that commitment of the official opposition, in fact, all parties in the House. The quid pro quo for that end of the session by agreement was the giving up of the right to introduce legislation after an agreed date in June, and also it was a commitment not to make amendments beyond the intended scope of those particular bills.

Those particular promises had already been fulfilled by October and November, certainly by November of 1996, in the Legislature. Those promises had been fulfilled by the governing party. What the individual members of the opposition parties did was to try and frustrate that promise. They tried to frustrate that promise by their conduct in the Legislature. They triggered, they signalled that that was the way they were going to be going, and it was obvious that was the way they were going to be going.

So it was necessary for the highest court of appeal in this House to ultimately determine the issue. The ultimate determiner of that issue was the majority party by upholding the Speaker's ruling, a ruling which I am not going to go into. Whatever that ruling was, I would submit it was a ruling done with the best of intentions, with courage, and with every effort to protect the integrity and the dignity of the Legislature. That was how it was perceived by the members on this side of

the House. [interjection] That is the point. The honourable member for Burrows (Mr. Martindale) says not by the public. It was not perceived that way by the public. That makes it all the more courageous a decision to make. It makes it all the more courageous for this governing party and its members to have made that decision to uphold that Speaker's ruling.

It was not done for the sake of popularity. It was done to respect the dignity and the integrity of the Speaker and the Legislature, because what was being attacked was the rules that were a product of an agreement between all members of the House. As unhappy as members might be with the consequences of the agreement at a particular time in circumstances that might not have been foreseen, the fact is that it was a situation where we perceived that the appropriate thing to do would have been to bite your tongue, swallow your temptations to frustrate a legislative process and respect the agreement. There was always another day and there was an accountability afterwards, and you can very appropriately share all of this with members of the public and your constituents, and you can argue that we were wrong. However, I would submit that, in all fairness, you should bring to their attention the fact of the agreement and the facts that show how this process works. The ultimate court of appeal in this forum is the majority party, and they are the ones who will ultimately determine whether the Speaker's ruling was right or wrong.

I want to move briefly to the quality of the precedent, because like in law every precedent depends on the circumstances. I would hope that the circumstances like this will never arise again, that there will never be an anticipated breach of an agreement incorporated in the rules of this Legislature. I hope that never happens again.

With respect to the morality and fairness, the fact that this government had already fulfilled its promise and fulfilled its commitment—by its activity in introducing the bills on time and giving up the right to make amendments that we would have liked to have made and have obliged us to now come back in this session and bring legislation in to do things that we could have done by amendment—that is taking advantage and that is simply unfair. We had a concept in law to protect against that, a concept in equity that would in effect stop, it would preclude, individuals and groups from taking advantage of that sort of situation.

Mr. Deputy Speaker: Order, please. When this matter is again before the House, the honourable member will have five minutes remaining.

The hour now being 6 p.m., this House is now adjourned and stands adjourned until Tuesday next at 1:30 p.m. Have a good weekend, and everybody go out and fight the flood.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 15, 1997

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