



Fourth 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.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FAURSCHOU, David	Portage la Prairie	P.C.
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.
JENNISEN, 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	Charleswood	

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, March 26, 1998

The House met at 10 a.m.

PRAYERS

ORDERS OF THE DAY

Hon. James McCrae (Government House Leader): I move, seconded by the honourable Deputy First Minister (Mr. Downey), that Madam Speaker do now leave the Chair and that the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to.

Introduction of Guests

Madam Speaker: May I please ask for the co-operation of the House to revert back so that I might introduce the group of students that are in the gallery? [agreed]

We have with us this morning twenty Grades 8 and 9 students from Sioux Valley School under the direction of Mrs. Erla Cyr. This school is located in the constituency of the honourable Minister of Industry, Trade and Tourism (Mr. Downey). On behalf of all honourable members, I welcome you this morning.

COMMITTEE OF SUPPLY

Interim Supply

Mr. Deputy Chairperson (Ben Sveinson): The Committee of Supply will come to order, please. We will continue consideration of the Interim Supply resolution.

Mr. Steve Ashton (Thompson): I would like to ask a few questions of the Minister of Highways (Mr. Findlay) and also in his capacity as the minister responsible for telecommunications.

I want to start with a question on window tinting. I have had a number of complaints from constituents

about window tinting. There seems to be a lot of uncertainty, particularly related to the grandparenting of vehicles that currently would not necessarily meet the specifications but at the time of manufacture did.

I have also had concerns expressed about the subjectivity of enforcement and the situation people face both in the province and out of the province. I had a complaint from a constituent that was stopped by the RCMP in Saskatchewan. There seems to be a great deal of uncertainty on this issue. By the way, I appreciate the fact that the minister has written advising me in response to a letter I did send, but I am wondering if the minister can indicate whether there would be any possibility of clarifying for many Manitobans, who do have cars that are tinted above and beyond the level currently acceptable, whether there can be some clear statements on grandparenting those cars, because it is creating a lot of uncertainty both for the motorists and for the police who often have to use a fair amount of discretion in enforcement. I am wondering if the minister can give any information on that?

Hon. Glen Findlay (Minister of Highways and Transportation): I had trouble picking up what the member was asking for, but I believe it was about tinting of windshields. There is a regulation that limits the degree of tinting that is possible. I cannot remember the numbers, but I think it is a 30, a 40 and a 50, I believe. I will have to confirm that. There were some vehicles with tinted windshields in the past that were beyond that, I understand. The RCMP enforcement officers, the Winnipeg police and Brandon, have had some concerns about being able to see through particularly darkly tinted windows in terms of dealing with individuals that they stop. So, in terms of public safety and RCMP enforcement safety, that is why the regulation is the way it is, but I will commit to get back to the member with more detail on the degree of tinting and the issue of grandfathering of vehicles that were previously tinted to a greater extent in the past.

Mr. Gerry McAlpine, Deputy Chairperson, in the Chair

Mr. Ashton: I appreciate that, and I will be following the minister. As I said, people have been subject to action by the police, and there is a lot of uncertainty. I do not think it is fair, quite frankly, if people that had vehicles that were legal at the time to be faced with this difficulty now. I think the obvious thing would be to basically grandparent any and all vehicles that were manufactured before a certain date.

I also want to ask a question to the minister in terms of licence suspensions. I have sent a letter on this as well. There are a number of cases I have been made aware of recently of people who feel that the current licence suspension provisions for medical circumstances are in many cases very arbitrary and put the individuals involved in a very difficult circumstances.

I note, for example, the case of a constituent of mine, Judy Benner, and I have written to the minister on this. She had an incident before December. I have gone through the medical reports. There was some conjecture at the time on what that incident might be. Her licence was suspended. She had an EKG done shortly thereafter which showed no problems whatsoever. In spite of the fact the original physician said that this is a nonrecurring incident, she now is in a position of great uncertainty. Her licence has been taken away. The difficulty again is the proof now seems to be back on her to re-establish her licence, which can take a considerable period of time, and proving basically that she should get her licence back even though the medical evidence thus far has not found any recurring condition that would result in her losing her licence.

I realize the intent of the current system. Obviously, there are certain medical circumstances, but I also have seen other situations where people in the routine medical checkup have been listed as being alcoholics, which certainly is a disease in some sense, but people have questioned that. It is a very subjective analysis and based not on any evidence of that but on a few medical symptoms. In fact, the one individual involved was a former alcoholic, had not really been consuming alcohol for quite some time, and then found himself in a position of having to go through a lengthy process to prove that he was not alcoholic even though it was a

fairly subjective analysis. I know the minister knows the way it works.

I am not arguing for loosening of the standards, but I am wondering if the minister could comment on that and perhaps review this particular case, because it seems to me that the system should not be to the point where people have to go through this lengthy process. It should be a fairly quick process, and there should be some greater definition of what should be subject to suspension.

If someone has a medical condition that could result in them having an accident at any given time, obviously that is for public safety, but when you have no real evidence on the medical report, I think it is a different circumstance.

* (1010)

Mr. Findlay: Mr. Deputy Chairman, what the member is talking about is actually a very delicate subject. By regulation, doctors, chiropractors, other medical practitioners, are required to report conditions that are deemed to impair a person's ability to drive that vehicle safely.

I think that is the key word, is safety. It is not as black and white maybe as some people would like it. There are grey areas of judgment as to whether the person is in a position where they can safely drive a vehicle.

The medical practitioners file their report, and then DDVL is required by law to take appropriate steps. They are basically laid out to assure that individual and the rest of the public that if their licence is returned after a sequence of tests that show negative or acceptability for driving and if the DDVL believes they must go through the testing process again, they go through that process and get their licence back.

Everybody wants to be sure that they can safely drive for their own safety, safety for the rest of their family and for the other motorists on the road.

As I say, there is no magic. There is no absolute black and white that is perfect here in these situations. We rely very heavily on the medical profession to make

the initial determination that starts the process and then the follow-up process of evaluations just to determine whether that person is over the incident, whether it is mobility or whatever, related to a stroke or related-type events.

We get a lot of appeals, and there is an appeal process. I hate to think that we would make decisions in cases like this on a political basis. I, as a minister, prefer that 100 percent of the time it is based on technical, medical information for the safety of all concerned.

I think the member is also aware that licences will be granted to a lot of people in this category with restricted driving privileges, because a lot of seniors want mobility and they feel that losing their licence takes away their mobility and freedom. DDVL will issue licences that mean you can only drive within a certain radius of a community, only within a community, to keep you off the high-speed highways, so where you can safely drive and respond to conditions.

So the member has identified a particular individual. I would assume that she has gone through all the steps of the process, and I want to tell the member that the steps of the process, although maybe they seem to be cumbersome to the individual, and maybe they feel that they are slanted against the individual, we believe that they are in place to protect that person's safety and the safety of the rest of the travelling public in terms of travelling conditions that are encountered.

I shudder to think of the kinds of accidents that happen out there because of lack of attentiveness, and our mission is to be sure that the people out there are able to respond to conditions and circumstances to protect everybody that is on the road.

Mr. Ashton: Mr. Deputy Chairperson, I want to stress again, I have taken the time to go through the information in this particular case, and I can tell you it is a great deal of frustration to the individual involved. I would stress again her frustration and, I think, the need to make sure the system does provide the protection the minister is talking about without putting people such as her in a very, very difficult circumstance.

I would like to ask some further questions to the minister in his capacity as minister responsible for telecommunications. I raised some questions yesterday about MTS in terms of layoffs. Another issue I would like to raise in terms of MTS now, the situation our phone company is in, is given the recent developments with Telus and AT&T Canada, we are in a situation where AT&T Canada, which is on the record as saying it is interested in the takeover of MTS—and that was made publicly during the discussion on the sale of MTS—is now in the position of obviously being able to take over Telus or work out some business merger. The situation in Manitoba is that the same circumstance may arise in the year 2000, December of the year 2000. That is the time at which the government's special share disappears, the time presumably the debt is paid.

I am wondering if the government is prepared to review that provision, because the concern I have is if you take out that ownership restriction that our phone company—and I still like to think of MTS as our phone company even though 80 percent of the shares are now owned outside of the province. By the way, the Premier asked who said that. That was Charlie Spiring, who, the members opposite will be quite aware, is a well-known broker.

MTS itself has indicated at its last meeting that a majority of the shares are held out of the province. The real danger is that if AT&T was to take over MTS, particularly with the limited protection that is in place after December 2000, what would happen to our phone company? I am wondering if the government is prepared to review that clause, to extend that clause to make sure that MTS will not be subject to a takeover by AT&T, particularly AT&T, with its North American roots, something I think would lead to destruction of the employment base of MTS. Is the government prepared to look at that clause?

Mr. Findlay: I think the member has identified really what is going on, and that is that the telephone business has become very complex and there is a lot of change happening in that industry. If the member remembers back just at the beginning of this decade, there was subsidization from long distance to local. You had 10 telephone companies in the Stentor alliance that functioned very comfortably in this country. CRTC then started a process that opened the door to

competition. Competition has led to over 50 percent reduction on long distance rates here in the province. People can now call from their home for nine or 10 cents a minute under certain circumstances.

So there have been tremendous benefits obtained by the customer for telephone services. Yes, local rates have gone up as a counterbalance, but that was a CRTC ruling of some years ago. I guess we are real pleased in Manitoba that the last round of rate increases the CRTC approved, although MTS requested \$3, they only got 84 cents. I think the regulator does a very effective job of looking at where rates should be and our customers in Manitoba have the lowest rates in the country.

The member often mentions Saskatchewan, and clearly because of recent rate increases imposed in Saskatchewan by the Saskatchewan government, \$4- to \$6-a-month increases are either happening or are going to happen next year in Saskatchewan. That makes the cost for consumers in Manitoba competitively quite low.

In terms of the specific situation, we will absolutely, as a government, be observing what is happening very carefully and determine the direction we want to take as events unfold. What we see or what the member is referring to is AT&T, it is pure speculation, it is talk in the paper. Nothing definitive has happened. Within the Stentor alliance, of which Manitoba Telecom Services is a member, it is absolutely dominated by Bell Canada, and that has been the case for a long, long period of time.

I do not think Bell Canada will sit still if the rumour that the member has mentioned comes to pass. So events will happen in the future period of time here that I think in the long run we will have to look at very carefully to be sure that we can deliver the services we want our constituents and our customers to have for telecom services, because telecom is the basis of being able to compete in the global economy.

Our rates are very attractive right now. We have a company that is very aggressive in modernizing and responding with those services, and we will watch the events as they unfold very carefully. But Stentor is a strong alliance of telephone companies that has served

the country well over the course of time, and I do not see any quick disintegration of that whatsoever.

Mr. Ashton: I can get into some of the issues that the minister referred to. I am prepared to debate and discuss them at any time, but my real concern is about the future of MTS. I think it is in a very difficult situation now because of the fact that 80 percent of the shares are owned outside of the province, largely by institutional investors based on Bay Street.

I feel the government was absolutely incompetent, not only putting aside our differences on the sale of MTS and the way in which they handled it. To be in that position now, I think, puts the phone company in serious jeopardy. December, the year 2000, when the restrictions come off in terms of ownership, what commitment do those people have to Manitoba? None.

* (1020)

Not only that, this government was so incompetent that it financed the flipping of these shares. They did not have any restriction. This is how incompetent this government was. They went and financed the ability of people to buy the shares and sell them a day later or a week later. That is what they did; many people made money on that, probably some Conservative members because they refused to back out of that.

But I want to put in context some of the other concerns I have, and that is already what is happening in terms of rural Manitoba and I know this is an issue. The member for Portage (Mr. Faurshou) is aware of that. There have been a number of closures, a number of layoffs affecting Portage, Steinbach, Morden, there is the business office and phone centres and I remember raising questions about ownership.

I said at the time you are going to lose control of the phone company in Manitoba and people said, oh, no, no, majority ownership by Manitobans. I actually have the document here, which in fact I will be prepared to table it later on, which was sent out by the CEO of MTS at the time, said, well, you know, will it be owned by the majority of Manitobans? Oh, yes, no problem, don't worry about rural employment and the rest of it. I mentioned about the ownership. We are starting already to see concerns on the rural side. Do not take

my word for it. I remember there was an interesting editorial in the Portage Daily Graphic. They said call a spade a spade. They recall what was discussed in the debate and they said admit it, this is what happens. We have a private company that is looking at the bottom line and is not as concerned as it should be or perhaps as the publicly owned company was for rural employment.

I remind the government that, in 1990, they as a government—and we supported it—pushed decentralization, and one of the issues was getting decentralization of employment for Crown corporations and not just for government as a whole. It has been a real concern to people in Portage and I have talked to many people and I know the member for Portage has as well. I want to ask the minister, since the government has a special share, since the government has representatives on the board, if he has discussed this with those representatives, if he has stated his concern about the impact on rural employment, if he stated his concern about potential future impact because there are many other communities that could significantly be impacted. The concern I want to say again is this new company now is driven obviously by profit. It is not happy making \$80 million a year instead of the \$23 million that was made under public ownership. They pushed to get a 12.75 percent return on equity. They are going to be looking at any way, shape or form of doing it.

The concern of a lot of people that I spoke to in Portage is you are now going to be in a position of people driving into Winnipeg as part of some of the reorganization that is going to take place. A lot of the work, especially telecommunications, can be done pretty well anywhere. One of the funny things here is it is a threat and it is a strength. It is a threat because if AT&T takes it over, operator services can be conducted from the United States. I think in South Carolina they are providing operator services to various different states right now, so we could lose it.

On the other hand, you could be in Portage and you could provide that kind of service as well. You can provide pretty well everything except local installation and service; that has to be onsite. My concern is to make sure that we are not going to see erosion of employment, closure of offices, downgrading of

offices, whether it be in Portage or Morden or Steinbach or Thompson or any of the communities. The Pas, of course, has just recently gone through that as well.

I wonder if the minister is prepared to get involved because once again during the debate on the sale of MTS, Mr. Tom Stefanson assured people. Mr. Bill Fraser, in that document that was sent out across the province, assured people about the commitment to rural and northern Manitoba and that there would not be an impact on rural employment. I asked that question in the committee and the minister will remember it. In fact, Mr. Stefanson went to Thompson. When he was asked a question by people in Thompson, he said employment is probably going to increase because of this, such a growth industry.

By the way, I note on the record, employment has decreased by 450 at MTS since that time, but I do not want to get so much into that issue. I got into that in Question Period yesterday, I appreciate that. I want some assurance from this minister that he is going to use the government's special share and talk to the government's representatives on the board to make sure that rural and northern Manitoba's concerns are addressed.

Mr. Findlay: It is obvious that the member does not understand what telecom is in the 1990s and where it will be in the new millennium. Telecom industry is about communicating, about people being able to communicate. It used to be basically telephones; today it is a wide variety of services that transmit over those wires and those lines. It is about people having those services and being able to cost-effectively communicate with people all over the world. That is what telecom is about.

The member talks about jobs within MTS, period. He does not talk about the industry as a whole. Within that industry in the last few years, within the industry as a whole, there are thousands of jobs that have come to Manitoba in the telecom industry. There are over 7,000 growing to 8,000 or 9,000 in the telecom service centres. It is CN, it is CP, it is Air Canada, it is AT&T Transtech. Those are jobs that are done here in Manitoba that deliver services all over North America

and an awful lot of our contracts in the United States. Those are services.

Beyond that I could talk about hundreds and hundreds of jobs in the industry of competitors. Telecom is about people in Manitoba in their homes and businesses having the modern services. That is what the telecom industry is about and, because we deliver those services, whether it is MTS or other service providers or other users, we generate those jobs. We have the strategic advantage to do that.

I wish the member could get over being hung up about that MTS is about creating jobs. Jobs come if we deliver the services that people want to buy competitively, and that is fundamental. We have the most competitive location in Canada in the telecom industry, without a question. The member is talking about jobs in a number of centres around rural Manitoba. Yes, we have concerns that those centres are closed. I listened to the member's question. Would he please listen to the answer? If you are not interested in discussing it then why do you bother asking the question? Let me answer the question, if you do not mind, please, sir.

We have those services delivered to those individuals and those communities by another means now. It is called phone corners in existing businesses, which can be open longer and deliver the same quality of service to the customers more cost-effectively. At the end of the day that is what it is all about. It is about being cost-effective, delivering services to customers. If the member would just look at the broader picture and see the advantages of adjustments that are happening.

Naturally, in the broader sense, we all want to be sure that there are jobs in rural Manitoba. As the economy expands and becomes competitive there are jobs appearing out there by the hundreds, in the telecom industry and outside of the telecom industry. But every one of those jobs out there, whether it is Maple Leaf from Brandon or Isobord in Elie, they use telecom services, more use of the network. That is how you create jobs, is use of the network. You do not create them on paper and say they automatically should happen forever. They are there because services have to be delivered. The customer is prepared to pay for those services, and the adjustments and the change are

not only happening in Manitoba, they are happening across the country.

The member fails to realize that most telephone companies have gone the private sector route over the number of years and the services have been delivered right across this country very effectively by Crowns and by private sector companies. There is nothing wrong with the delivery of either. In Manitoba we have chosen for avoiding having to support the debt that was there, the \$800-million-plus debt that was there; it is now down to \$400 million. They are very cost competitive in operating their business.

The member opposite sat in the benches when they lost \$48 million over two years. That is not defensible in the long term. You have to make a profit in delivering those services and adjusting change towards the future, and government cannot be there supporting debt all the time. Government is about being sure we can modernize and change and move forward, and that is what we have done and that is what MTS is doing today.

There are challenges. There is no doubt, but you cannot guarantee the future is going to be as perfect as you want it to be. You have to have the adaptability to adjust and change and modernize and take advantage of the opportunities that are on the table and we have in Manitoba. We have thousands and thousands of more jobs in the telecom industry than we had 10 years ago, and they are jobs created because services are delivered here, where the contracts come from outside of here. We are doing more and more of that delivery here because of our competitive, comparative advantage.

Mr. Ashton: That was a pathetic attempt at an answer. I asked the minister about Portage, about Steinbach, and about Morden. I asked the minister what he was going to do since the government has a special share, it still has a say, at MTS. I asked about the government appointments, and all he did was give me a rambling view of his view of the world and a defence of what MTS has been doing.

* (1030)

I can tell you, I know the member for Portage (Mr. Faurshou) is concerned about this because I know he

has been contacted by people. The people in Portage do not buy that. The people that were laid off do not buy that. The people in The Pas do not buy that. The minister should make up his mind whether he is going to sit there and defend what is happening or get in there and represent rural and northern Manitoba.

I look to the member for Portage, because I know he is concerned about this, to speak out as well because, you know, read what was said in the Portage paper, I think would be very good advice to you. Call a spade a spade and speak out, because if someone does not speak out on behalf of rural and northern Manitoba with the privately owned phone company, they will continue to erode jobs in rural and northern Manitoba.

I can tell you, to the minister, he talks about this, he talks about that, he talks about the other. My concern is to make sure if the job can be done in rural and northern Manitoba the jobs should be there, not in Winnipeg, not in Toronto, and not in South Carolina. This minister is responsible 100 percent because this minister—you know, he talks about getting over the MTS debate. He is the one who went around, he and his Premier (Mr. Filmon) announced there would be no layoffs due to the sale of MTS, no layoffs. There have now been 450. I mean, I cannot use—well, I can use the word “big lie.” That is parliamentary.

That was not true. Either they knew it and they did not tell the people of Manitoba what the real situation was or they were plain incompetent. Either way, you should be ashamed of what you have done in terms of that.

The same thing with rural and northern employment. I raised it in the committee. I went across rural and northern Manitoba. I went to Morden, I went to Portage, I went to your constituency. By the way, I talked to your constituents, and they did not support the sale of MTS. You did not bother to ask them what they thought, and the reason is that you did not have the support for the sale of MTS in your own constituency.

I could tell you, whether it was Portage or whether it was Morden or whether it was Dauphin or whether it was Swan River or The Pas, you know what happened? They did not believe you. Now, who did not believe

you? Well, first of all, it was obvious to the people. But you know what? More than 15 municipal councils, band councils passed resolutions opposing the sale. They did not believe you. The Manitoba Association of Urban Municipalities, they did not believe you. The Union of Manitoba Municipalities, they did not believe you either.

I sat here today, and I thought I would give you a chance. I thought maybe you had seen how incompetent you were and maybe, even if you were not going to respond to the concerns I expressed, you would listen to your own newly elected member for Portage (Mr. Faurischou), who I know has been saying, because I believe he cares about his community, that he has concerns about what is happening.

I say to you what is going to happen is if you sit there and do not respond to these questions, if you do not talk to MTS, if you do not talk to your representatives on the board and get them to stop the erosion of jobs in rural and northern Manitoba, we will see exactly what we predicted would happen come true. We will see fewer and fewer jobs in rural and northern Manitoba. They will either be transferred into the city or out of province or out of country.

I want to ask the minister: has he met with any of the members on the board? Has he raised the concern about rural and northern employment and the offices that are being closed with either Tom Stefanson, the chair of the board, or Bill Fraser? Has he talked to anyone and, if so, has he said and will he say on the record that he will speak out on behalf of rural and northern Manitoba in terms of that employment to protect other communities from the same as what happened in Portage and Steinbach and Morden?

I mean, those are communities that you supposedly represent in this Legislature. Are you speaking out for them or are you going to continue with the kind of answers we saw in the Chamber just a few minutes ago where you mouth the same kind of pap that we hear from MTS, from Tom Stefanson, who either was not telling the truth to the people of Manitoba or is completely incompetent? Are you going to speak out on their behalf, on behalf of the people of rural and northern Manitoba?

Mr. Findlay: That member is back to his pathetic rhetoric that we go backwards into the future. He has no context of telephone service for people or for residences or for businesses, and over the course of this decade—[interjection] Mr. Deputy Chairman, if that member wants to continue his rhetoric, I will sit down and he can stand up and rhetoric all day. It does not matter. He asked a question, but he does not want to hear the answer, because he is so paranoid about going backwards into the future.

He refuses to recognize a 50 percent reduction in long distance rates, rural customers having larger calling areas with no long distance rates which that member opposite, and when they were in government, would not address whatsoever. It was about creating jobs at the expense of the users of the system that was making Manitoba less and less competitive. It was about losing money in Saudi Arabia. It was losing \$48 million in two years. That was the incompetence of that member and his government opposite.

That has all been turned around, and that member cannot realize the benefits that are created from that. It is thousands of jobs in Manitoba. It is lower rates. It is long distance reductions. It is a consumer's benefit over the course of time that has happened because of our leadership in the telecom industry, and I am sorry that that member cannot see the light.

Absolutely, rural Manitoba jobs in terms of the industry as a whole are underchallenged because technology creates less and less needs for people, but there are other ways in which jobs can happen in rural Manitoba. You do not have to be located in Winnipeg to deliver the kind of services. They can be delivered from different locations in the province, and that is where a lot of these customer service centres come into being. They can happen in rural Manitoba. In Brandon there is one. There is one in Russell.

Mr. Chairman, this change that is going on in this industry is not going to stop today. It did not stop yesterday. There are dramatic opportunities and there are challenges. There is no question about that. I think the Manitoba Telecom Services, as currently structured, is strong and able to respond to that to be sure that our residents and our constituents have cost-effective, high-

quality telecommunication services for Manitoba on into the future.

Ms. Rosann Wowchuk (Swan River): Mr. Chairman, since the minister is not going to answer the questions related to telephones as it relates to services to people in rural Manitoba, perhaps we will try another area with the minister.

One of the areas of great concern to rural Manitoba and to farmers in rural Manitoba is the situation that has developed as a result of the Crow and rail line abandonment and the serious challenges we are facing with respect to transportation. As a result of rail line abandonment, there is a tremendous shift in traffic patterns, a tremendous amount of traffic that is being put on roads that are not built to carry the kinds of weights that are on them right now. I see in other provinces, for example in Saskatchewan, they recognize that there is a real problem and have put a fairly substantial amount of money announced in their budget to upgrade their roads in comparison to what we have here in Manitoba, and we do not appear to have much of a strategy as to where we are going.

I would like to ask the Minister responsible for Highways and Transportation what strategy is in place and when is this government going to start to plan and work along with municipalities to ensure that the trade patterns that are being developed, the routes that are being taken, resulting in increased traffic, for example, No. 10 highway. If the minister travels on that highway you now see ruts being formed in the roads, because they are just not built for that. So I would like to ask the minister where the strategy is by this government, and when are they going to start working on this to ensure that the needs of the community, the needs of the industry are met with the proper transportation routes, some guidelines from this government, and how they are going to deal with this challenge that we are facing in this province.

Mr. Findlay: Mr. Chairman, the member asked a very long question. It has a lot of elements to it. Clearly, again, this is adapting to incredible change that is happening. The evolution of traffic from rail to road has been going on for 20 to 30 years. It is certainly escalating in the last two or three years, and I guarantee it will escalate over the next four or five years.

Decisions taken by the federal government, elimination of WGTA is stimulating. In one sense, a good news story in rural Manitoba; on the other side, it is a challenge. It is stimulating value-added processing. It is stimulating diversification into producing other commodities than just cereal grains for export. It is processing plants. It is oilseed crushing plants. It is french fry processing plants. It is hog slaughter plants like Maple Leaf in Brandon. That is an evolution.

* (1040)

What is happening is the products to and from those processing plants are going to travel more and more by truck. Basically, I see it as almost 100 percent by truck, and that is because the rail industry, for whatever reason, has not been able to respond to this change going on. The truck industry offers competitive rates and a more responsive time element of when to pick up the product, when to deliver it. This was putting incredible pressure on the road system; there is no question about it.

When I came into this office four and a half years ago, we had a request list from municipalities for road upgrading that totalled \$600 million. Today, that request list is \$1.5 billion even though we are putting \$100 million a year toward that request list. So you can see it is escalating because of the need for roads to carry heavier weights. Most of those roads were built—that the member is referring to, outside of the paved roads—for carrying 40,000 pounds. Today those trucks that they want to run are 138,000 pounds on every road—municipal road and provincial road. That is putting pressure on the roads that they were never built to carry. There is no question about that.

We, as Manitoba, have been working with Saskatchewan and Alberta to develop a strategy that we can all live with. We are all faced with the same challenge. I guarantee you it is greater in Manitoba than the other two, because the cost of exporting products to salt water or across salt water is just too high, and there is going to be more and more pressure to value add the grains here as opposed to just haul them by any route to an export position. We have jointly as three provinces—and B.C. has joined us, too, so we could say it is four provinces that made a very significant submission to the Estey report on grain

transportation review, to be sure that the system that evolves responds to the needs that we have in our provinces.

The member says, well, Saskatchewan is putting more money. I talked to Saskatchewan, too, and they wished they had the kind of response that we have to the roads. They have a lot larger system. Their system is certainly in not as good a shape as ours. I think the member opposite would like to support us. I would assume she would like to support us in terms of dealing with the federal government on this issue. She heard me say many times that the tax that we collect from fuel tax, we put back into the road system within the province.

At the same time the federal government is collecting \$150 million a year in fuel tax off our road system, it is contributing absolutely zero back to maintaining that infrastructure. I call that immoral, absolutely immoral. I do not know of any organization or individual that speaks in favour of what the federal government is doing. It is just immoral that they want to collect taxes out of a system they will not support the rebuilding of. They just say, it is up to you provinces. It is just not fair; it is not reasonable.

This initiative has been going on for 10 years. We used to have a program called the SHIP program that the previous Conservative government had in place. That is now finished. This Liberal government has not donated or even or granted or offered a dollar towards the roads in Manitoba. Even the WGTA transition fund, they would not even allow that to go to roads although all municipalities and all farm organizations supported this saying that money, \$26 million, is not enough but at least it should go absolutely to rural roads. We wanted to go to the gravel roads. Jon Gerrard came and just walked away with it. That is immoral, but the Liberal government got elected again.

I want to let this member know how frustrated we are with this process, because we have got opportunity knocking on our door in terms of diversification and value added creating more jobs in rural Manitoba in this process. Yet, our infrastructure is under tremendous pressure to keep up in terms of maintaining those roads. That is the way it is. I wish I could say that there is some magic out there. He said work with

municipalities. Well, the last time I made a major initiative of the work of the municipalities, those members opposite wanted to beat us up. It was offering a contract with the municipalities to maintain gravel roads, where they could do it more cost-effectively with their equipment instead of us spending money and buying equipment to duplicate, it made sense. Anybody who wanted to voluntarily enter that contract could and did. It is a response where we work together.

But you have got to accept some change, and I can tell the members opposite, whether it is this member or the member for Thompson (Mr. Ashton), who just absolutely reject any change or any adaptation, but I can guarantee you, this is going to go on anyway. In terms of grain transportation and the evolution in rural Manitoba, it is economically driven, and people are making their decisions day in and day out, this change in that industry, and we will be less dependent on exporting raw grains in the future more so than in the past. More jobs will be created because we value add and process here, but we have to continue to build that strategic infrastructure.

We have formed a committee with UMM and KAP to try to talk about that bigger question the member is referring to, but there is no quick and easy answer as long as the federal government refuses to participate and help us through this process.

This is the only industrialized country in the world that does not have a federal transportation initiative. The federal government, they put out a five-year plan that they are putting money into road infrastructure to the year 2003. They say there is going to be \$3 billion invested in the roads of Canada. It is \$2 billion towards the bridge between P.E.I. and New Brunswick, \$1 billion to roads in provinces east of the Ottawa River, and to the member opposite, west of the Ottawa River, five provinces get basically zilch between now and the year 2003. But they continue to say that, and I just got a letter that somebody says the same thing all over again and says we will talk about it; we will talk. That is all we have been hearing from them for years—we will talk about it.

At the end of the day, we get nothing in the form of support for rebuilding those roads. It is crucial, it is critical, and as I say, we work with all the partners as

best we can, and I would like to think that the member opposite would support us in that process, but I will wait and see.

Ms. Wowchuk: Certainly, Mr. Chairman, we do not accept the actions of the federal government, their lack of commitment to roads in western Canada, and that is something that all of us would support the minister on, and we would hope that he would continue to speak out on this, as the minister responsible.

As he says, there is tremendous change in our transportation system. The Parklands area is one of the hardest hit areas. We have had most of the rail line abandonment in that area, and we do not have the road system. That is what I am talking to the minister about, about putting in place a strategy, putting in place a plan that in the next few years we will see that the roads in this area will be upgraded, so that the producers in the area, whatever industry develops there, have a transportation system that will be there to meet the needs of the people. That is not happening. It appears that there is no planning; there is no strategy. I am pleased that the minister says that there is a committee now in place that is, at least, talking about this, because there has to be a lot of work done.

The other area, of course, that I want to mention is on what has happened with rail line abandonment. We have heard all kinds of things, that short-line railways could be bought up, and one of the railways that people have taken the opportunity to buy up is the Cowan subline. Again, although there is an interest in it, there is not the commitment on the part of the federal government which made the rules now for this line to operate. The same challenges are being faced by other people who are operating short-line railways because they are not able to negotiate rates with CN on these lines.

I want to ask the minister where his commitment is to short-line railways and whether he is prepared to do anything to ensure that those people who believed that there was an opportunity to operate these lines will get the support that they need to see that they become a reality.

The one particular line, the Cowan subline that I talk about, the people who are working on that are putting

in a tremendous amount of work on it and are now being stonewalled because of the way the legislation is written. They are not able to negotiate any rates on it, and, quite likely, they are not going to be able to proceed.

So where is legitimacy to all of this that we have heard, that there was a commitment to short-line railways? Although CN had let down the people by breaking their commitment to provide services, now the people who are operating short-line railways are not having the support.

I want to ask the minister if there is a role that he can play in this to see that these people can operate these lines. I use the example of the Cowan subline, but I know that the same challenges are being faced by other people in western Canada who are trying to operate short-line railways.

Does the minister believe that short-line railways should have a chance to survive and provide services, or was that all just window-dressing and a good way to say, yes, short-line railways can operate, but in reality what is really going to happen is that these lines will not be able to negotiate with the railways and in actual fact will end up as lines that will be torn out?

* (1050)

Mr. Findlay: Mr. Chairman, as a government we have strongly supported the principle of short-line rail. Going back to I believe it was '93, we passed a bill here to facilitate the ability of establishment of short-line rail that would fall under provincial jurisdiction, because previous to that all rails were federal because they crossed provincial boundaries. So we have facilitated, through legislation, through the previous minister, short-line rail legislation.

What the member is referring to, Mr. Chairman, has everything to do with the Canadian Transportation Act and the federal government with regard to short-line rail. When the CTA came in, as a province, and as three prairie provinces, again, we argued there were certain elements there that we were not sure what the outcome would be, but they rammed it through, no question about it. We all have a suspicion that they rammed it through to facilitate looking after CN and

CP, as opposed to ensuring services were delivered to industries that used the rail across this country.

We are certainly frustrated, as short-line operators try to get functioning, when we see the major rail lines abandon a section without a connecting link to the existing rail system. We, as three provinces, have promoted joint running rights to allow short-lines and locations to have real competition as opposed to be captive to just one railroad. We get stonewalled continually at the federal end in this connection.

The Estey report again highlights this concept that we want real competition to be possible for short-line rails to deliver services. The reeve, Maxine Plesiuk, reeve of Ethelbert I believe, has done a tremendous amount of work to try to facilitate development of that short-line there and has an American investment opportunity there for somebody who can operate it. We as a department and as a government through other departments have certainly supported every advocate of establishing a short-line rail, with staff and whatever we can do to help them determine if that line they are proposing for short-line is economically viable. Is there a customer base? Can they pay the bills? I mean, there has to be a business plan that is economically based, otherwise one would question whether that short-line can function.

Clearly, the member opposite knows that we support it wholeheartedly. I know this House supported wholeheartedly the concept of the lines in the North, the Bay Line, the Sherridon line, that they be operated by somebody who really wants to economically see an opportunity and provide service. We supported OmniTRAX, CN selling it to somebody who wants to do it and OmniTRAX came in to be that company at the end of the day. I have no doubt that they will offer better services, services that CN would not offer before, cost-competitively, and you will see increased economic activity through Churchill, in and out of Churchill, because you have somebody invested and trying to make a business run using this line and moving products, whether they are agricultural, forestry or mineral, up and down that line.

The member in her question had a certain skepticism. I want to tell the member that we wholeheartedly support any principle of keeping freight on rail as

opposed to on road. Fundamentally, those short-lines must be economically viable, and we fight collectively as three prairie provinces with the same principles in mind. If there is a rail to be abandoned, absolutely CN and CP must offer some economic unit that allows a short-line operator to have a chance at economic viability, as opposed to just a chunk of line that does not have any future.

Clearly, the lines in the North fit into that category. The line that Maxine Plesiuk is working on we hope fits into that. She has done an unbelievable amount of work. She deserves a significant medal for what she has done to try to pull that together, but she has the support of our department and our government in the context of doing it to achieve that economic viability with staff support however, whenever necessary.

Ms. Wowchuk: Mr. Deputy Chairman, I also recognize the work that Maxine Plesiuk has done along with the other people. The Village of Ethelbert and other people have recognized this as important to the economy of the area and have been very supportive to her in her efforts, but certainly she has been the lead person on behalf of a large group of people who are committed, and it involves not only Ethelbert but the other area.

I want to ask the minister if he has any information from CN about other lines that CN is proposing to abandon and that being the other lines in the Swan River Valley and the Preeceville sub. Has the minister been given any information as to whether CN is proposing to abandon other lines, because if they are, this is the kind of line that also fits in to make the Cowan sub more viable. Without being able to tie into other areas definitely as a short-line, there are some risks to the economic viability of it, but they are looking at other areas, and I would ask the minister whether he knows of any plans by CN to—

Mr. Deputy Chairperson: Order, please. I would remind the members of the Chamber that there is a debate going on, in process, and any other discussion outside the members who are posing and answering the questions, I would ask that all members either be quiet or leave the Chamber or go into the loge.

The honourable member for Swan River, to continue your questioning.

Ms. Wowchuk: Just to complete my question, is the minister aware of CN's plans to abandon any further lines? Has he been in any communication? If he is, is he prepared to share that information for those people who are interested in expanding short-lines or trying to develop services in the Swan River Valley?

I am very concerned about the possibility of loss of service to the Swan River area, because we know that some of the lines have been abandoned, and along with that, where does the traffic go? It all fits into this whole issue of we do not have a strategy. We do not have a plan about what is going to happen to transportation and the movement of grain or processed product or other livestock products or the forestry resource products that are very important to the economy of the whole area that I represent.

Mr. Findlay: Well, Mr. Deputy Chairman, under the CTA, both railroads are to file a three-year plan of proposed lines for abandonment, and then they go through a 30-day, 30-day plus 60-day process of offering it to provincial governments, municipalities and then other people that may look at short lining.

I do not have that list in front of me at the moment. I will get it for the member. The department will have the list of the lines that they have for western Canada, and we will look at which ones are here on the list for Manitoba, but, clearly, as I mentioned earlier, we advocate that any abandonment be done on the basis of offering an opportunity for an economic unit to be developed around the short-line, and, clearly, the railroads have other initiatives in mind.

It is no secret to say that they know if they abandon this line, just a chunk of it, and do not allow a short-line to function, the grain is going to have to come to them anyway, and that means on a road. I mean, the railroad has their game going on, and provincial governments and users of rail lines are looking at the thing quite differently.

So I will endeavour to get that list for the member of what we know about both rail lines in terms of that three-year plan that they are required to file. I think back to the last 40 years, there has been a tremendous amount of rail abandoned across western Canada, and

although we say there will be less grain hauled to export, there still will be a lot of product hauled within our province. The destination may not be a saltwater port, but it is other locations, and the evolution, so much of it going on road is going to increase the pressure on us, whether it is agriculture related, forest related or mineral related, and we want to promote effective short-line rails that will work. So I will get that information for the member.

Mr. Gord Mackintosh (St. Johns): Mr. Chairman, I want to ask the minister some questions about MTS. I understand that the province holds \$400 million in debt of MTS, and has a special share in the corporation. Would the minister explain how the Province of Manitoba is represented on the Board of Directors of MTS?

Mr. Findlay: Well, Mr. Chairman, I would ask the member to ask that question of the Minister of Finance (Mr. Stefanson), because the golden share is held by the Minister of Finance on behalf of the government and the financial aspects are at his fingertips, if you do not mind.

* (1100)

Mr. Mackintosh: My questions are not in relation to the financial aspects, but rather the accountability of MTS to the people of the province of Manitoba, and the Province of Manitoba as an entity. I ask the minister: is it not the case that the Province of Manitoba has a number of representatives on the board of directors, and how many are there?

Mr. Findlay: Mr. Chairman, four.

Mr. Mackintosh: Could the minister tell us who those four individuals are?

Mr. Findlay: Mr. Chairman, I will endeavour to get that information. Again, the Minister of Finance has that information specifically because he is the minister responsible as the minister holding the golden share.

Mr. Mackintosh: But is not this particular minister the minister responsible for the affairs of MTS?

Mr. Findlay: No.

Mr. Mackintosh: Why is the minister answering questions if he does not have any responsibility?

Mr. Findlay: Mr. Chairman, I have responsibilities for telecommunications, but the Minister responsible for MTS was the position I held prior to the privatization of MTS. Now that it is privatized, the golden share is held by the Minister of Finance (Mr. Stefanson) on behalf of the government, so those specific questions I would ask him to address there.

I mean you ask the questions, I am trying to answer them in the best context I can, but I want to tell you that that specific information the member wants, I will get it from the Minister of Finance or ask him to deliver it to you directly.

Mr. Mackintosh: So we know that the minister is answering these questions because he is responsible for telecommunications, and therefore he is accountable for the role of MTS in the Manitoba economy at least. I ask the minister: did he have any input at all into the naming of the individuals representing the Province of Manitoba on the MTS Board?

Mr. Findlay: Mr. Chairman, that input came through the Minister of Finance.

Mr. Mackintosh: Are any of the four individuals on the MTS Board appointed by the Province of Manitoba the same as were on that board before it was privatized?

Mr. Findlay: Mr. Chairman, as previously indicated, I will request the Minister of Finance to supply that information.

Mr. Mackintosh: Has this minister had any communications at all with any or all of the four directors since the corporation was privatized?

Mr. Findlay: Mr. Chairman, again, that communication will take place between the Minister of Finance and the board members.

Mr. Mackintosh: Can the minister responsible for telecommunications possibly explain why he does not appear to have any involvement at all in either the appointment or policy advice or communications with

representatives on the leading telecommunication corporation in Manitoba, MTS itself?

Mr. Findlay: Mr. Chairman, MTS is a private company, and the golden share is held by the Minister of Finance (Mr. Stefanson) on behalf of the government of Manitoba.

Mr. Mackintosh: Well, I wonder if the minister responsible for telecommunications would not want to express some interest and concern about how MTS is fulfilling what this government perceives as appropriate telecommunications policy in Manitoba?

Mr. Findlay: Mr. Chairman, the appropriate telecommunications policy is to be sure that Manitobans, individuals and businesses, have cost-effective, modern telecommunication services, and I absolutely believe that they are getting exactly that from MTS and other private sector suppliers in those services.

Mr. Mackintosh: If that is indeed the policy of this government, I ask why this minister has not in some way intervened and made representations to the representatives from the Province of Manitoba on the MTS board. I wonder if he has made any representations then to the Minister of Finance (Mr. Stefanson) on telecommunications policy as can be delivered through MTS?

Mr. Ben Sveinson, Deputy Chairperson, in the Chair

Mr. Findlay: Mr. Chairman, certainly as government we discuss the evolution of industry, business and telecommunications in a very broad sense. In terms of interventions, MTS, like every telephone company across the country, has a regulator called CRTC which makes decisions on what rates customers and consumers will pay.

Clearly, Manitobans have been served well by that process. We have the lowest rates in the country. As I mentioned earlier, long-distance rates have decreased by over 50 percent in recent years, and Manitobans now have high-quality services that allow them to communicate with Manitobans and people all over the world as well as anybody can communicate in the reverse to them.

So telecommunications policy is to be sure that we are at the leading edge of services that are available anywhere right here in the province of Manitoba.

Mr. Mackintosh: I wonder if the minister would then agree that, since he does not appear to have any role with MTS, is it the policy of this government that it will not intervene in the workings of MTS insofar as communications regarding telecommunications policy in the province of Manitoba.

Mr. Findlay: Mr. Deputy Chairman, telecommunication services in the province are delivered by MTS and other service providers, all of whom are in the private sector today, and they have a regulator called CRTC. Through the federal Minister of Communications, Mr. Manley, we have policy discussions on a national basis as well as trying to work with various service suppliers in Manitoba to be sure that they are modernizing and delivering the services cost-effectively, and I believe very strongly that that is the case.

Mr. Mackintosh: Well, then following on that answer, would the minister explain why or would he confirm that this government is therefore treating MTS no different than it is treating any other telecommunication company in Manitoba, despite the fact that the Province of Manitoba holds \$400 million in debt and has four representatives on the board of directors?

Mr. Findlay: Mr. Chairman, clearly MTS is a private sector company. We have responsibility for four members on the board currently, that is true, and as I mentioned earlier, that responsibility to the government is through the Minister of Finance (Mr. Stefanson), not through this minister.

Mr. Mackintosh: The minister has stated that it is a policy of this government to help ensure that the telecommunication industry in Manitoba is at the leading edge of telecommunication services. Now, we know that promises were made by the Premier (Mr. Filmon) that there would be no layoffs at MTS after privatization, and we heard the promise even being extended further by Mr. Stefanson when he said that, in fact, employment levels would increase as a result of

privatization. Now we see the reality and just how wrong if not untruthful those statements were.

Now, I know the minister earlier in response to the member for Thompson (Mr. Ashton) said that he is interested not in MTS per se but in the telecommunications industry generally. I urge this minister to consider a proposition—I think it is a no-brainer—but I believe that if we strengthen MTS, you are strengthening the industry. MTS is the little company that could. It has established an excellent reputation, in fact, a reputation around the world in providing telecommunications expertise.

As well, we have to always be aware—and the Minister of Industry, Trade and Tourism (Mr. Downey) should be listening to this—that it is critical that Manitoba establish itself, position itself, to compete on a global basis in sectors that are high-skilled, high-waged. We see, indeed, the disproportionate growth of industry in Manitoba to the low-wage, low-skill industries, for example, in call centres. But telecommunications has been identified by the people that think about this stuff, by the experts. I think of Lester Thurow, for example, from MIT, who says that governments have a role to ensure the strength of telecommunications because that is where the future is, that is how an economy can be strengthened. It is on the basis of those kinds of sectors. He identified about seven or eight sectors, I believe, telecommunications was one of them.

Now given that the recent layoffs at MTS have been particularly bewildering, what we have seen are layoffs of younger, high-skilled individuals. Some of the people that were laid off had received the benefit of investments in the range of \$50,000-\$60,000, in the last year or two alone, in training in state-of-the-art technology. Some of the individuals that were laid off were in fact making money for MTS by providing technological advice and services beyond the borders of Manitoba.

* (1110)

I understand that SaskTel had engaged in some layoffs a while ago of these kinds of people. What happened then there was a number of retirements at the senior levels, and that corporation found that it really

was lacking the dynamic, young, high-skill potential, young workers in the corporation. Now we hear that SaskTel is sniffing around Manitoba. They realized that perhaps they had not made the wisest decision, and they know now that it is important to invest in telecommunications by ensuring that a corporation like this has a young, highly skilled labour force to ensure the long-term viability and strength of the corporation and, therefore, as I said earlier, strength of the telecommunications industry.

I ask the minister: Given that—and I do not know if he disagrees with anything I said and some of my facts. My understanding of SaskTel may be too general and may not be entirely accurate, because I am just going from information that I have received. I wonder if the minister has expressed that concern, particularly regarding the most recent layoffs, layoffs that just appear to me to be stupid and not in the long-term interest of either MTS—a corporation that we have been very proud of—and the telecommunications industry in Manitoba. Has he made representations to the Minister of Finance (Mr. Stefanson), or in any way to MTS, expressing concern or at least questioning why these particular positions were subject to layoff?

Mr. Findlay: Mr. Chairman, the member talked about, made a statement “compete on the global basis,” and I want to talk about that because there is a lot more to that than just MTS in the province of Manitoba.

We are competing very effectively on the global basis. Out of Manitoba, whether it is telecom or related industries—and there is one tremendous success story in Manitoba that I would like to remind the member of. It is called Broadband Networks Inc. It is a company that started some five years ago, that has hundreds of employees at this point in time, high-salaried, high-skilled, leading edge technology that is being sold all over the world. It is the company that put Sky Cable system in business, supplying cable television through the air. It can provide telecommunication systems through the air. There are cellular services, whether it is in New York or Japan, and the jobs of providing or supplying that technology is right here in Manitoba. They are part of the telecom industry in Manitoba. There are high-skilled, high-paid jobs there. I guarantee that many of those people came out of MTS over the course of time. They are right here in Manitoba and they are expanding. The company has

recently been sold to Nortel who will sell that technology on an even broader basis around the world. MTS is part of the telecom industry; Broadband is; the customer services centres are; there are an unbelievable amount of jobs created in that telecom industry in Manitoba, and MTS is the core and nucleus part of that industry.

I do not have the gloom-and-doom scenario that members opposite have saying, that if people move from their job from MTS to another company in the province, if there is anything wrong with that. There are other companies doing similar things. They are able to compete, compete on a global basis, provide the services that will allow other industries to compete on a global basis. We are a have province, we are competing provinces, and all the statistics that members heard opposite all tell the same story. We are competing. We have the services. We are strategically located. We have a government that recognizes that, and we operate from that basis.

Mr. Mackintosh: I am disappointed the minister never answered my question. I take it, then, that the government by doing nothing about the recent layoffs is supporting these layoffs and the implications, both short term and long term, for MTS and the telecommunications industry.

Mr. Findlay: Mr. Chairman, there is an evolution going on in telecom and MTS is not the only employer of people in the telecom industry. If the member wants to talk about telecom jobs, just look at the whole mix of telecom jobs in Manitoba, and it is going up and up and up.

An Honourable Member: It was going down and down and down. You said it would not happen.

Mr. Findlay: See, the member opposite does not want to listen. The number of telecom jobs in Manitoba are going up because of companies that are seeing opportunity. Services are being delivered from this location, and MTS is going through the same evolutionary change that SaskTel is going through, that Telus is going through, that BCTel is going through and that Bell Canada is going through.

We said that because of privatization, there would not be job losses directly. This is an evolution. It started

10 years ago and continues. Telecom Services, MTS has done a good job in terms of finding work for those people on contracts. I know last winter there were a lot of them down in California on contracts delivering services that they could provide by MTS employees, Mr. Chairman.

Mr. Mackintosh: Is the minister including in his comments about growing employment in the telecommunications industry, employment at call centres?

Mr. Findlay: We have in excess of 7,000 jobs in the customer service call centre industry in the province of Manitoba delivering high-quality services through various companies—CN, CP, AT&T Transtech, and on it goes.

An Honourable Member: Air Canada.

Mr. Findlay: Air Canada. I daresay there are over 50 companies in that industry located here in the province of Manitoba. The member likes to call them call centres, but they are customer service centres by and large, many of them, and they have a variety of salary ranges within those jobs. The Royal Bank has just announced another centre. I mean, that industry is growing. Those jobs are going to happen somewhere in North America, and if the member is really saying he does not want them in Manitoba, I am very disappointed in that member.

Mr. Mackintosh: The answer was yes, and a comment that I do not think it was those kinds of jobs that Lester Thurow had in mind when he urged governments to support and foster high-skill, high-tech telecommunications industries in their jurisdictions.

My final question or comment to the minister is: if he does have these concerns and these views, and he is offering his particular insights into the telecommunications industry, of what value is that to Manitobans when he cannot, and does not want to, express those to the board of MTS for the purposes of the direction of MTS? Because what we have here is the Minister of Finance (Mr. Stefanson) apparently, according to the minister's statements, directing or having involvement in the appointment and presumably policy direction for the four directors, that is not related

to telecommunications policy. It is finance policy, pure and simple.

Why is the minister not ensuring that MTS is accountable to the people of Manitoba and not operating in accordance with telecommunications policy, whatever that policy might be, rather than simply standing by while the Minister of Finance has a say at the expense of Manitobans and the future, not only of this corporation, but this industry? Because I conclude by what I said earlier, if you strengthen MTS, you strengthen the industry.

* (1120)

Mr. Findlay: Well, Mr. Chairman, contrary to the member opposite, I believe MTS is very strong in delivering services to Manitobans, cost-effectively, high-quality. We have the lowest rates in the country, and I believe MTS will continue to do that. I have incredible confidence that they have the ability to deliver those services within that industry, contrary to the members opposite.

Mr. Gerard Jennissen (Flin Flon): I am wondering if I could ask the Minister of Highways a few questions on highways, if we could go back to that topic again, specifically, the March 20 news release by the Manitoba government. On the second page, and the minister can elucidate this for me as I quote: the government also funded \$21 million in highway repair and restoration costs related to the massive flooding throughout south central Manitoba in the spring of 1997.

I want to ask the minister: which government are we talking about? Was this \$21 million not 90 percent funded by the federal government?

Mr. Findlay: Mr. Chairman, that is \$21 million that was spent in Manitoba, approximately \$9 million to \$10 million on rebuilding roads that were damaged by the flood and some \$11 million to \$12 million spent in terms of services to maintain the roads during the flood. So it is \$21 million spent on the roads and road systems during and after the flood. Yes, we will be applying to receive some compensation from the federal government under disaster assistance in that context, but that is \$21 million spent in the province of

Manitoba. A lot of it was spent by contracting to the private sector for service delivery—I am sorry, Mr. Chairman, like building the Brunkild dike.

Mr. Jennissen: But again I would like to ask the minister: of that \$21 million then we can reasonably assume that approximately \$18 million will come from the federal government, and we cannot really take credit for putting that into the system. This is extra money that is coming from the federal government.

Mr. Findlay: Mr. Chairman, we would hope that we get the money back from the federal government. It has been spent on the ledger of the province at this time, spent in the province, spent for the province, and the application is going forward to receive compensation from the federal government. I am not aware that it has been received yet, and I have known from past experience that sometimes this is a long process, but the province has bankrolled those expenses to this point in time.

Mr. Jennissen: Mr. Deputy Chair, going back to that news release again and the heading which states: 1998-1999 Highway Construction Program announced by Findlay, over \$205 million in projects to generate 3,490 construction jobs, I guess my concern is: why are we lumping this over two years when, in reality, there is obviously only \$106 million being put into construction jobs? The heading seems somewhat misleading because someone looking at that at a glance would assume that \$205 million is going, new money is going into construction projects this year when, in reality, only \$106 million has been budgeted. I realize they are ongoing projects, but I am just wondering if that is a good way to be doing things.

Mr. Findlay: Mr. Chairman, the answer is yes, that is the way to do business. We have been doing it for some time on a two-year basis for two reasons. One is to let people know what is coming; and second—there are really three reasons—second is to allow the department to do the final strategic survey and design, land acquisition and consultation with people that may want to support or object to the plan for that particular road; and thirdly, is to give the industry some context of what is coming in the way of projects so that they can adapt and adjust. It has been requested by municipalities. It has been requested by the private

sector that they have an idea of what is ahead a year out, and it gives the department a better chance to have the projects ready for tendering early in the season. Previously, a lot of tenders went out in late May, June, early July for that particular season and it put pressure on the industry to respond with competitive bids. Now we are getting the tenders out three and four months earlier because we do the two-year planning process, two-year budgeting process for highways.

Prior to my being in office here, it used to be 1.7 times the budget was out in front of the industry all the time, now it is two times the budget. So this is a normal procedure that we have done for some time in response to the requests we have had from all the parties I have just mentioned.

Mr. Jennissen: The Minister of Highways (Mr. Findlay), in response to the honourable member for St. Boniface (Mr. Gaudry), a little while ago said that 11 percent of the construction budget, the road budget, the Highways budget, is devoted to northern Manitoba. Again the minister states that in a press release obviously his department must have sent to the North, because in the Flin Flon Reminder, I can quote again the minister's own words, this is "approximately 11 percent of the overall new program budget," said Highways and Transportation Minister Mr. Glen Findlay in a news release on Friday, March 20.

Now, I am hard put to find that 11 percent, Mr. Minister. Maybe I am just not clear on the mathematics here, but I am adding up in the northern region new projects, and I come up with \$9.14 million, and out of \$106 million, that is around 8 percent, that is not anywhere near 11 percent.

If I want to get really parochial and look at my own constituency of Flin Flon, which I presume covers roughly 20 percent of the province, I am just guessing here, there is only \$600,000 in new projects, roughly half of 1 percent. Now I know we cannot have 11 percent in one area all the time, but even overall I cannot find that 11 percent. I have not been able to find it for years, cannot find it here either. I am just wondering how the minister is doing his mathematics because even if you take last year's projects and this year's projects from the North, that adds up to \$5 million and \$9.14, which is \$14.2 million, which is

only, you know over the 205 is only 7 percent. I can find 7 percent, yes. I can possibly even find close to 8 percent, but I cannot, for the life of me, find the 11 percent, and I am just wondering what rule of thumb the minister is really using.

Mr. Findlay: I appreciate the member's question because we just go through the list and pick projects that he calls in the North. I do not dispute what he has just mentioned, but I want to remind him that in addition to that, you will see \$5 million for sealcoating.

Within that there is 945, there is 20 percent of the budget, of that sealcoating budget, is in the North. In addition there is, and I can not remember the exact figure, but around \$300,000 of expenditure on gravel roads, surface stabilization, basically dust control and a couple of other categories.

Mr. Chairman, the member for Flin Flon (Mr. Jennissen) has asked a question. I would appreciate it if his colleagues would allow me to answer so I can give him specifics.

There are other categories where there are expenditures on northern roads, and the total is 10.7-some percent of the total budget. You add up all the categories, the projects that are visible, and the components of other expenditures that are also within the capital budget.

In addition of the 10.7, which is roughly \$11-point-some million spent in the North of all those projects, we are spending \$1 million also in the constituency of Rupertsland on the access road off 304 to Little Black River. There is another million there. So if I wanted to put that million in the northern allotment, we are up to 12 percent. I will give the member the breakdown of all the different expenditures within the total budget that are on the northern roads, and I will supply them with that information, understanding how that percent is arrived at. Because I appreciate when you just go through the list, you do not come up with that. But if you are just going to go through the list, then just go through the list of the remaining percentage and you will find that you will come out around 11 percent. It is a commitment we made.

I have increased the expenditure on northern roads in the last few years in the interests of fairness, trying to

spread it all over the province, and yes, in your particular constituency, it will not be 11 percent. That is true in many places, that we spread it all over the province trying to respond to the needs that are out there in a structural way.

Mr. Kevin Lamoureux (Inkster): Mr. Chairperson, I want to ask the minister in his capacity as minister responsible for telecommunications, I had an interesting constituent that brought a case and lives on Keewatin. He planted a seed in which it did cause a great deal of concern for myself and that is the way in which long distance is handled, in particular, individuals that would be calling, let us say, collect from a foreign country, calling into Canada. There is no way in which it can actually be traced.

* (1130)

Now, in my calls, I find out that, in fact, that is the case and that it is federal legislation that would be required in order to change that. I am wondering if the minister responsible for telecommunications has any perspective on that particular issue, if he could maybe just comment on it first.

Mr. Findlay: Mr. Chairman, is the member referring to tracing a long distance call from outside the country?

An Honourable Member: Where they call collect.

Mr. Findlay: Where they call collect? Well, I guess the person receiving the call has the right to say no, I do not want to accept the call. But if you accept it now, you should know who you are talking to. [interjection]

This is kind of complex. Yes, it is under the federal Telecommunications Act and CRTC is the regulator. I assure the member there are many new situations that unfold as we broaden the ability to communicate. If there is a specific example or case, let us discuss it, because we constantly do try to communicate with the federal minister, try to be sure that our policy reflects what citizens need, and respond as a province accordingly.

Mr. Lamoureux: Here is an individual, for example, who has a number of collect calls from the Philippines, and there is no way in which he can confirm whether or not those were legitimate calls. He knows that he did

not make the calls or accept the charges. He asks his children, did you accept charges? And the children say no. He wants to know where those calls originated from and is told from MTS that they cannot reveal. They know where those calls originated from, but they cannot reveal that. The question to the minister is—because I am of the opinion that he should be able to know where those calls originated from—does the minister responsible share that opinion and the reason why? If he does share that opinion, I think then the minister should make some sort of representation to CRTC or to the federal government, arguing that particular point or, at least, informing them.

Mr. Findlay: Mr. Chairman, I have got to get a better context as to what the member is referring to. MTS has a compliance officer for, what we are really coming down to is, some concerns as to whether anybody in that household was involved in that particular phone call that was charged to that household. That is a job for the compliance officer, because, let us face it, there are people in society that will illegally give a number to have somebody else pay for their call. It is an ongoing problem in the industry, and it is something that compliance officers in all telephone companies are dealing with and have problems being sure that citizens are only charged for the calls that they legitimately make or receive.

It is a challenging sector, there is no question about it. As our technology advances and we take word over a phone, that you are who you say you are or the number you give is the number that you really are responsible for, it is not a black-and-white science as we would all like it to be. But compliance officers try to get more and more aggressive, being sure that people cannot get away with that kind of illegally giving somebody else's number to have the call charged to.

I would like further information from the member, because I have particularly dealt with a case in the last couple of years of that nature with the compliance officer over there. I think they are good in being able to give customers a sense of satisfaction that their privacy and their phone bill is protected from illegal use.

Mr. Lamoureux: The compliance officers, they are then ultimately responsible for holding accountability

as to what is actually printed on the bills, I would assume, and what controls, because it would seem to me that if the company is the one that employs the compliance officers that there might be somewhat of a conflict there—what ensures the consumer, if you like, because you could stretch it out further. People when they make a long distance call—at least I do not have a stop watch, okay, here is how much time I spoke on this particular long distance call and add it up throughout the months.

Now, on a microscale, you are talking very little in terms of dollars. On the macroscale, you are talking substantial dollar amounts. I would think that something of that nature would also fall under the compliance officer. What sort of independence, what sort of accountability, if you like, would the compliance officer have? I will get the details. First, I have to check with the constituent and get the okay from the constituent, and then I will share with him the details, because it was investigated and there was some justification that was given. We still disagree on a few of the points, but the underlying problem on that particular case was why we could not have access to the originating person that made the phone call. I believe that that access should be given. There is no reason in my mind why it could not be given, and that means it involves some sort of change in federal law. I would think, being a minister responsible, that would carry some clout at least in making presentation on this particular constituent's behalf, and you can maybe just comment on the independence of a compliance officer.

Mr. Findlay: We will have the discussion about the particular case, and we will look at whether everything was done that should have been done and whether, as a minister responsible for telecommunications, we should be making representation. I believe that what the member is going to bring forward is not an isolated case. There are many examples of the same potential circumstances happening.

Independence of the compliance officer—yes, he is employed by MTS, but MTS has a mission to satisfy customers. Now that they are no longer a monopoly, there are other service providers out there saying—particularly related to the length of a long distance call—we will only charge by the second; if you use it, we will not take it to the next minute. You hear that

advertisement. That is a pretty good signal to Stentor companies that you had better do the same.

So competition does create a response to the customer that never happened before, and I think the customers are well served by the competition that we have in the industry, particularly in the long distance sector.

Mr. Gregory Dewar (Selkirk): I want to ask the Minister of Highways a few questions related to the 1998-1999 highway construction projects that was announced recently by the government, in particular, the government's decision regarding the upgraded highway PTH 9 between Lower Fort Garry and the Perimeter. As the minister is aware, this has been an ongoing issue for the residents of that area and those of us, of course, who travel that road.

There has been a series of meetings held, I guess it was prior to the last election '94-95, as the minister is aware, here there were different options presented by the Highways department in terms of rebuilding that road or proceeding with the so-called Selkirk corridor. I am just asking the minister today if his department, if they have made a final decision on the upgrading of PTH No. 9.

Mr. Findlay: Well, Mr. Chairman, traffic volumes on many roads around the city continue to increase, and certainly Highway 9 between Winnipeg and Selkirk is no exception. The member is clearly aware that some years ago the department had advocated the Selkirk corridor, which would be building a road between Highways 8 and 9. Constituents of his along Highway 9 in the affected sector put together, I believe, a 1,500-name petition opposing the corridor and wanting the reconstruction of the existing Highway 9, which I responded positively to. Because, let us face it, those people who currently use Highway 9, I mean their lanes or their streets, their residential streets, come onto Highway 9, so they cannot ever see themselves using another road three or four miles or two miles to the west of them.

* (1140)

The department has been working at how you upgrade Highway 9 cost-effectively to serve the traffic

needs on into the future and keep the speed limit at a high enough speed that the traffic going through can move along efficiently, and it is low enough that safety of all the intersecting lanes and streets are respected. The department is still working at that ultimate final design of Highway 9. Clearly, one of the things to look at is safe left turning, left turning when you have to stop in the middle of the road and turn to the left across the oncoming lanes. That is going to have to be addressed. How much extra property is going to be needed, and, is that property available on the left and the right of the road?

There has been one open house that was held some time ago dealing with that, and that is where the corridor concept was discussed. There will ultimately be another open house that will look at what that design will be, and the department is wrestling with it—what it should be—to be sure that we encompass in Highway 9 the interests of all the users, whether it is through traffic, whether it is local traffic, maximizes safety, particularly, I say, of left-turn lane activities. It is an ongoing process. We are continually responding and upgrading the parts that need major repair on Highway 9 from the Perimeter north, but it is not going to be an easy solution for the department to bring forward, to respond to every constituent's request. But the emphasis is on upgrading the current route of Highway 9.

Mr. Dewar: Thank you, Mr. Minister. As you mentioned, of course, it is a big project. There is no denying that. It is going to be an expensive project, as well. But in the news release issued by your department, there was only one mention of this particular stretch of highway where you will be doing some pavement levelling and shoulder restoration at an estimated cost of \$150,000, which we welcome. But I am just looking for a much great bigger commitment from you that this project will be a priority for your department. I do not see it in this document, other than some levelling and some shoulder restoration.

Will the minister comment on that?

Mr. Findlay: Well, Mr. Chairman, as minister responsible, everybody makes the request the member opposite has just made, that their road should be a priority. They have 18,500 kilometres of that request

for priority, whether it is Highway 9 north. Whether it is the Perimeter, whether it is 59 south, or whether it is 10 south of Brandon, I mean, there are continuous requests.

In the member's local area, a significant amount of money is being spent on the north Perimeter on the restoration of the two decks of 101 over the Red River. Those deck restorations are \$4 million for the east-bound lanes and \$4 million for the west-bound lanes, serving his constituents. A lot of money being spent, but you are over that bridge in three or four seconds, you hardly notice it, but it is essential that it be done in order to continue to keep that bridge open to the large volume of commercial traffic that is crossing that bridge every day.

We are under considerable stress trying to deal with the fact that the federal government will not respond to, as I mentioned earlier, a moral obligation they should have to support every province in terms of highway network. We have \$1.5 billion of requests and 100 million to serve it with each year. We will continue to work on Highway 9, and ultimately an open house and a meeting with the public at large that will allow some discussion of what the options will be for the long term, as the member mentioned, expensive upgrading of that route. But absolutely, it is in front of us, and it will take some time to go through that entire process.

Mr. Dewar: Will the minister then consider realigning the intersection of PTH 27 and Provincial Road 238, and that is what is locally called—well, it is at the River Road and the Parkdale road where they do meet up with Highway 9. It was something that you mentioned in the letter to me dated March 13 of last year. As well, you mentioned that there is the right-of-way acquisition and reconstruction of the intersection of 44. Now I understand there is a bigger project in mind in particular in the Lockport area to deal with some of the tourism issues in the Lockport area where they want to redesign that particular intersection of Highway 44 and Highway 9. As well, you mention that they will be commencing, in stages, construction of a new four-lane facility with a raised median north of PTH 101 to Lockport as provincial priorities and funding permit.

So will you look at at least starting with those couple of examples, No. 1, the realignment of that particular

intersection and the commencing of construction of PTH No. 9 between Lockport and north of PTH 101 to Lockport?

Mr. Findlay: As the member has in front of him in a particular letter, those commitments are on the record. Clearly the department sees the intersection of Highway 27 and the intersection of Highway 44 with Highway 9 as intersections with some safety concerns that they want to proceed to upgrade. I think the member is also aware that River Road, which he has advocated with me, was tendered last fall, some work started on that road last fall and will be completed in 1998. A significant commitment there, and we have had discussions with numerous interest groups there, particularly church—they wanted certain things to happen, and we have come to an agreement with that church in regard to stabilization of river bank and the construction of River Road beside their property.

As a department, we respond to everything we can within sense of reason, and what the member has in front of him is a letter that identifies the priorities the department sees for Highway 9, particularly the intersections I mentioned earlier.

Mr. Dewar: I thank the minister. As well, in the construction projects there is a reference made to a project, a \$60,000 traffic signal which will upgrade the intersection of Minnehaha and PTH 9. As the minister knows, there is a school at that particular intersection, West St. Paul School. I think it is one of the only ones that is on a major highway in this province. Now, I want to ask the minister: will that project include signal warning lights?

Mr. Findlay: That is an engineering question. I will find out from the department the specifics of what will take place at that intersection with regard to signalization.

Mr. Dewar: Earlier this spring, in fact about a month ago, it was brought to my attention that the province will no longer be paying for road cleaning into the town of Selkirk. This, of course, would be No. 9 Highway which makes up the main street in Selkirk. This will cost the town approximately \$4,000, because now the town will have to clean the street as part of its regular maintenance schedule. They used to do that and they

used to bill the province, and now the province will not be paying that bill.

There are some concerns. I know the mayor has written to the minister regarding this. I guess, although the town recognizes that within their broader budget, \$4,000 is not a lot of money, but it still is money. Has the minister looked at this particular issue, and is he prepared to reconsider this offload to the town of Selkirk?

* (1150)

Mr. Findlay: We have a budget in excess of—this year it will be \$58 million for maintenance. We are trying to stretch that budget to respond to the maintenance needs on our major road network. Clearly, the issue of street cleaning in towns is important to the towns, but the department has said beyond the first street cleaning—street sweeping which we will continue to do in Selkirk, we will sweep once in the spring, street cleaning one time through—but we will not do a second, third and fourth time, which might have been done in the past. We will save that money, but we will not incur that cost and spend out that money on other maintenance projects on the provincial highway network.

I know that some towns think that we have taken away a service that they would like to have, but I want to remind the member we will do it the first time, and in the spring cleanup we will do that street sweeping. If the town wants to do additional street sweeping, then that is their decision and at their cost.

With regard to Selkirk, last week, I met with the mayor and with MAUM about that particular. We discussed the reasons why the department felt it was a maintenance function that maybe is not essential today for safety—the second, third or fourth sweeping—and that we would be better off to be spending that money on road surface maintenance elsewhere in the entire system. So that discussion has been held. I have every confidence that Selkirk and MAUM understand the reasons why we made that change and are receptive to the department's decision in that context.

Mr. Daryl Reid (Transcona): I have questions for the Minister of Highways and Transport. Over the last several months, I have travelled to the community of Pine Falls and I have travelled down provincial road

304. I am talking in particular about the section from Stead turnoff at 304 to Provincial Highway 11. I found that particular stretch of road to be in a deplorable condition. It has got a lot of twists and turns in it, it has got a very narrow shoulder, and the surface of the road itself is in a very deteriorated state.

I have looked through the minister's announcements dealing with provincial road 304, and you have made some investment in 304 from Manigotagan to Bissett and from Currie Landing to Bissett, but I do not see any announcements with respect to the section of 304 from the Stead cutoff to No. 11 Highway which is the part that is quite hazardous. If vehicles are parked alongside of the very narrow shoulder, in spots where they can park, it can make for hazardous travelling conditions especially if you happen to encounter a vehicle going in the opposite direction at the exact moment that you are passing that particular parked vehicle, because the lane itself is quite narrow, the road is quite winding, and in the wintertime when you have got icing conditions in there, with the bends that are in there, it makes it very hazardous for vehicles.

I know you have to reduce your speed because of the conditions that are there, but I do not see any improvements in your project list and I want to know, do you have anything in your books and plans for this year to make investment into that area to straighten out the road, to widen the shoulder, to improve the surface of the road, or is this something that is going to be happening down the road a few years from now?

Mr. Findlay: I do not have a map in front of me to identify the specifics, but what we have put in the budget is an aspect that the department believes is the primary things that we should be doing in that particular road. I want to certainly indicate to the member there has been discussion in the department about—I think it is the same sector of road that the member is referring to—that there needs to be some major work done, take out curves, improve safety of the road, ensure the sight lines are clear. I think it is about a 12 or 18 mile stretch of road. [interjection] That is the stretch, that is right.

In the department there has been major discussion there as to what to be done. If I remember the issue properly, there was, at one point in time, another

alignment proposed, a different location, and what the department determined is that, and again I have to almost pick numbers out of the air, but it was like a \$12 million cost to rebuild this stretch of road on another alignment. I could be off a little bit, a couple million one way or the other, but there is no way that we could spend \$12 million in that one location in one budget, so doing it in two or three budgets or three or four budgets would leave the problem the way it is.

The department's preference is, and the cost is about the same, to rebuild the road section by section by section in the part that the member is referring to where it is curved and there are sight limitations. The department is very much aware of it and is prepared to get on with it, but on the existing alignment, which some people still object to, it is just impossible rebuild the road on a different alignment because of the cost and because of the urgency of getting on with it in the short term as opposed to the long term.

Mr. Reid: Well, then, if I understand the minister correctly, and I know it is a global figure he is talking about, \$12 million to do a realignment thereabouts, give or take, for this section of three or four that we are talking about here, then I take it from your plans that you have issued by way of your press release that it is not part of the plan for this year, and that because it would take, from my understanding, a fair amount of planning work that would go into this, that this project will not be in the works for next year as far as reconstructive work is considered, as well. Is that what the minister is indicating here today?

Mr. Findlay: I will find out more specifically from the department what their proposal is, and I do not say it has been discussed. How far along it is in terms of total resolution I am not aware of at this moment. I will find out and get back to the member on that specific—I am pretty sure we are talking about the same stretch of road, which there has been a fair bit of discussion on. Nobody disagrees with the concept it is unsafe. Nobody disagrees with that. It is just a matter of how to respond, to upgrade it cost-effectively over the short term, because it is a road that needs attention, I fully agree.

Mr. Deputy Chairperson: The honourable member for Transcona, with his short question.

Mr. Reid: I will take the minister's word and if he can provide us with some detail about what the departmental plans are with respect to 304 from Stead to Highway 11 we would appreciate that information, because it is quite hazardous, not only for the members of the public travelling to Powerview, Pine Falls and St. George area, but for the members of those communities travelling in and out of those communities to other areas of the province. So, I look forward to the minister providing that information for us.

Some time ago I had talked to the minister about the Perimeter Highway which circles the city of Winnipeg and in particular the eastern link and where it intersects with Gunn Road. There is some transport truck traffic that does use that road. In fact, there is a particular Polet training school, I think it is, that operates in the Redonda Street area and uses Gunn Road to access onto the Perimeter Highway.

Now, there were some difficulties with the intersection in that area, and I have not seen any improvements to that particular intersection. I had left it with the minister to communicate with the R.M. of Springfield and perhaps the City of Winnipeg, because it is the borderline between those jurisdictions, whether or not there can be some improvements to assist those particular business people who are in that area.

It is my understanding that there will be some light industry going in on the north side of Gunn Road in the near future. At least the land is now being cleared for that, and I believe Mr. McDonald [phonetic] is involved with that. If the small business starts to establish in that area, they are going to need a better road surface and intersection at the corner of Redonda and Gunn Road and where it intersects with the Perimeter Highway, the new eastern leg of that.

So I would like to know if the minister has made communications with the R.M. and the City of Winnipeg to make those improvements and also if the department has considered improvements to the Perimeter Highway intersection point where Gunn Road interchanges with the Perimeter Highway.

Mr. Findlay: Mr. Chairman, very quickly, this is a very complex issue. I have had discussions with

Springfield and the city about building Gunn Road and having that the major connection onto the Perimeter, because we want that commercial traffic not to have to go through any residential or city part. We want them to get on the Perimeter as fast as possible.

I had a proposal that they would make an application, the infrastructure program of a year ago. Springfield and the city could not come to any understanding that either one or the other or any cost-sharing process should be used to build Gunn Road. So it is absolutely at a stalemate in terms of their building of Gunn Road to bring that traffic onto the Perimeter, because it is not a provincial jurisdiction, it is a municipal jurisdiction.

Subsequent to that, the people on Springfield Road have been pressuring hard that they need to get onto the Perimeter directly. They want to get onto the Perimeter by taking Springfield straight east into the curve. The department does not deem that as safe, because of your sight lines, because of the overpass to the south and the curve to the north. It is not a good thing to do. So we are talking in terms of building straight north on Wenzel Street, from Springfield straight north on Wenzel to get to the Perimeter on a slightly different alignment there to straighten it out.

That is what is under discussion, and there is a lot of support there to do that, so that we will get access onto the Perimeter directly from Springfield going north on approximately the Wenzel area right now. That is what the department is discussing with that area and with the city. The idea is to get commercial traffic from that region, in the city and in Springfield, up onto the Perimeter without going through residential areas.

So that is the plan that has evolved because of a lot of discussion which involved those two municipal governments and the local business residents, but everybody wants to get the traffic onto the Perimeter directly without going through residential areas.

Mr. Deputy Chairperson: Order, please. The time being 12 noon, I am leaving the Chair with the understanding that the Committee of Supply will reconvene immediately after proceedings.

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, March 26, 1998

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