

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 22 May, 1985.

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister of Business Development.

**HON. J. STORIE:** Mr. Speaker, it's my privilege to table the 1984 Annual Report of the Manitoba Data Services.

**MR. SPEAKER:** The Honourable Minister for the Environment.

**HON. G. LECUYER:** Thank you, Mr. Speaker.

It is my privilege to table the Annual Report for 1984 of the Manitoba Environmental Council.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Mr. Speaker, I'm pleased to table information concerning proposed changes in Manitoba's trucking regulations and a copy of a Memorandum of Understanding respecting a Federal-Provincial Territorial Agreement on the Economic and Administrative Regulation of Truck Transport that was signed earlier this year.

**MR. SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 30 students of Grade 5 standing from the Dearwood School. They are under the direction of Mr. Nerbas and the school is in the constituency of the Honourable First Minister.

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

### ORAL QUESTIONS

#### Vicon - cost to taxpayers

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, just a matter of clarification. I was going to direct it to the Minister of Industry, Trade and Technology, but I direct it to the Premier, Mr. Speaker.

Yesterday, his Minister of Industry, Trade and Technology committed the Manitoba taxpayers to an

obligation of \$1 million to a European multinational firm on the basis that they will provide employment at the end of the decade for some 130 people. My question to the Minister was surely that the people of Manitoba had a right, and we in this Chamber had a right, to see that agreement.

For the information of the Premier, the Minister answered, "So if there is any other information that the member requires, I'd be pleased to provide him with that." Well, it's not myself . . .

**MR. SPEAKER:** Question.

**MR. H. ENNS:** . . . that is asking that question. I think it's the House and the people of Manitoba who are asking that question, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. V. SCHROEDER:** Thank you, Mr. Speaker.

I'll take that as notice for the Minister, but I would point out that the agreement is not \$1 million for 134 jobs, but rather \$1 million for overall, direct and indirect, 500 jobs, which is a fairly significant difference from what the member is indicating.

The member recalls that just a few weeks ago they were debating that we should drop on the table \$8 million without any guarantee of long-term employment, just 200 jobs for one year in the sugar beet industry.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please.

#### Vicon - tabling of agreement

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I direct a question to the First Minister. Will the agreement with Vicon Canada be tabled in this House?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, the Minister accepted that question; he took it as notice yesterday and the Minister will be responding.

#### CCIL Closure - Losses to taxpayers re loans and loan guarantees

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Mr. Speaker, I direct this question to the Minister of Co-operative Development.

In light of the sale or the announcement that Vicon will be locating in the province, I wonder if he could now inform us as to the status of the loan and loan

guarantees that the province, over the last eight to nine years, have put out towards CCIL.

**MR. SPEAKER:** The Honourable Minister of Co-operative Development.

**HON. J. COWAN:** Thank you, Mr. Speaker.

I'm certain that the members opposite share with us the approval and the enthusiasm with which we enter into this agreement in that it will protect those farmers who have already purchased Co-op Implements equipment by ensuring that a parts network is maintained. It will create jobs in this province; it will boost the economy of this province; it will provide for a stabilization of the farm implement economy and industry in this province. It will do all of those things and, beyond that, in respect to his specific question, it puts us in a better position in respect to the loans and loan guarantees that we had and still have with Co-op Implements.

Had Co-op Implements not been able to enter into the sale of assets and had we not been able to continue the operation, and had they not been able to continue their network, they would have been defunct, and in that case, the loans and loan guarantees would have been worth nothing.

What we have done is give them an opportunity to continue the network, give them an opportunity to grow and prosper by being able to narrow their efforts, and by doing so, I believe that we have solidified our interests in respect to loans and loan guarantees in that operation.

So for all of those reasons, I know that the members opposite share that enthusiasm and approve of the agreement. — (Interjection) — Well, perhaps they don't but if they don't, then their disapproval of that agreement flies in the face of reason and what is good for this province.

**MR. R. BANMAN:** I wonder if the Minister could tell us what the exposure on loan and loan guarantees is with regard to the Province of Manitoba in their involvement with CCIL.

**HON. J. COWAN:** Yes, I think I will be able, by going through my notes, to provide that information to the member in detail in a moment; but he must realize that it's not just the government's involvement in Manitoba. It's the other Prairie Provinces who shared our faith and the faith that was exhibited by members opposite when they were in government, in Co-operative Implements, shared our optimism that they would be able to function and prosper.

The Federal Government was involved and, in fact, co-operators around the province were involved; so we're all pleased that the Vicon arrangement has been struck and the agreement has been struck, so that Co-op Implements has the ability to respond and rebound from some difficult times. But as for the actual amounts, I'll have to total those figures up and we'll be able to provide them to the member in a moment.

**MR. R. BANMAN:** Mr. Speaker, since I gave the Minister notice of the question yesterday as a courtesy to the Minister, I wonder if he could - as soon as he's had

the chance to add those figures up - No. 1, tell us exactly what the outstanding loans and loan guarantees are; and No. 2, what the chances of recovery are to the people of Manitoba with the loans that they have outstanding right now.

**HON. J. COWAN:** Well, I can tell him right away - and I do thank him for having indicated yesterday that he would be asking a series of questions, although not giving notice of the specific questions to me.

I can indicate to him that the loan and loan guarantees are more solid now than they were a few months ago when members opposite were suggesting that Vicon was going to locate in Saskatchewan. They are more solid now than they were several months ago when there weren't discussions ongoing with Vicon, and Co-op Implements was facing a very difficult decision about closing down entirely. We hope and we have confidence - it goes beyond hope; it goes beyond hope to confidence - that Co-op Implements will be able to recover and over a period of time will be able to repay the loans and will not require the loan guarantees that are provided to them now by the different provinces and the Federal Government.

But we are not going to use the loans and the loan guarantees and the fact that they owe us that money as a penalty to them. We're not going to impose upon them a strict repayment schedule so that they can't recover, so that they can't rebound, so that they can't come back into a productive situation.

We have said to them very clearly, we expect that that money will be paid back over a period of time, as you are able to pay it back to us. But to foreclose on them, which is what has been suggested might be appropriate in the past by some members opposite, would be . . .

**MR. SPEAKER:** Order please. An answer to a question should not be a speech.

The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Mr. Speaker, a very simple question. Yesterday the government announced they were giving a private company \$1 million to take over some of the assets of CCIL. I asked the Minister last night and gave him notice about the questions I was to ask. All I'm asking the Minister is, what is the provincial exposure right now to Co-op Implements Ltd.? That's all I asked. I didn't ask him to foreclose. All I want to know is the figures, because we're starting to talk millions of dollars of taxpayers' money is being involved and we want to know exactly which direction this government is taking us.

**HON. J. COWAN:** The figures - I've given them to the member opposite previously in the question period, but I'll repeat them for him. The total Manitoba exposure right now equals \$5.775 million, in the form of a \$2.8 million guarantee; and a \$2.975 million loan. These contributions are secured by a full charge on all the assets.

I am telling you now that the recent agreement which enables Co-op Implements to continue, has made those assets more secure than they were a month ago or two months ago or even a year ago, because we believe

the restructuring that has taken place is not only to the benefit of all the farmers in the province who own Co-op Implements equipment, who would like to own similar equipment, but it is also to the benefit of the province as a whole, in that it enables them to continue operation and hopefully be able to pay back the loans.

For the information of the member opposite, the Federal Government in 1978, when they were government, had a recoverable contribution of \$8 million. The Province of Manitoba loan guarantee - this was in 1978 - at that time, was \$2.8 million; the Province of Saskatchewan loan guarantee was \$2.625 million; the Province of Alberta loan guarantee was \$1.575 million, for a total of \$23.75 million.

In 1982, the agreement called for a loan guarantee of \$5.5 million from the Federal Government; a Government of Manitoba loan of \$2.975 million; a Government of Saskatchewan loan of \$2.45 million; a Government of Alberta loan of \$1.575 million, for a total of \$30.439 million.

But what must also be said is since the time that those loans and loan guarantees were originally struck, the total payroll of Co-op Implements for the number of years has resulted in about \$65.815 millions of dollars of payback to the Province of Manitoba through their recoveries through taxes and spinoffs. So in fact we have recovered the money that was originally put in. As well, we have managed to allow, encourage and support for the continued operation of CI which I believe is the most important factor of this entire discussion, not how much they owe us, but can we stabilize the farm implement industry in this province and provide for jobs, jobs, jobs for Manitobans - and we're doing that with this agreement and we're proud of that.

### Vicon - employing CCIL employees

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. W. MCKENZIE:** Thank you, Mr. Speaker. The Ministerial Statement was given to the House yesterday. The Minister who made the statement, the Minister of Technology, said that Vicon will employ 130 Manitobans directly by 1989.

In order to protect the co-operatives and workers in our constituencies, how many CCIL employees will be employed in this year '85? How many in '86? How many in '87? How many in '88? And how many in '89 will be employed by Vicon?

**MR. SPEAKER:** The Honourable Minister of Co-operative Development.

**HON. J. COWAN:** I can tell the Member for Roblin-Russell that the sale of Co-op Implements assets for their plant to Vicon has enabled them to continue the operation of their depot system not only in this province, but our sister province, and that in fact will continue to provide the jobs for those people working those depots. As well, it will provide the jobs that are going to be directly influenced by Vicon's operations in their plant and further to that, will provide the spinoff jobs that are going to be necessary to supply the parts and the equipment to Vicon.

So the overall job retention and job creation of this agreement is probably understated, but we are modest on this side of the House and we want to put forward the facts as we best know them; but I would be willing to bet that over a period of time, because Co-op Implements is able to rationalize its people network, that we will see, after a slight drop in the numbers because of rationalization, an increase over a period of time in that depot network which will serve not only the farmers in providing them access to the equipment they need, but also to the local economies where those depots are located.

**MR. W. MCKENZIE:** Mr. Speaker, am I to understand from the Minister's statement that the people that own and operate Co-op equipment in this province have no protection whatsoever after the year 1989, that they'll be able to get parts or replacement for the equipment that they already have on their property?

**HON. J. COWAN:** If one is going to make projections and undertake a prognosis, then one would expect them to come up with the most negative prognosis possible.

The fact is that what this agreement does is allow for the opportunity for those networks to exist after that period of time and allows for a continuation of similar type equipment by Vicon over a period of time and if we didn't have this agreement which they seem opposed to - I'm surprised and shocked by that - but if we didn't have this agreement, what we would have, in effect, is the demise of CI and the farmers wouldn't be able to get parts and equipment for their materials and their equipment next year or the year after. So, this is an agreement of optimism and confidence that we have in that industry in those specific components of that industry and in the farming implement industry in the province as a whole.

I can answer the member's question in respect to how many employees will be required by Vicon or by CI in respect to their depots and the answer is 49.

### Vicon - protection of shareholders

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. W. MCKENZIE:** Mr. Speaker, this is a sham to the co-operators in this province, an absolute sham. You talk about an open government. The government's prepared to talk about all the problems. He's reading from the document and yet he won't table it in the House.

Can I ask the Honourable Minister of Co-operative Development, how are the shareholders in CCIL protected under this agreement?

**HON. J. COWAN:** Let me tell you about what is a sham in the co-operative movement in this province, because the co-operative movement in this province is an increasingly strong third force in our economy and will become even more so because of the policies of this government and the extra efforts that we are willing to go to to protect the different co-operatives and to promote the movement throughout the Province of Manitoba.

The member opposite is aware because he was at my introductory remarks in the Estimates when I told him quite clearly that the co-operative sector in the Province of Manitoba has had the best year ever in the previous year. There were more new co-operatives incorporated in 1985 than there were in any year since records were kept by the Central Registry. That's how the co-operative movement in Manitoba is flourishing.

Manitoba's housing co-operatives had the best per capita record on housing starts of any co-op housing . . .

**MR. SPEAKER:** Order please.

**HON. J. COWAN:** . . . in any of the 10 . . .

**MR. SPEAKER:** Order please, order please. Order please.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please.

If the Honourable Member for La Verendrye wishes to shout when he's called to order, he should do so outside of the Chamber.

### Vicon - parts service provision

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

A question for the Minister of Co-op Development. Does the agreement that his government has just recently signed with Vicon, include a provision to provide for a parts service for all the existing line of equipment that CI has been offering for sale to its farm customers over the past number of years?

**MR. SPEAKER:** The Honourable Minister of Co-operative Development.

**HON. J. COWAN:** It is my understanding that the agreement between CI and Vicon calls for CI depots being provided with their existing product line in CI colours; that Vicon would be responsible for continued R and D in Western Canada; that Vicon's production facility for CI related products would still be operating so that those parts will be available for a period of time.

I can't indicate, and perhaps the Minister of Industry, Trade and Technology would be able to indicate when he's in the House as to exactly what that period of time is.

But let's look at what would happen if this agreement wasn't in place. There would be no CI; there would be no Vicon; there would be no parts; there would be no continuation of the depot system; there would be no continuation . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. J. COWAN:** . . . of the product line and the colours, and, in fact, we would have a situation where the farm implement industry in this province would be destabilized . . .

**MR. SPEAKER:** Order please.

**HON. J. COWAN:** . . . and that's not what we want and that's not what we're having . . .

**MR. SPEAKER:** Order please.

**HON. J. COWAN:** . . . and that's why we have that agreement in front of us.

**MR. SPEAKER:** Order please. I will remind the Honourable Minister again that an answer to a question should not be a speech.

The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, I will pass further questions to the Minister, since he wants to make speeches, rather than answer direct questions.

### Clinic, private - Inter-City Gas Building

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, my question is for the Minister of Health. The clinic that is to open in the Inter-City Gas Building, the announcement was made yesterday. Are the operations of that clinic affected in any way by the provisions of Bill No. 2 that we're currently debating in the House?

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** I have no information of that clinic at all except what I read in the newspaper, and it would appear that that clinic will be performing services that are not insured.

**MR. D. ORCHARD:** Mr. Speaker, then is the Minister of Health indicating that the provisions of Bill 2 in no way affect the operation of this clinic?

**HON. L. DESJARDINS:** Mr. Speaker, I said I had no information other than what I'd seen in the paper and that it would appear that most of the services that would be rendered would be those that are not insured. I'm checking with the staff and also with the MMA on that and I should have more information at a later date.

**MR. D. ORCHARD:** Mr. Speaker, a final supplementary. Would the Minister foresee a problem if the clinic were to provide insured services and bill the customer directly for those services performed in the clinic?

**HON. L. DESJARDINS:** I've never worried about that . . .

**MR. SPEAKER:** Order please, order please.

I believe the question is hypothetical. Would the honourable member wish to rephrase his question?

### Broadlands - road conditions

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker.

My question is directed to the Minister of Highways. I asked a question the other day that he, I believe, took as notice and the question period ended before I got a chance to follow it up. It was in connection with the road known as the Broadlands Road, off PR 304. I wonder if he has had an opportunity now to look at the petition that was delivered to his office, and what he intends to do about the condition of the road.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Yes, Mr. Speaker, as the member may know from the Highways Program that was tabled in the Legislature, acquisition of property had commenced last year along a certain section, the first section of the Broadlands Road. That is continuing this year so that we will have all of that completed.

The acquisition wasn't completed the previous year, so we could not begin upgrading this year. However, we intend to go forward with that upgrading for the next construction season. In the meantime, I've asked the department to make special efforts with regard to heavy maintenance to ensure that that road is kept in a safe condition until it can be upgraded.

**MR. D. BLAKE:** I take it from the Minister's remarks that this will be included in the construction program to be undertaken next year, not in the planning and design stage. It'll be in the construction program for next year?

**HON. J. PLOHMAN:** Mr. Speaker, the planning and design stage is completed. The second stage is the acquisition of right-of-way so that the road can be upgraded and then the next stage is the construction and that's what I'm talking about for next year.

### Manfor - severance pay for Mr. Paul Desmarais

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Speaker. I have a question to the Minister responsible for Manfor. Mr. Paul Desmarais, former Corporate Secretary of Manfor, was relieved of his duties last year. My question to the Minister, is Mr. Desmarais still on the payroll and what severance pay arrangements are being provided to Mr. Desmarais?

**MR. SPEAKER:** The Honourable Minister of Business Development.

**HON. J. STORIE:** Yes, Mr. Speaker, Mr. Desmarais did leave the employ of Manfor, I believe it was November

of last year or October. The member asked for the specifics of the severance pay arrangements. I will bring back details of that for the member's information.

**MR. D. GOURLAY:** A further supplementary question to the Minister. I wonder if there is a gag clause attached to the severance pay arrangements provided to Mr. Desmarais.

**HON. J. STORIE:** I do not believe there was a gag clause. I believe there was an understanding, Mr. Speaker, that the terms and conditions would be for the information of the two parties concerned. That is not something that is unusual between parties where there's a parting of the ways, and the terms and conditions that were part of the severance agreement were agreed to by both parties. I don't think anything more needs to be said.

**MR. D. GOURLAY:** Mr. Speaker, I'd like to direct a further supplementary question to the Minister and ask if the Minister can confirm that Mr. Desmarais is still on the payroll of Manfor?

**HON. J. STORIE:** Mr. Speaker, I will take as notice whether the terms of the severance agreement have ended. I have already indicated that I would do so.

### Manfor - consultant's report

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** A further supplementary question to the same Minister. Has the government received a consultant's report on the recommendations of the operation of Manfor? Has the government received that report?

**HON. J. STORIE:** Yes, Mr. Speaker, I have received a copy of the consultant's report, a management consultant's report that was conducted over several months.

I have reviewed much of that with the chairman of the board. The contents of that report are not secret. In fact, I believe they were posted on the bulletin boards of the unions that represent employees of Manfor. It was a very thorough report, I think, informative certainly, for employees of Manfor and confirmed many of the concerns that have been expressed by all levels of management and employees at Manfor.

Mr. Speaker, we intend to follow some of the recommendations in that report because, while we can do much to improve the performance of Manfor by retrofitting, by some of the other measures that have been taken, I think there's acknowledgement by all in Manfor - and I think acknowledgement by the community — (Interjection) — Mr. Speaker, the Leader of the Opposition is asking whether I have the report. I indicate, not only do I have the report, but I have read it and I think it is extremely good information. It will be extremely valuable to Manfor.

**MR. D. GOURLAY:** I would ask the Minister simply, will he table a copy of the consultant's report?

**HON. J. STORIE:** Mr. Speaker, I know that the member has access to the report. I have indicated already that the report has been made available to representatives of the CPU and the IWA. If the member would like to review the report with me, I'd be more than happy to meet with him and review all aspects of it.

### Legislative Internship Program

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I'd like to direct a question to the Government House Leader concerning the Legislative Internship Program for university students. Could the Minister indicate whether students will be undertaking research for the government and Progressive Conservative caucuses?

**MR. SPEAKER:** Order please. I believe the question is on a matter which is not within the competence of the government. It is a legislative matter.

The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I don't want all questions ruled out on that account.

**MR. SPEAKER:** Question.

**MR. R. DOERN:** Mr. Speaker, there has been a committee of the Legislature which has met with the university. Surely some Minister is responsible and can provide some information on that account.

**MR. SPEAKER:** Order please, order please.

Honourable members' questions will not be ruled out of order if they are properly about matters having to do with the administrative competence of the government. The subject matter of the member's questions dealt with legislative matters.

The Honourable Member for Elmwood.

**HON. A. ANSTETT:** Mr. Speaker, on a point of order.

**MR. SPEAKER:** The Honourable Government House Leader on a point of order.

**HON. A. ANSTETT:** Yes, Mr. Speaker, on a point of order, Sir, with regard to your ruling. I think it might be of assistance to the honourable member to advise him that in accordance with the rules established for the Estimates of the Legislative Assembly Management Commission, the Speaker will designate a member of the Treasury Bench to represent, during the presentation of those Estimates and questions regarding the Legislative Assembly Management Commission and all of its activities can be asked during the consideration of those Estimates here in the Chamber; and at that point, under the Speaker's designation, there is then a Minister directly responsible to account for the activities of the commission.

### African countries - funding to

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Mr. Speaker.

I have a question for the Premier. While he was at the Western Premiers' Conference 10 days ago, I asked the Deputy Premier if she could advise the House as to what, if any, assistance the government, on behalf of the people of Manitoba were providing to Ethiopia and the starving people and children of that country and other African countries.

She took the question as notice that day and again last Wednesday. I wonder if the Premier could provide that information to the House.

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** To the Honourable Member for St. Norbert, because the Deputy Premier did advise me of the question, and I will attempt to have that information for him tomorrow morning. It involves the monies that are provided through the matching grant system, the MACI, and also whatever monies would be surrendered as a result of the exemption in regard to sales tax, in regard to the record that is presently being sold which promotes assistance to the famine victims in Ethiopia; but I regret that I don't have the information for the honourable member now and will ensure I have that tomorrow morning for him.

**MR. G. MERCIER:** Mr. Speaker, I would ask the Premier, when he's reviewing this matter, to consider whether or not he would have the government undertake to match funds raised by many individuals and community groups and organizations who are attempting to provide assistance on their own. I refer specifically to a walk that is being organized, I believe, for the end of next week called The Manitoba Walk for Hungry Children in Africa by a number of schools and organizations in the province. I simply ask him whether he would consider providing or encouraging these community groups to raise funds for this worthy cause by matching funds from the province.

**HON. H. PAWLEY:** Mr. Speaker, I appreciate the Honourable Member for St. Norbert's question and it's certainly one that would consider, but I just want to present the other side of the coin to the Honourable Member for St. Norbert. We do provide the matching funds to MCIC, which engages itself insofar as the funding of many needed programs relating to the Third and Fourth World throughout the world. Mr. Speaker, that has been the channel that has been used in the province up to this point.

I have some reservation, Mr. Speaker, if we respond to particular given situations that may be indeed very, very urgent, very, very necessary, but because they have high visibility going around the normal process - I know that it's tempting sometimes for that to be undertaken - but there is a process through the MCIC which we trust as being a group that is able to carefully weigh the needs and the various programs by which government funds and private funds can be utilized in order to help the needy in various parts of the world. It would be my inclination, I must indicate to the Honourable Member for St. Norbert, to continue to work through that fund.

Now, whether that fund ought to be increased beyond that which is in this year's allocation, I think that is another question that is worthy of discussion during my Estimates when it is discussed.

### Teachers' Pension Act - proposed tabling of

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNESS:** Thank you, Mr. Speaker.

I address my question to the Minister of Education. I have had many calls with respect to particulars associated with the agreement reached between the government and officials of the Manitoba Teachers Society with respect to the pension reform.

As this Minister has superseded the powers of this Legislature and reached that agreement outside of the House, I would ask her when it is her intention to table that particular bill?

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. M. HEMPHILL:** Thank you, Mr. Speaker.

As quickly as possible; hopefully within a few days.

**MR. C. MANNESS:** Well, Mr. Speaker, I'm wondering if the Minister could tell whether this bill, because we have to know pretty soon or teachers in this province have to know fairly soon as their May 31st deadline is coming up; will teachers be allowed to take advantage of the new pension, retire on full pension from one division and then enter into contract under a new full wage within a new division? Will they be allowed to do this under the new bill?

**HON. M. HEMPHILL:** I'm not sure that I'm absolutely clear on the question that was being asked. Either he could repeat it or I'll take it as notice to make sure I'm giving him a full answer.

**MR. C. MANNESS:** Mr. Speaker, I'll repeat the question. Will an individual, will a teacher be able to retire on full pension from one division and then enter into a contract at full wage in another division?

**HON. M. HEMPHILL:** Mr. Speaker, I can't imagine that happening under any circumstances. First of all, the people that are retiring are taking advantage of the removal of the penalty because they want to retire.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**HON. M. HEMPHILL:** We also expect that school divisions are going to be taking advantage of the opportunity to hire the new young graduates that are in the market that we want to get into the system so that we have a better balance between experienced teachers and our new enthusiastic teachers.

**MR. C. MANNESS:** Well, Mr. Speaker, the Minister is a little vague. Can it happen? Could it occur that this situation might happen?

**MR. SPEAKER:** Order please.

I believe that detailed questions having to do with a bill are better dealt with when a bill comes before the House for second reading.

The Honourable Member for Morris.

**MR. C. MANNESS:** Mr. Speaker, on a point of order. That's our particular problem. We have teachers today that are calling us wanting to know the answer to that question before the May 31st deadline. I plead with the Minister to table the bill and whether or not, in fact, that can occur?

**MR. SPEAKER:** Order please. That is not a point of order.

**HON. M. HEMPHILL:** I would like to answer that question if I may, Mr. Speaker.

**HON. M. HEMPHILL:** There was a question there and it's a legitimate question. I've answered it very clearly in a direct letter that went out to all the interested parties and to all teachers. In that letter, I said to every individual who would be affected, that it would apply this year, that it is our intention that this apply this year and that they be able to take this opportunity this year. My message has been very clear and it's gone to everybody.

### Cottage owners - free provincial passes

**MR. SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Mr. Speaker, my question is to the Minister of Natural Resources. Cottage owners in provincial parks have received their statements for the coming year, and half of them have received a free provincial pass and the other half have not. Can the Minister indicate why half of the cottage owners have received a provincial pass and half have not?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. S. USKIW:** Well, I don't know whether the Member for Minnedosa has the answer or not, Mr. Speaker, but I'll have to take that as notice.

### Brandon University - Shanghai University contract

**MR. SPEAKER:** The Honourable Minister of Education.

**HON. M. HEMPHILL:** Thank you, Mr. Speaker.

I had intended to answer previously when I was on my feet a question I took as notice from the Member for Turtle Mountain some time ago.

He was asking about an agreement between Brandon University and Shanghai in terms of training of teachers. At the time, I had not heard about any such agreement. It seems I'm not the only one, Mr. Speaker, that hasn't heard about any such agreement since the president of the university and the chairman of the board also had no knowledge and had not heard about this agreement that was carried over the Brandon radio, I think, saying there was a \$1.7 million contract.

To date there is no letter of intent, there is no agreement, and in fact there is not really what you

would call serious negotiations. To date all we have had is discussions between two deans. I suppose you might call that enthusiastic a little prematurely, but there's no formal contract agreement or negotiations.

### Beaver Dams - removal policy

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Yes, I direct this question to the Minister of Natural Resources and ask the Minister, the beaver dams are causing flooding in the Benito area so that farmers cannot seed their fields. The Minister had indicated there'd be no change in beaver control policy, however there has been a change. I wonder if the Minister could indicate that this problem has now been rectified.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. S. USKIW:** Mr. Speaker, I'm not sure if it's rectified to date, but I'm hopeful that something is being carried out at the moment to rectify the situation.

### Forest fire - Porcupine Mountains

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Yes, a further question to the same Minister.

I wonder if the Minister can give us an update on the forest fire in the Porcupine Mountains today.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. S. USKIW:** Yes, Mr. Speaker, I think I can do that perhaps tomorrow, but I don't have all the information at the moment.

**MR. D. GOURLAY:** Yes, a question to the Minister responsible for the water bomber. Is the water bomber able to land at the Swan River Airport at the present time?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please, order please.

The time for Oral Questions has expired.

### ORDERS OF THE DAY

#### ADJOURNED DEBATE ON SECOND READINGS

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker. Would you please call Bill No. 2?

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Health, Bill No. 2 - the Honourable Member for Lakeside.

**MR. H. ENNS:** Stand, Mr. Speaker.

**MR. SPEAKER:** Stand.  
The Honourable Government House Leader.

**HON. A. ANSTETT:** Mr. Speaker, I beg to move, seconded by the Honourable Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Agriculture, and the Honourable Member for Burrows in the Chair for the Department of Culture, Heritage and Recreation.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CULTURE, HERITAGE AND RECREATION

**MR. CHAIRMAN, C. Santos:** Committee, please come to order.

We are now considering Item No. 3.(a)(1) and 3.(a)(2) Communication Services, Executive Administration: Salaries; 3.(a)(2) Other Expenditures.

Mr. Minister.

**HON. E. KOSTYRA:** The Member for Sturgeon Creek inquired about where we might deal with the federal-provincial agreement, the ERDA sub-agreement on Communications and Cultural Enterprises. The actual location for that would be under the Jobs Fund because it's funded through there; however if he wanted to ask some questions about it now, I do have one of the staff that's related to that area here, that we can respond to any questions if he wanted to raise them at this time.

**MR. CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** No, if it comes under the Jobs Fund, we can have discussion on it then. Well, let me ask the Minister one question then.

There was an announcement made I believe on Thursday or Friday regarding Component 3 of the fund. The specific question I would ask regarding that announcement, is that section of the agreement going to give financial support to companies desiring to get in the business, which would create an opposition or create a bad situation for the companies that are presently operating in the business, especially from the audio point of view?

**HON. E. KOSTYRA:** I just want to clarify the question. Was it in regard to the announcement that was made last Thursday in respect to the film program, or were



you asking questions about Components 2 and 3 of this Sector B?

**MR. F. JOHNSTON:** Well, I believe the announcement was made under Components 2 or 3 of the advisory committee. That is the advisory committee that would give advice, if I read the agreement right, on Component 3. The Advisory Committee No. 2 that is having hearings, etc., and will be advising on Component No. 3.

**HON. E. KOSTYRA:** That's correct. The specific announcements that were made about programs for film support were under Component 6. Those were the ones that were made last Thursday. In terms of the Component 2, that committee has been holding hearings over the past while and is expecting to table a report within a year, with an interim report by June, and then they will be making recommendations with respect to Components 3 and 4.

**MR. F. JOHNSTON:** In reading the agreement it says, "The objective of this Component is to allow Manitoba industry to benefit from increased film, video and audio production opportunities."

Now I would ask, because I have been asked, if this is going to be supplying funds to companies who are desiring to get into this field, which would create opposition, and I'm not opposed to opposition, but will it be harmful to the Manitoba industry at the present time? The word "increased" means that you want to increase the present business for the companies that are presently operating, but is it going to be monies going to be used to put other people into business?

**HON. E. KOSTYRA:** The committee has not made a report in terms of what programs will be in place. The committee is made up of some representatives of the industry as it exists in Manitoba. It may be under some components of the program that it may encourage additional businesses to be involved in film making in the province. That may only be at one level, say in the area of production houses or producers of film.

There are other areas that one would have to be very sensitive to in terms of building any increased capacity, because the capacity exists in areas of physical assets in terms of recording studios, or those kind of facilities could probably not stand any significant increase in capacity without doing harm to the industry. So I think one would have to be sensitive to that.

The priorities that are outlined in the strategy is for the improvement of the infrastructure, related to production and distribution and consumption, in order to meet the needs of Manitoba's communications and cultural enterprise sector. The other priority is to deal with the strengthening of the productivity of the human managerial and technical resources.

So the intention is to enhance what we already have, though it may mean some expansion in terms, but I think we'll have to be sensitive to whatever recommendations flow from the committee. But I would expect that the committee is going to take into account the advice that's being provided to it from the Manitoba industry, or people who are involved in the industry in Manitoba; and hopefully they will govern their recommendations that are made to both the Federal

and Provincial Governments under the terms of the agreement to be sensitive to the needs of the industry in Manitoba without causing a major disruption, because it is a very sensitive and fledgling industry.

**MR. F. JOHNSTON:** Mr. Chairman, then I'd like to refer to Section 6, Cultural Enterprises Development, which the \$6 million is completely provincial shared. I'm aware of how these agreements work. There is a total of \$21 million and it's \$13 million to Federal and \$8 million by the Provincial Government, but as in Component No. 1, it's all federal money and in Component No. 6, it's all provincial money, so it balances out, but the agreement still works under the jurisdiction of the Federal and Provincial Government.

But on No. 6, the Manitoba Cultural Industries are entering into a transitional stage of development."

"Selective support mechanisms are necessary at various stages in development of cultural products from the initial concept through the writing and composing stage, to completion of product production as a film, video, book, periodical, radio item or record. In order for Cultural Enterprises to take advantage of the opportunities of these stages, increased capitalization" etc.

Can the Minister just outline what is intended with this section? Does it mean that monies will be supplied to cultural and heritage organizations to develop films on their own for production and showing - well I might say, showing where? What is the basic thrust behind this particular section?

**HON. E. KOSTYRA:** The basic thrust is to help the various components of the cultural industries to develop and to enhance their ability to promote and to develop cultural products in the Province of Manitoba, with an industry view, so that they can be encouraged and developed as functioning and successful businesses in the Province of Manitoba, employing Manitobans and creating job opportunities.

The five cultural industry strategy objectives that have been identified in terms of the overall: One is to ensure that cultural industries are developed as appropriate vehicles for efficient production and distribution of Manitoba cultural products; secondly, to encourage the development of a market for Manitoba cultural periodicals by first maximizing access to the local and domestic marketplace; thirdly, to foster a cultural infrastructure environment which encourages the production of the Manitoba cultural product and which represents and reflects the cultural diversity of the people of Manitoba; fourthly, to focus on independent producers of Manitoba cultural products; and finally, to utilize a comprehensive range of public initiatives, focusing on both the product and the market and recognizing their independent nature.

How that has manifest itself into specific programs is where I can only give specific response in a couple areas that have been implemented, because others are in various stages of discussion and will come to a decision point over the five years of the agreement, but one was the book in Cultural Periodicals Purchase Program that we discussed yesterday in terms of allowing Manitoba libraries, both school and public, to purchase Manitoba books and periodicals which was

of significant benefits to the publishers, in terms of getting their products into public use in Manitoba in a way that hadn't been done before, which hopefully will develop increased awareness and interest in those products.

In terms of the film, there has been announcement of the film development program which provides for script and project development, project support development, and a marketing component.

The recording industry is one that is presently under study. We're going to have to look at what possibilities there are for providing some assistance for enhancing the recording industry in the province, and also look at some of the other areas.

So those are the specific areas that are in place and other programs are possible. There was two policy papers prepared for the department on both of those areas that provided a framework for us to look at possible initiatives in consultation with the industry. I don't know if the member's seen them, but if he's interested I can provide him with copies of both of those policy papers. There's an executive summary or executive overview version and then there's a more detailed 100-page research document; but if he is interested in that detail, I could provide it to him.

**MR. F. JOHNSTON:** Then it's basically funding for companies that will produce cultural and heritage program, whether it be film, video or books.

**HON. E. KOSTYRA:** Some of it is funding, not directly, but indirectly through someone else purchasing the products. Others may be assistance in terms of market development. There's a possibility of looking at helping develop management skills, in terms of providing consulting services so that - it's always been said that some of the people in the culture industry don't have enough managerial or business skills to provide some assistance in that regard. There's a range of possibilities. The least desirable is direct funding because the idea behind this program, and part of the reason that it's a term program is to help take that industry to a further level so that once this program is concluded, which we will in five years unless it's renegotiated, they will be at another level that they will be able to continue on with the support programs that are available through Canada Council and through Manitoba Council; but hopefully this will take them to a different level of skill development or market development or product development so that they can continue on.

So the idea behind our programs is not to build in any further ongoing subsidy, other than what exists through the Arts Council at the present time.

**MR. F. JOHNSTON:** The Component 5 - this proposal responds to the opportunities respecting the communications needs of ethnological groups dispersed throughout the country. It is proposed that a National News Bureau be established in Manitoba to gather and disseminate news of interest to ethnological communities. It would operate like a media wire service and of course the funding would be to support the acquisition of the technology to be able to do this. When it is structured and set up with this funding which

is \$250,000, will it then become a structure that will have to be supported by government or will it support itself?

**HON. E. KOSTYRA:** Just to correct the member, there's \$500,000 over the five years, cost-shared 50-50. — (Interjection) — The idea would be that it would be a self-sustaining operation. There is one proposal that's under consideration that has been submitted to the joint committee to establish a feasibility study to look at the development of a national wire service operation and that's under consideration for a feasibility study stage, feasibility study at this point. There's no intention that there'd be any ongoing support.

**MR. F. JOHNSTON:** On Section 1, we have the Federal Government on technology application projects. Let me say first of all I'm a little confused how Technology Application Programs tied in with Culture and Heritage. Technology Application Projects, does this mean we that we would be looking at communications say in hospitals? In what industries would be designated that this 6 million would be used?

**HON. E. KOSTYRA:** It is related to Communication Technologies. It's open really to any area. One is Videotex Publishing. I think there's one proposal that's under consideration for a local area networking. The possibility of what the member suggested in terms of the health care field is one that I think has been discussed. Actually, I'm told there is an actual proposal looking at one area of that at the present time. It's not limited to any particular area. Another one might be electronic publishing, the development of an educational course — (Interjection) — teleradiology, which is a medical one.

**MR. F. JOHNSTON:** I would ask the Minister, because I've had it said to me that there is a consideration of some process for meter reading, is there such a thing a thing under consideration?

**HON. E. KOSTYRA:** Yes.

**MR. F. JOHNSTON:** I would just ask the Minister if he would consider meter reading over and above communications for hospitals and other areas more important? I don't imagine there's been any decision made, but it would seem to me that technology could be very good. I think there are needs other than that particular type. I think the minutes are as indicated there's been no decisions made.

**HON. E. KOSTYRA:** No, there are a number of proposals that are being reviewed by the Federal Government directly on that. I'd say you have to recognize that the purpose of this program is for industrial development for economic opportunities and while, obviously, you're going to look at those kind of opportunities that will enhance other aspects of the province, whether it's health care field or other areas, you have to look at what potential industrial and economic benefits of that proposal are and just using the two examples that the member cited, if one has a far greater industrial opportunity for the province, then

that would have to be reviewed in the context of which one of those proposals or which one of a number of proposals would be supported if, indeed, there has to be a limiting factor because of funding and a long list of proposals being submitted.

**MR. F. JOHNSTON:** Mr. Chairman, who are the management committee? I know that the federal deputy is involved and the deputy is involved . . .

**HON. E. KOSTYRA:** I can give you all the names.

**MR. F. JOHNSTON:** All right.

**HON. E. KOSTYRA:** For Manitoba, the Deputy Minister of the Department, Joy Cohnstadt; there's one provincial position still open; Jim Eldridge, Deputy Secretary to Cabinet for federal-provincial relations, is on the committee, is ex-officio and Kim Sharman, one of Treasury Board staff, is also ex-officio. The co-secretary for Manitoba is Ms. Jimmy Silden who is Director of the Cultural Industries Branch in the Department.

On the federal side, the co-Chair is Alan Gourd who is a senior Assistant Deputy Minister . . .

**MR. F. JOHNSTON:** What was that again?

**HON. E. KOSTYRA:** Alan Gourd, G-O-U-R-D, Senior Assistant Deputy Minister, DOC; the second member from the Federal Government is Charles McGee, who is Director-General of federal-provincial relations for the Department of Communications; ex-officio are Bob Morand who is the acting . . . in Manitoba through Department of Regional Industrial Expansion and a Ken Hepburn who is Assistant Deputy Minister, Technology and Industry of DOC is also ex-officio.

Co-secretary from the federal side is Mr. W. Johnston, Regional Director, DOC in Manitoba.

**MR. F. JOHNSTON:** With a "T"?

**HON. E. KOSTYRA:** I'm sorry, there's a change there. Owen Sweeney has replaced Johnston.

**MR. F. JOHNSTON:** That's a shame.

**HON. E. KOSTYRA:** He's with local staff here.

**MR. F. JOHNSTON:** We've had trouble with Sweeneys up north.

**HON. E. KOSTYRA:** I've got a background document, I'll table it for the member. He may be interested in some more detail on the agreement, some background.

**MR. F. JOHNSTON:** Mr. Chairman, that's all I have on the . . .

**MR. CHAIRMAN:** 3.(a)(1)—pass; 3.(a)(2)—pass.

**MR. F. JOHNSTON:** No, we were on . . .

**MR. CHAIRMAN:** We are on 3.(a)(1) Executive Administration: Salaries; 3.(a)(2) Other Expenditures - Communications Services.

**MR. F. JOHNSTON:** This department has an Assistant Deputy status? Or director?

**HON. E. KOSTYRA:** Yes, in Executive Administration, there are three positions - one Assistant Deputy Minister and two communications consultants. There's a net decrease in the salaries because of one vacant position that's expected will be recruited at a lower salary than was previous.

**MR. CHAIRMAN:** 3.(a)(1)—pass; 3.(a)(2)—pass.

3.(b)(1) Queen's Printer - Manitoba Gazette: Salaries; 3.(b)(2) Other Expenditures.

The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** I just have one question on the Queen's Printer Gazette, and really the same question about (c) as well. Other Expenditures remain the same. I think that's good, except that is it because of increase in prices, etc.? Is there going to be any reduction by the fact that it has stayed the same?

**HON. E. KOSTYRA:** I'm told that the contract price for the printing of the Gazette has come in at the same level as it was previous and there's no expectation that the volume in terms of printing of the Gazette will increase, so we don't see any need to look at any increase in this line.

**MR. F. JOHNSTON:** That's fine.

**MR. CHAIRMAN:** 3.(b)(1)—pass; 3.(b)(2)—pass.

3.(c)(1) Queen's Printer - Management and Brokerage, Salaries; 3.(c)(2) Other Expenditures.

**MR. F. JOHNSTON:** Does the number of people in the Queen's Printer remain the same?

**HON. E. KOSTYRA:** In this branch it's the exact same six positions. I think overall the Queen's Printer has got the same amount of positions.

**MR. CHAIRMAN:** 3.(c)(1)—pass; 3.(c)(2)—pass.

3.(d)(1) Queen's Printer - Operating, Salaries; 3.(d)(2) Other Expenditures; 3.(d)(3) Less: Recoverable from Other Appropriations.

**MR. F. JOHNSTON:** There's a pretty hefty increase in the operating there. Have they taken over something else? We've got close to \$800,000 increase in the operating of the Other Expenditures in the operating section.

**HON. E. KOSTYRA:** The major part of the increases relate to volume increases in terms of what is being purchased by the departments through the Queen's Printer. This includes all of their purchases for stationery, photographic supplies, statutory publications, all of the material that departments order through Queen's Printer.

So the majority of the cost increase is because of increased volume of supplies and price increases are estimated at 6 percent within that.

**MR. F. JOHNSTON:** What are those supplies? I must admit the Minister went through it last year because

there were changes made, some changes made last year that was explained to me. But what are those supplies up into the departments? This is the stationery, envelopes, just general office equipment that would have printing on it, is that it? Or pencils?

**HON. E. KOSTYRA:** It's basically all of their normal office supplies, from those that the Queen's Printer prints itself through its production house, or those that are purchased by the Queen's Printer, in bulk, for departments, whether it's copy paper, memo pads, staplers, staples, pencils, all of the basic office supplies.

**MR. F. JOHNSTON:** And the recoverable is what's charged to the department?

**HON. E. KOSTYRA:** Yes.

**MR. CHAIRMAN:** 3.(d)(1) - the Member for Kirkfield Park.

**MRS. G. HAMMOND:** I just have a question on that item. What would be the cause of such a big increase? Is there any one department that is using more material than before?

**HON. E. KOSTYRA:** I guess I should explain. Part of that increase was covered by Special Warrant last year. There was an attempt last year to try to bring about a reduction in the flow of office supplies to about 85 percent. It was found not to be successful in terms of the demands from the departments. So what happened, at the end of last year there was a Special Warrant of \$556,500, which is part of this \$797,000 increase. The actual increased volume predicted for this year and price increase is \$240,600.00.

**MRS. G. HAMMOND:** And that's a normal increase, is it?

**HON. E. KOSTYRA:** It's normal and it's not one specific department. It's system wide.

**MR. CHAIRMAN:** 3.(d)(1)—pass; 3.(d)(2)—pass; 3.(d)(3)—pass.

3.(e)(1) Advertising Audit Office, Salaries; 3.(e)(2) Other Expenditures; 3.(e)(3) Public Sector Advertising; 3.(e)(4) Less: Recoverable from Other Appropriations - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** The Advertising Audit Office places the advertising for the government, and it does it for all of the departments in the government?

**HON. E. KOSTYRA:** All departments in government and most of the Crown corporations.

**MR. F. JOHNSTON:** Is the Jobs Fund advertising included in this figure?

**HON. E. KOSTYRA:** Yes.

**MR. F. JOHNSTON:** And the advertising, say, that's on at the present time, for the hydro expansion, etc.?

**HON. E. KOSTYRA:** Yes.

**MR. F. JOHNSTON:** There's an increase here of \$600,000.00. I wonder if the Minister could outline the increases of \$600,000.00.

**HON. E. KOSTYRA:** These reflect the demands by each of the departments. This is shown actually in two places in terms of Estimates. It's shown here as a total figure and it's also covered in each of the respective departmental lines.

The increases reflect a net increase of \$590,000 which was a Special Warrant last year, so the actual expenditures this year were the same that were spent last year, including what was in the vote and what Cabinet subsequently approved.

So the figure here is the accumulative total of all of the departmental plans for the cost of media placement for advertising. It does not cover the production costs. Those are covered by the departments directly and do not show here. It never has.

**MR. F. JOHNSTON:** This is 1985. I wonder if the Minister has a figure for this coming year? When I mentioned the hydro advertising, it's just started this year, I believe.

**HON. E. KOSTYRA:** The figure for this year is \$2,965,500 for the total. Are you asking specifically what the hydro is?

**MR. F. JOHNSTON:** Yes. Well, no, now I would ask, does the Minister have a breakdown of the departments, what advertising they're doing?

**HON. E. KOSTYRA:** I have a listing of the major media placement intentions for '85-'86. It doesn't come quite to the total, but it covers all the major areas. These are estimates from the departments. Alive Safety Corridors is \$45,000.00.

**MR. F. JOHNSTON:** Safety Corridors?

**HON. E. KOSTYRA:** Safety Corridors.

**MR. F. JOHNSTON:** Fifty-five?

**HON. E. KOSTYRA:** \$45,000.00. Jobs Fund, relating to such things as Careerstart and Community Assets Program, \$400,000; Limestone, \$300,000; Workplace Health and Safety, Hazardous Waste Removal, \$90,000; Travel Manitoba, \$600,000; the general area of legal tenders, Civil Service Commission advertising, \$300,000; Agriculture, \$200,000; Natural Resources, \$100,000; Housing, \$60,000 - Rent Regulation, that is specifically; and Energy Check Programs, \$200,000.00.

**MR. F. JOHNSTON:** Can I go back to the \$300,000 one? You said Civil Service and legal tenders. Is that it?

**HON. E. KOSTYRA:** Yes, it's legal notices, Child Welfare Act, tenders for highway construction and DGS and then Civil Service postings that are advertised.

**MR. F. JOHNSTON:** On the Limestone advertising, can the Minister tell us how many ads there are on television and how long they'll be running for?

**HON. E. KOSTYRA:** I can't provide him with detailed answers to that because we don't have them here. That could be derived from the department directly when those Estimates are reviewed. We understand that there is a plan for a further advertising flight within a month. — (Interjection) — I'm sorry, if I could just conclude. The focus of that is Manitoba business opportunities with respect to the Limestone development.

**MR. F. JOHNSTON:** And there is further advertising within the \$300,000 that will be coming with television, with all media, television, radio and newspaper?

**HON. E. KOSTYRA:** Yes, there's no final plan. Those are estimates of the costs and it would probably include the various aspects.

**MR. F. JOHNSTON:** Will that final plan, that comes from the Department of Energy, does it?

**HON. E. KOSTYRA:** Yes.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. R. DOERN:** Mr. Chairman, in regard to the government's program of advertising the Jobs Fund, which I think, similar to the Limestone program, is excessive in terms of dipping into the public purse and splashing around a great deal of money, partly for information but largely for the benefit of the Pawley administration and its re-election program, I want to ask a question again about the fact that there is an extensive amount of money being spent on an advertising program through the media to promote the Jobs Fund. But I want to ask the Minister this, at the same time that the government and his department is spending this money, there is a parallel program by the Manitoba New Democratic Party which seems to indicate that it is the Manitoba NDP which is in fact to be given the credit for the Jobs Fund.

I refer to the billboards that are up throughout the city, and I don't have the exact wording here but I can easily get it and the words may not be in the exact position but all the exact logic is present. They go something like this, that the Manitoba New Democrats, the question is you have a billboard with two bubbles or balloons like cartoon characters and the one side says, "Why are Manitoba New Democrats providing jobs for young people through the Jobs Fund?" or "Why are Manitoba New Democrats using the Jobs Fund to provide jobs for young people?" The answer is something to the effect of, well, you know, they like young people, etc., etc.

The point is this, that here is a political party which is distinct from the government creating the impression that it is the Manitoba NDP which is providing the funding or the programming and it is not. It is the government and the taxpayers of Manitoba that are putting up the dollars and the first thing I want to ask the Minister is whether he has any problems with this or whether he finds this acceptable for his political party to advertise at the same time in the same way, the Jobs Fund Program?

**HON. E. KOSTYRA:** I'm afraid I can't answer that question. I'm not here to respond to advertising by a

political party. It's not within my responsibility as a Minister.

**MR. R. DOERN:** Mr. Chairman, I'm saying that the Minister is responsible for the Jobs Fund and he has an advertising program which I think is excessive and to a large extent unnecessary, but he has a program and he is conveying information to the people of Manitoba. I'm simply saying, is he going to allow any political party - it could be the Conservatives who decided that they were going to put up similar billboards for other programs in health or education or anything else, name that program specifically as opposed to in generalities, is the Minister going to simply allow any political party, any group or any individual or organization, to advertise the Jobs Fund as their program?

**HON. E. KOSTYRA:** Well, let me make it clear that there's no government advertising going to the purposes that the member suggests. However, if anyone in the community who would like to respond in terms of the significant efforts that have been taken by the Jobs Funds to improve job opportunities here in the province, if any community group, any group that's been part of that process because it's been a total community effort in terms of the private sector or in terms of municipalities, in terms of the Federal Government, in terms of community organizations, the private sector individual, if any groups out there wish to indicate that they are supportive and feel part of that significant effort, then I don't think that is contradictory in any way to the thrust of the government to enhance job opportunities.

In terms of the information that has been provided to the public under the Jobs Fund advertising and I would just note to the member that we're dealing with the Estimates of the Advertising Audit, not of the Manitoba Jobs Fund. Nevertheless, I would just indicate that all of the advertising campaigns have been dealing with specific programs. Whether or not it was giving people information with respect to energy loans that were available under the check program of the Jobs Fund wherein more than 10,000 Manitobans took advantage of that program because they were made aware of the opportunities that existed, whether it was people that took advantage of the housing programs, Careerstart, the Manitoba Jobs and Training Program, all of the Jobs Fund advertising has been targeted specifically to specific programs to ensure that Manitobans are aware and can take advantage of those opportunities to provide job creation opportunities in the province.

**MR. CHAIRMAN:** The Member for LaVerendrye.

**MR. R. DOERN:** Mr. Chairman, just a couple of more questions.

**MR. CHAIRMAN:** Is it on the same subject?

**MR. R. DOERN:** Yes.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. R. DOERN:** Does the Minister make a distinction between the Government of Manitoba and the Manitoba New Democratic Party?

**HON. E. KOSTYRA:** I feel like I'm a teacher in a classroom. The Manitoba Government is distinct from a Manitoba political party, yes.

**MR. R. DOERN:** Does the Manitoba NDP have any funds invested in the Jobs Fund?

**HON. E. KOSTYRA:** I don't believe so.

**MR. R. DOERN:** Does the Minister subscribe to truth in advertising or does he in all his ads attempt to follow that dictum that ads should be true or convey true information?

**MR. CHAIRMAN:** Is that relevant to the Audit Office?

**MR. R. DOERN:** Well, Mr. Chairman — (Interjection)

**HON. E. KOSTYRA:** I believe in truth in everything I do.

**MR. R. DOERN:** The point that I'm making to the Minister is this: Is he going to allow outside organizations to take credit for government programs by specifically naming those programs and specifically implying that they are responsible for them or involved in those programs? Is he going to allow that without objection or will he simply sit idly by while anyone takes claims or makes use of any government program for whatever purpose, or does he have no concern about that whatsoever?

**HON. E. KOSTYRA:** I believe I have responded to that question already. If any people in Manitoba feel that the Manitoba Jobs Fund is something that they are proud of, and indeed many Manitobans were part of that and certainly part of the success that this province has experienced in terms of economic development, in terms of having one of the lowest unemployment rates, that is simply not something that the government itself can take credit for. It's something that belongs to the broader community.

**MR. R. DOERN:** So then the Minister is saying that if the Progressive Party or anybody else puts out a billboard saying that the Jobs Fund is their program, it's their creation and it's because of their efforts that there is such a program, then the Minister wouldn't object to that?

**HON. E. KOSTYRA:** As I indicated, if people feel that program is a success and they feel because of their involvement in it that they want to indicate their support for it, I think that's something that would rest with those individuals.

**MR. R. DOERN:** Mr. Chairman, I did not say support. I said the credit for instituting the program, conceiving the program and implementing the program. The Minister does not object to that?

**MR. CHAIRMAN:** Is that true?  
The Member for Elmwood.

**MR. R. DOERN:** Well, I'm telling you it's the New Democratic Party, Manitoba NDP is taking credit for the Jobs Fund Program. If it's okay for one party to do so, then I assume it's okay for any party to do so.

**HON. E. KOSTYRA:** As the member said if there's truth in what they advertise, then I guess that they ought to do that.

**MR. R. DOERN:** And if there isn't truth in it then what? Will the Minister object?

**HON. E. KOSTYRA:** That's up to the people to decide.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Chairman.

I have a few comments to make with regard to the advertising dollars that are being spent that's been highlighted throughout this Session and started last Session. I guess one really has to question how far any government of any political stripe will go in using taxpayers' dollars to try and manage the media or manipulate the taxpayers who are eventually going to have to pay the bill.

I have to tell the Minister, I view this advertising with mixed emotions. On the one hand it concerns me and I would rather the government not spend taxpayers' money this way. On the other hand, I am convinced that the more they spend to try and bolster up their image with the public, the more suspicious the public will become and the worse they will do at the polls.

I speak with the voice of experience on that. I went through that. In 1980 when I was part of an administration and the polls were coming back - we all do polling now - that it might be a rough ride and people, a lot of them, hadn't made up their minds which direction they were going to go. What I would refer to as the political handlers, the advertising people, the advertising agencies, the political mandarins that are around, then say you know you guys are doing a really good job but the people just don't understand you. You aren't getting your message out. What you have to do is you have to advertise. That's the only way because the press isn't treating you right, you aren't getting the right editorials. People just don't understand you and yet you're such real good guys.

What you do then is then you crank up the machine and, of course, the NDP in this instance have cranked up the machine to a height which I have never seen it done and the people of Manitoba never have. I want to tell the Minister that while he's doing the Conservative Party a favour by spending taxpayers' money on advertising as government, he really isn't doing the taxpayer any favour by doing it.

I say to the Minister that I went through that. I'm not happy that we spent that kind of money on advertising. I think I learned my lesson. This government doesn't seem to have learned from the experience that other parties have faced in the last number of years.

Look at the Trudeau administration. My goodness, you've never seen so much advertising in all your life on everything. Mr. Chairman, I say it crosses all political boundaries, but the NDP have taken this to an extent, I think that none of us dreamed they would. They have

now put communicators in each department, something which we were just chastised for having two or three in the whole system. They have hired something like 121 people who are now trying to manage communications and manage the media, and Lord knows the media can't be managed, as much as we'd want to chastise them for writing something from time to time we don't agree with. It doesn't matter how many people are in government are there to draft sort of the really smart press releases, like the one presented by the Minister yesterday, which didn't even include how much it was going to cost the province and didn't answer a whole bunch of questions. It just doesn't work. I'm troubled to see this kind of money being spent.

We're talking here about figures that don't even include production costs, and I guess we'll have to go through each department and find out what that is, because I suggest to the Minister that's pretty substantial too, what the departments are using themselves.

But things like advertising Limestone and the Jobs Fund, let's face it, what has happened with the Limestone ads - and let's be frank about it - is that the government knew they were in trouble; they were behind in the polls and what they did, is they came and used taxpayers' money to try and bolster up their image, because we all realize that the economy is something that the people are worried about there. It's No. 1 out there. And what they did is they dovetailed that with polling, the same as the New Democratic Party is doing. You can't separate the two and that's why it's so terribly difficult when you're spending government money on advertising, to divorce that from a political party.

I'll bet you any money right now the NDP, either within the last couple of weeks or will in the next little while, will be assessing - and this is the political arm of the government - will be assessing what impact the Limestone ads are having through polling, because they want to see if that's going to bolster up the image of the government. This is the dilemma that we face.

Here you have a situation developing where we are spending hundreds and thousands and millions of dollars on advertising and it's image-building advertising. I have no quarrel with the normal advertising budget of travel. If he wants to spend \$45,000 on saying the corridors are supposed to be safer or if we spend money on the ALERT program, fine.

But when we're talking about Jobs Fund and Limestone and things like that, it really is image building and window dressing, and it's really a waste of taxpayers' money. Looking at it as a member of the opposition is all too often we think that the people don't catch on. They might not be as aware of what's going on around them as we think we are in this building. But let me tell you, they see through us pretty well. In my 12 years here, instead of having sort of a growing mistrust in the democratic process, I've actually learned to appreciate it more and more, having been through the peaks and the valleys that the constituents have a way of putting you from time to time.

So I say to the Minister, he's in a unique situation - and maybe I shouldn't give him this advice - he could do the taxpayers a service by stopping the advertising of these image-building programs and he'd probably do his party a favour by getting out of that because

the people wouldn't bear that animosity towards him. But every time you look at \$1 million being blown on advertising for image building, I think it's wrong. I think the majority of people realize it's wrong and it's too bad that we, as politicians, sort of fall into that trap and listen to people who indicate to us that the people don't know what you're doing, you're really good guys. It's the people that will decide that and no amount of advertising is going to change that.

So I would urge the Minister to talk to his colleagues and do us all a favour and save us the millions of dollars that they're spending on advertising.

**HON. E. KOSTYRA:** I thank the member for his comments and I agree with his comments with respect to image advertising. The member suggested the kind of advertising that has been taking place is image advertising, and I disagree with him.

The advertising with respect to the Jobs Fund has been on specific programs to ensure that Manitobans do get opportunities that are presented through those programs.

The same is true of Limestone. We're attempting to increase the Manitoba content in the Limestone project significantly to that, which was the case with previous hydro-electric developments. In fact, we're trying to double the impact on the province in terms of spinoff manufacturing and service sector opportunities and that's going to take a great deal of work. It's going to take a great deal of providing information to the public so that both Manitoba businesses and Manitobans, as individuals, can get the benefits of that program.

I think when one reviews what we're doing in terms of dollars, you can look just to the west to a government that's of a different political stripe than this one, the same as the member who just spoke, who have an advertising budget that is in excess of \$12 million for a one-year period.

I agree with him totally on image advertising. I would think that this is what you would call image advertising when you take a two-page spread and talk about building hospitals, roads, all kinds of things like that, which don't provide any information to people outside of strict propaganda. So I agree with the member.

**MR. R. BANMAN:** Let me ask the Minister, about a month ago I was in Selkirk and the Minister in charge of Autopac was opening an extension to a personal care home. There's a huge green job sign in front of the project - it's a personal care home - and the Minister now get this - the Minister was walking around with all the senior citizens there, was walking around a completed building. It was totally completed. He's walking around with a Jobs Fund hard-hat on, talking to the people, to the senior citizens. You know if that isn't image building and that's what's happening with the Jobs Fund. It's strictly image building.

So I say to the Minister that I don't agree with the ad he showed us from Saskatchewan and I don't agree with it. I think that monies can be spent in better ways. But all I'm saying is that we're again facing a dilemma in Canada. Every time we think we're in trouble, our advertising people come running to say, you aren't getting your message out, you better do it differently, you got to advertise. The Jobs Fund is a grant program

which, after giving a person a grant you go around and say, look at what good boys we are and look at all the wonderful things we did once the money's been spent. There is absolutely no value to it as far as any job creation or anything like that. The monies have already been spent. There's nothing created by doing it.

So I say to the Minister, you know walking around at the opening of a personal care home with all the senior citizens there, with a hard-hat on saying Jobs Fund on it, it just points out how far we'll carry things to try and do image building. So I put that out.

I would like to ask the Minister if he is projecting any special warrants this year with regard to this particular appropriation?

**HON. E. KOSTYRA:** No, not at this time. We'd expect the departments would stay within their budget plans.

Just one further comment. There was a suggestion that the program information, advertising is going out after the programs. In the case of the major advertising campaigns that we are talking about in terms of this area, that information goes out at the start of a program, not after the program is completed.

**MR. R. BANMAN:** Just in conclusion then, Mr. Chairman, I just point out to the Minister that the Member for Elmwood raised what I think is a very interesting question. The NDP now are taking credit for the Jobs Fund and of course, come the next election I would imagine that will be part of the TV ads that we'll see, it's the NDP and the Jobs Fund; so it's synonymous.

So it becomes very difficult and the Minister must appreciate it, for them to say this is strictly objective. The Jobs Fund ads, the Limestone ads, it's totally different than Manitoba Travel and I just point that out. I think that it's something when we're seeing a 25 percent increase in advertising and we're holding the hospitals at 2 percent, it just doesn't make sense.

**HON. E. KOSTYRA:** I was just going to make the comment that nothing is totally objective in the political world.

**MR. R. DOERN:** Mr. Chairman, I wanted to comment on the position taken by the Honourable Member for La Verendrye and simply say that there is a line between information and propaganda and I think the government has gone over that line and it's going over the line every day on Limestone and on the Jobs Fund, in particular.

I want to say, the Minister says he's opposed to image advertising. I want to ask him just a small question, going back to his enthusiastic support for HERizons magazine, when he puts in a full page advertisement with a letter and his photograph, whether he considers that image advertising or whether he considers that information.

**HON. E. KOSTYRA:** I didn't put any ad in HERizons magazine.

**MR. R. DOERN:** I see. Well, then can the Minister explain how a full page ad with a letter from him and his photograph which somebody forwarded appeared

in that magazine, concomitant with a \$10,000 grant? Was that a freebie from the magazine?

**HON. E. KOSTYRA:** I wrote a letter to them, as was reproduced in that magazine. It was not intended for an ad, nor was it paid for as an ad. The decision to print it was theirs. It was not at my request.

**MR. R. DOERN:** I see. So it was in appreciation of a \$10,000 grant that the magazine put that in.

The point is, Mr. Chairman, I think as was indicated, the advice that the Minister will get from his advertising agency, which is getting rich as a result of all these advertisements appearing throughout the province is to advertise more because of all the opportunities of getting production costs and commissions, etc., that will always be the advice of the PR people and the advertising agencies. And along with that, with buying ads in the weekly newspapers and on television and radio and in the press of buying space and time is the hope of better treatment, that the government will provide dollars which is, in the case of small publications, in the case of weekly newspapers and so on, are something very much appreciated and sought for.

I just find it a clear case and I think the government has simply lost the ability to distinguish between public money and their own and that they are, in effect, unable to see that what they are doing is taking taxpayers money and buying ads to advance their own position. This is being done too much and it's becoming too frequent an occurrence. If you look at the modern government in action - and this is a good example by being a bad example - millions and millions of dollars being spent for, in effect, image building advertising, regardless of the consequences, regardless of the value, in effect a form of bribery. All of us think that we are superior to the old days when people used to go around and buy drinks and give money to voters to buy their votes - this is going back many decades, if not a century or more - and what is happening here, in effect, is that votes are being bought with massive expenditures in terms of the economy, billions of dollars in the case of Limestone, hundreds of millions in regard to the Jobs Fund and millions of dollars in regard to advertising and promoting those particular programs.

I think this is a sad comment and a cynical view of government, that government can be used in any way for any purpose to re-elect the party in power. The Conservative Party in the Lyon administration, suffered as a result of a reaction to that. I think this government also will pay the supreme penalty for dipping into the taxpayers' pockets to promote the re-election of the New Democratic administration.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Yes, Mr. Chairman, I would just like to add some comments to what the other members of the opposition have indicated on the advertising on both the Jobs Fund and Limestone.

While I understand that governments are going to do some advertising on these, I find it particularly offensive to have the amounts of money that have been spent on these programs when we have the Minister



of Community Services who is constantly having to stand up in the House that there isn't enough money for this program and there isn't enough money for that; when we have the Minister of Education standing up in public asking the public to provide winter clothing for children in the Core area and yet we have this government spending monies like this on advertising.

It's particularly offensive to find that this is what's happening with a government who is stressing that they care. The one thing we know they care about certainly is getting re-elected and that's how they're using these funds. I do expect to see some advertising on any of the programs, that there will be advertising, the amount of funds that are going into these advertisements that should be going in to helping the programs on wife abuse, that we can't get secondary stage housing. The Winnipeg situation alone on this is just absolutely disgraceful and yet here is where the government's priorities are.

I say to you, and I've said it time and time again and I'm going to repeat it and I'm going to repeat when we're out in an election, that the only thing this government is interested in is re-election; and if some of these funds, if we had taken \$100,000 out of the Jobs Fund or \$100,000 out of the Limestone advertising and put it in these programs, what help there is. Yet constantly we're seeing child abuse and yet there's no money to help the programs. The hospitals, everyone is crying for money and yet the one place that this government can find money for is in advertising.

Personally, I think it's disgraceful and I think it's an indictment of this government. I think it's shameful that a government that professes to care so much would waste so much of taxpayers' money and I regret having to keep saying this, but it's so true. I look at these programs and I look at the amount of monies that are spent and when I hear those ads on the radio and I think, God, how we could be helping people and it's not happening.

I think the government's going to pay for that at the next election and it's because of this type of unfeeling advertising that they're doing and wasteful spending of government's money. I'm sorry that it's this Minister that has to take the brunt of it all, but since it's under his department he certainly is, but all of them have to be feeling that this is wrong.

**HON. E. KOSTYRA:** The member's comments took me back to the time when she and her party were in government and such ads appeared, such as "Sitting On A Gold Mine"; didn't talk about specific program opportunities or economic developments that were happening, but were rather talking about some far-off program. I think that the member speaks with some different tongue at different times . . .

**MRS. G. HAMMOND:** What did you say about it then?

**HON. E. KOSTYRA:** . . . I've already made mention of what her colleagues across-the-board are doing with \$12 million in terms of advertising which is not dealing with any kind of program, any kind of job opportunities, any kind of economic development opportunities.

I think it's very important that we maximize those opportunities so we will have the kind of revenues, the

kind of economic prosperity in this province so that we do have the funds to provide for the necessary social and health structure that we, as Manitobans, want to maintain. We're going to have to work at further developing our economic opportunities in order to maintain and enhance that basis. I think that what we are doing is in keeping with the priorities of this government to increase economic opportunities, at the same time, to look at the social and health concerns of these people, and our advertising programs meet those targets.

**MR. CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, the comments of the other members are something that I agree with, and I find I want to add to the fact that I find it rather disgusting that we are spending money on advertising when the NDP programs, or the advertising they did and the bulletins they put out, to give you one example, during the last election said that we would do everything possible to hold down taxes in the City of Winnipeg, and they're rising. Yet, we find ourselves in the position of close to \$3 million in advertising, which is a 25 percent increase, approximately.

I would say that when he mentioned Saskatchewan, I can tell you that I have in my file downstairs an expenditure of the Saskatchewan Government, while the NDP was in power, on advertising that came close to \$7 million. When he speaks of the advertising that was done by the previous party, the PC Party, when we were in power, it was frankly peanuts compared to what this advertising is going.

I hear a laugh from the Minister down at the other end. I had an advertising program in Economic Development and Tourism that was a program that had four different ads that came on television showing people doing jobs in Manitoba saying there were job opportunities in the Province of Manitoba and it was a good place to live. If I'm not mistaken, the Member for Elmwood was very critical of me at that time for spending \$62,000 on it. Mr. Chairman, I had the Premier sitting approximately right over there, or maybe at the end of the table, in my Estimates giving me what for, for spending that kind of money to tell people that Manitoba was a good place to live and there were job opportunities within Manitoba.

Let's not beat around the bush about the sort of hypocritical type of statements that we've had at the present time from the Premier regarding telling the people that this is a good place to live and there's opportunities in Manitoba, and it's the duty of the government to do so, when he sat right where the Minister is sitting down at the end of the table right now and told me that it was a disgraceful thing to do.

So, Mr. Chairman, I can only say that the Member for La Verendrye is correct when he makes the statement that the Saskatchewan NDP Government learned the hard way. I guess the Progressive Conservative Government learned the hard way, as the Member for La Verendrye has said, and it obviously is a fact that the NDP Government in Manitoba haven't learned. But the disappointing thing about them not learning is that people of Manitoba could be using this \$3 million-plus, \$3 million plus the production costs.

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Now, I would ask the Minister, at the present time, who is the advertising agency that is working with these funds? Does the advertising audit place them directly with the stations, or are they placed through an agency?

**HON. E. KOSTYRA:** I believe the question was related to placement. That is done directly by the advertising audit office. In terms of agencies that are used for production, there's a wide range of them and they are dealt with by tender.

**MR. F. JOHNSTON:** Does the Minister, being in charge of the communications, or the advertising audit, have any rundown of the number of communications peoples there are in the different departments in the government?

**HON. E. KOSTYRA:** That staff does not report to this department, nor to anyone in this department, contrary to what was said. They're reporting directly to the Deputy Ministers in each of the respective departments. I believe that the number would be in the 30, 35, somewhere around that figure of communications personnel in each of the various departments that report, either directly to the deputy or through a director of communications to the deputy.

**MR. F. JOHNSTON:** The Minister mentioned the production costs are in the departments. Now, \$400,000 for advertising for the Jobs Fund - and I ask this because I don't want to jump into other departments, I can ask it there - under the Jobs Fund, I don't see any appropriation for advertising production.

**HON. E. KOSTYRA:** I don't have the page in front of me, but I believe there's a line in there for — (Interjection) — administration and . . .

**MR. F. JOHNSTON:** Well, I can ask it then.

**HON. E. KOSTYRA:** Yes, I believe there's a line for administration and other expenses. What page is that on?

**MR. F. JOHNSTON:** No. 139.

**HON. E. KOSTYRA:** Top of the page.

**MR. F. JOHNSTON:** Could it be Expenditures related - no, capital that's too much.

**HON. E. KOSTYRA:** I believe they're covered in each of the areas under Operating Expenditures by each of the three subcomponents, but while we're there dealing in the House with that line, we will provide that information.

**MR. F. JOHNSTON:** I realize the Minister is not the Minister of Energy, but there's a line in the Energy Department says Provincial Audit Programs. Does that relate to production for . . .

**HON. E. KOSTYRA:** I don't believe that relates to this advertising.

**MR. F. JOHNSTON:** Now I seem to recall the Minister giving us a figure in the House last year of \$1.2 million regarding advertising production costs, etc., for the Jobs Fund. Correct me if I'm wrong. I seem to have that figure in my mind as a statement in the House that was an Order for Return, I believe, or a request of the Minister. That figure of \$1.2 million for the Jobs Fund last year, are we saying that the Jobs Fund at \$400,000 plus production, etc., will come to that again?

**HON. E. KOSTYRA:** I believe the figure that the member is referring to - I think it was 1.1-something million - related to the first year of the Jobs Fund operations; we are now in year three. It related to all costs related to public information; it included advertising costs, production costs, leaflets, brochures, program application forms, all of that material, so it included advertising. I believe the actual figures for advertising that year were in the range of . . . I don't recall the specific figure, but that was the total cost of all forms of public information.

**MR. F. JOHNSTON:** I know the Minister would have to break it down, but is there any figure that we can come close to regarding production costs for these ads?

**HON. E. KOSTYRA:** On average, production costs relate to about 25 percent of the cost of the actual placement.

**MR. F. JOHNSTON:** On average, 25 percent.

**HON. E. KOSTYRA:** Yes.

**MR. F. JOHNSTON:** Okay. Well, Mr. Chairman, I don't have any more comments, other than to make one comment. I heard the accusation "sitting on a gold mine" said to us, and we have stated that probably we should have looked at the spending because it certainly didn't do us any good from that point of view. I don't see anything wrong with saying Manitoba is a gold mine and a wonderful place to live, but I also heard the comment from down the table, "don't stop us now." I would say to the Minister that that was an election campaign expenditure just the same as his billboards are a party expenditure at the present time. Regardless of whether they were good or bad, they were paid for by the political party.

So, as I said, I had nothing but criticism from the NDP. The Member for Elmwood, when I commented that he was opposing it and saying it was the wrong thing to do, at least he is consistent. He didn't like it then and he doesn't like it now.

From that point of view, I think that the government should take another look at these expenditures because I want to tell them every time somebody gets a higher tax bill, or every time somebody can't get in a hospital, and every time there isn't enough money to give services when there is wife beating or child abuse, etc., I can assure you every time most people see one of those ads, they say; who is paying for that?

**MR. CHAIRMAN:** 3.(e)(1) - the Member for Kirkfield Park.

Wednesday, 22 May, 1985

**MRS. G. HAMMOND:** I just had one question. Did the Minister indicate that all the ads are tendered?

**HON. E. KOSTYRA:** All the ads are placed through the Advertising Audit Office directly; there is no tendering of the placement of ads.

**MRS. G. HAMMOND:** You mentioned something about tendering in there. What were you referring to?

**HON. E. KOSTYRA:** That's for the agencies to produce the material, the production.

**MR. CHAIRMAN:** 3.(e)(1)—pass; 3.(e)(2)—pass; 3.(e)(3)—pass; 3.(e)(4)—pass.

3.(f)(1) Information Services: Salaries; 3.(f)(2) Other Expenditures - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Information Services is basically the information bulletins that come out to us weekly, am I correct?

**HON. E. KOSTYRA:** It includes the editing and distribution mechanism for that, the operation of the legislative press conference room downstairs, and that's basically the operations.

**MR. F. JOHNSTON:** What is the distribution? I know all MLAs get it. What is the general distribution; I mean on the News Services? Where does it go to, other than media and government people?

**HON. E. KOSTYRA:** There are two sets of distribution; one is for full news releases, and the second is for news briefs, which is the capsule information on the more detailed. The full news go to 212 news media; MLAs, MPs, deputies, libraries, etc.- 385. The news briefs also include rural municipalities, various municipal officials, ag reps, provincial boards, commissions, Provincial Government branches, and that totals 725.

**MR. F. JOHNSTON:** And there is no change in that distribution from last year, is there?

**HON. E. KOSTYRA:** No.

**MR. F. JOHNSTON:** Pass.

**MR. CHAIRMAN:** 3.(f)(1) - the Member for Kirkfield Park.

**MRS. G. HAMMOND:** Just a couple questions on this area. In the Information Services, are the news releases made up in the different departments and then they go down to Information Services, or what happens there?

**HON. E. KOSTYRA:** Most of them are developed in the departments and edited through Information Services, though Information Services does generate some for the Premier's Office and, on occasion, for Finance.

**MR. CHAIRMAN:** 3.(f)(1)—pass; 3.(f)(2)—pass.

3.(g)(1) Translation Services: Salaries; 3.(g)(2) Other Expenditures - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, are we going into Private Members' Hour today?

**MR. CHAIRMAN:** We are going to Private Members' Hour, we could finish this one at least.

**MR. F. JOHNSTON:** Yes, that's right.

**MR. CHAIRMAN:** 3.(g)(1).

**MR. F. JOHNSTON:** I just asked the Minister, he mentioned last year it was a real problem getting translators, and I will just ask him the same question. Is he still having problems getting them? His budget is approximately the same, which would indicate we'll get the same amount of translation done this year as last year.

**HON. E. KOSTYRA:** I should explain, the branch has been reorganized. The legal translation has been removed from the Department of Culture, Heritage and Recreation and has moved to a unit within the Attorney-General's Department; that's all the legal translators. That was the area that I commented on last year, there was some difficulty hiring legal translators because of demands in Ontario and in New Brunswick. What is left now is the general translation services which provides for the translation of letters, government documents, both from English to French, French to English, and has the capacity or capability, through contract, to provide translation into other languages other than English or French. There is no difficulty in getting staff for those general translations. The difficulty was in the legal translator area.

**MR. F. JOHNSTON:** Pass.

**MR. CHAIRMAN:** 3.(g)(1)—pass; 3.(g)(2)—pass.

**MR. F. JOHNSTON:** Oh, I'm sorry.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Is this the department that the government gets interpreters for other departments? Where, Mr. Chairman, does the government get interpreters, I don't imagine that they are on staff? Do they come from any certain area?

**HON. E. KOSTYRA:** In terms of translation into French, there is one full time on staff interpreter available to the courts, other departments.

We also have some translators that on occasion can perform interpretive situations or deal with those kind of situations.

**MRS. G. HAMMOND:** I wasn't specifically thinking of French, because I did realize that that was a capacity that the government had. But I'm wondering for some of the other cultural organizations or people just coming in off the street.

**HON. E. KOSTYRA:** In terms of translation in other languages, we do have people who are on contract or can be placed on contract, to do work in other languages.

In terms of interpretation into other languages, other than English and French, we do not have that capacity within the government. The Citizenship Council, the International Centre has a language bank which provides that service for the courts and for other public sectors. But we do not have that capability within the government.

**MRS. G. HAMMOND:** When you use the Citizenship Council, do you pay for those services?

**HON. E. KOSTYRA:** We don't use them. I don't know whether or not on occasion other government departments use them, and I wouldn't know whether or not they pay for them. I do know that they are coming in to meet with us shortly to talk about their program and requirements for financing their program.

**MR. CHAIRMAN:** 3.(g)(1)—pass; 3.(g)(2)—pass.

**MR. R. DOERN:** Mr. Chairman, I wanted to ask a few questions here on the Translation Services.

I just wrote away to the various provinces for information on a matter about the environment and the question about disposable bottles and so on. I just got back a number of replies. Now one of the replies is from the Province of Quebec and the letter came back in French. The material came back, some general clippings, in French and English and then I guess the detailed regulations, etc., also came back in French. I'm just wondering what our policy is in regard to inquiries of government, whether they are answered precisely in the language of the inquiry or whether there is some combination. What is the, sort of, procedure?

**HON. E. KOSTYRA:** The services available for, I don't know if the member's interested in my answer. There is a service available and it's available for members of the Legislature. If it's detailed regulations, then that may be a significant undertaking. But if it's simple correspondence or documents, it can be done fairly easily, but if you get into the area of detailed regulations it takes time. It also sometimes requires more than just a general translator because you're dealing with legal terms, that one has to be careful in terms of how they're translated.

**MR. R. DOERN:** Well, my question wasn't in regard to translating the material I received. My question concerns a citizen writing to the government in the French language or any other language, does he get a reply in that language and does he get material, in the case of a French letter entirely in French, in terms of his answer and other material?

**HON. E. KOSTYRA:** The practice is whoever replies makes a determination whether or not it should be replied to in that same language in terms of documents. If those documents are available and have already been translated they'd be provided, but there's no specific policy to translate every document into another language for reply.

**MR. R. DOERN:** I also want to know about federal funding in this particular area. Are there monies available, staff available?

**HON. E. KOSTYRA:** There's no federal funding in the general translation in the coming year. The member was out of the room when I responded to a question from the Member of Sturgeon Creek. Legal translation is no longer in this department and is in the Department of the Attorney-General. Any questions with regard to that would have to be directed to him.

**MR. CHAIRMAN:** It is almost Private Members' Hour. The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** I just have a couple of questions on Information Services. I think we could do it very quickly. I can't speak for the other members, though, of the committee.

Mr. Chairman, the Member for Elmwood is suggesting he has quite a few questions. We should possibly come back to it.

**MR. CHAIRMAN:** Today's Wednesday, so we'll not be coming back in the evening.

**MR. F. JOHNSTON:** Well, Thursday then.

**HON. G. KOSTYRA:** Can we conclude this item?

**MR. F. JOHNSTON:** Oh, Translation Services.

**MR. R. DOERN:** No. I would like to hold it.

**MR. CHAIRMAN:** The time being 4:30. It's time for the Private Members' Hour. Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Committee will come to order. We are considering the Estimates of the Department of Agriculture, Item 3. Manitoba Agricultural Credit Corporation.

Does the Minister have an opening statement?

**HON. B. URUSKI:** Yes. Mr. Chairman, I should provide some basic information for the honourable members on the activities of the Manitoba Agricultural Credit Corporation.

In 1984-85 fiscal year, the Corporation reached an unprecedented level of \$73.7 million in activities and loans and assistance to Manitoba farmers. This is the second year in a row that loans and assistance to Manitoba farmers have exceeded \$70 million. This represents more than 140 percent increase over the average for the fiscal years '77-78 through '82-83.

During the '84-85 fiscal year, 767 fixed rate loans for more than \$30 million were made under MACC's Direct Lending Program; 683 farmers received guaranteed operating loans totalling \$39.8 million.

In addition, 199 farmers received first year assistance and 441 received second year assistance for \$3.7 million under the Manitoba Interest Rate Relief Program.

Under the Young Farmer Rebate Program, over \$2.2 million was returned to farmers under age 40. The Young Farmer Rebate Program provides a 4 percent rebate on the first \$50,000 loaned over a five-year period on a long-term loan.

Many of MACC's clients, like producers throughout this country, are encountering serious financial difficulties. This past March, the interest rates on MACC's Direct Loan Program reduced to 8 percent for the 1984-85 fiscal year. This was done with the objectives of, (1) providing much needed assistance to MACC clients most of whom are younger or beginning farmers with limited equity; and (2) to demonstrate to the Federal Government and other lending institutions that provision of meaningful assistance to farmers is both desirable and possible.

In March, I also announced a \$20 million Comprehensive Refinancing Program to assist farmers in financial distress. This program provides for loans up to \$200,000 to individual farmers for the consolidation and restructuring of their debts. The interest rate on the first \$100,000 of the loan is 9.75 percent for the first five years of the loan; and the interest rate on the portion of the loan over \$100,000 is at MACC's regular lending rate. On a \$100,000 loan at MACC's current interest rates, farmers qualifying for the program would save about \$15,000 over the first five-year term of the loan.

Over the past three years, several new programs have been introduced to assist young beginning and expanding producers and producers in financial difficulties. This includes the Interest Rate Relief Program which was introduced to help ease the burden of high interest rates and farmers in financial difficulty. Over 1,200 farmers have received assistance under the Interest Rate Relief Program.

In the first part of 1983, when it became apparent that many farmers were having difficulty obtaining operating loans, the Guaranteed Operating Loan Program was put in place. In '83-84, 517 farmers received \$28.4 million in guaranteed operating loans; and this past fiscal year 683 farmers received guaranteed operating loans for \$39.8 million.

Two years ago MACC clients who obtained loans between April of 1980 and December of 1982 at interest rates between 13.5 and 17.5 percent were given the option to buy down the rates to 13 percent. This option was exercised on 640 loans totalling \$36.272 million. This represents a potential savings of \$18 million over the remaining terms of those loans.

This past year, the interest rate for clients on MACC's Direct Loan Program was reduced to 8 percent. During the current year, in addition to its Regular Lending Program and the Guaranteed Operating Loan Program, MACC is assisting farmers in financial difficulty through consolidating and restructuring debts under the Comprehensive Refinancing Program introduced in March.

MACC's programs will continue to be targetted toward the younger, beginning and expanding producers and farmers in financial difficulty.

MACC also administers the Commercial Fishermen's Loan Program on behalf of the Minister of Natural Resources and that department. There are approximately 2,500 licensed commercial fishermen in this province and as of April 30, 1985, 1,270 or over

50 percent had loans with MACC. In the 1984-85 fiscal year, 88 new and 859 supplemental loans were approved for \$2,322,464.00.

Mr. Chairman, this briefly gives the honourable members opposite a financial overview picture of the activities of the Corporation over the past year.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

Mr. Chairman, I guess if any area of responsibility that this Minister of Agriculture has failed in, has been that dealing with the farm financial crisis in Manitoba and the manner in which he has performed personally and in which he has failed to give the kind of confidence and the kind of leadership to the farm community and to the people of Manitoba who depend on government leadership in these areas, his record is extremely poor. I think almost to the point, Mr. Chairman, where in fact it has caused a lot of extreme pressure for individuals who have been living in hope, who have been thinking that some day they would be able to apply for a Manitoba Agricultural Credit Corporation Program and get the kind of assistance they so desire.

Let's just look, Mr. Chairman, at some of the record of the Minister and his carrying's on over the last few months in this whole area of farm financing and the need for action on his part, and the kinds of areas of demonstrated lack of credibility that this Minister has put forward.

I go back to some of the comments that were made in the earlier part of the winter when we see the Minister - in fact, we look at November of 1984 - where the Minister of Agriculture had five big points of recovery in which he was pointing out that he had certain answers and certain areas that he could resolve the farm problem. He went to the Manitoba Pool Elevators and made a speech pointing out five areas. The main areas in which he spoke on were not within his jurisdiction; they were mainly federal initiatives which in fact he had very little influence over, but was again playing the political fed bashing game that he's played all the way through the piece.

I want to as well point out that all those initiatives which he was having a lot to talk about at that particular time, there really hasn't been anything come about. It has been time that he has put in that hasn't accomplished, I think, anything to assist those farmers who are in extreme financial difficulties.

We carry on, Mr. Chairman, to the meeting of Agriculture Ministers where in fact it is my understanding that they had a technical committee struck to conform with some recommendations dealing with the Agro-Bond Program, which the Federal Government have talked a considerable amount about; that there was a general agreement that the provinces were supportive of such a concept. I looked forward, quite frankly, to seeing some positive recommendations coming from the technical committee struck by the provinces of Canada to make recommendations for federal action. I would have thought possibly it was a reasonable way to go.

Mr. Chairman, following on that whole activity of the Minister, we saw the Minister of Agriculture again go off on a tangent and try to get coverage within the

farm community, and he got it all right, the kind of coverage that I don't imagine many people would really look forward to getting.

That's on the January 15th press release, stating that the Minister of Agriculture in Manitoba had called on the governments of all of Canada, provincial and federal, that he called on the lending institutions to come to a meeting in Winnipeg to give him a commitment that they would be writing their interest rates down to 8 percent.

It was a strange sort of a situation, because he came to the Legislature the day after he met with the newly-formed Keystone Agricultural Producers, a farm organization of which he was their guest speaker. The day before, he had a good opportunity to lay his ideas forward, to discuss with some of the progressive farmers who were at that meeting his ideas and thoughts on the reduction of interest rates. It would have been a good idea, I think, for him to have at least brought the idea forward at that meeting to get a feel for how his proposal might float in the public eye and with the farm community.

But he didn't see fit to discuss or consult with the farmers; he decided that he would pull a big political maneuver. The next day he would call a full-blown news conference. He'd fill the News Media Room, and he would call for everyone in society that lends money out, the credit unions, the banks, the governments across Canada to lower their interest rates to 8 percent. Well, he got tremendous coverage because we, for some time, had been asking for lower interest rates for the farm community.

Yes, Mr. Chairman, we all wanted lower interest rates for the farm community, but I think the one thing that each and every person that was wanting lower interest rates wanted to deal with it and handle it in a responsible manner, something that this Minister hasn't been able to do in any area of his responsibilities . . .

**A MEMBER:** Incapable.

**MR. J. DOWNEY:** That's right. He's incapable of dealing responsibly with a serious situation. He played a big political game and he lost. He lost credibility with the farm community in Manitoba. He lost credibility with the credit unions, and let's remember who the credit unions are. He lost credibility with the Manitoba agricultural community. He lost credibility with his provincial counterparts throughout Canada. He lost credibility with the federal people who are involved in the financial lending of money. That's the No. 1 credibility loss that he had in the handling of what was a very serious and a very major problem which we're all very concerned about, played politics with the livelihoods of those people who were extremely and severely distressed because of the economic climate of which he and his government are part of creating.

Mr. Chairman, a follow-up to that meeting or the call to that meeting, he saw where he was beat. Of course, what was his response? Well, of course, it was the terrible opposition who had phoned every provincial Minister of Agriculture in Canada and just scuttled his meeting. I say, Mr. Chairman, wouldn't it be nice to have that kind of influence?

Mr. Chairman, the people of Manitoba should be well aware that we do have more credibility and could in

fact have pulled off a meeting of such magnitude. I'll make reference, Mr. Chairman, to the meeting that was called in 1979 that brought together all the participants, all the provinces and the participants in the grain handling industry. We proved that we could pull together the actors and the people who would put forward commitments to get the job done of moving grain.

It was an excellent opportunity, Mr. Chairman, for the Minister to have put forward in a serious way the concerns of the Manitoba farmers who were in distress, but he wanted to play politics with it. He wanted to play politics and try to gain political points for his own government and for himself, as he said last night.

What is his main objective? To improve his own image. That's what he wants, to improve his own image. That's what his objective has been all the way through, Mr. Chairman. Yes, Mr. Chairman, it's on Hansard. It's in the record precisely what his objective is, is to improve his own image.

It follows through. It now comes loud and clear as to what MACC, the meeting he called for the financial people of this country was all about. It was a political posture for the Minister of Agriculture of Manitoba. The sincerity to help the farmer in Manitoba was not there.

Mr. Chairman, let us go forward again and look at what happened next. Let's go to February 1st, about the Farm Outlook Conference time. What did the Minister of Agriculture in Manitoba do? Well, this follows on some moves taken in Saskatchewan a few weeks before when we called the Minister of Agriculture in Manitoba to call the Legislative Assembly so we could put ideas forward. Mr. Chairman, the press release of February 1st, Farm Debt Legislation being drafted by Uruski; Minister to seek Views of Manitoba Farmers.

He's caught in a trap, Mr. Chairman. His politics failed; his political posturing failed to call a national meeting. His political agenda bombed on him. Now we have the Minister of Agriculture, a public press statement, February 1st: "Manitoba Agriculture Minister has instructed his department to draft farm debt adjustment legislation and has announced that he will consult Manitoba farmers and their organizations to determine their views on the issues."

Well, I ask the Minister - he has now drafted the legislation - when will we have a chance to see the farm debt legislation that he's talked about? Mr. Chairman, the Minister says that he has instructed his department to prepare it.

He made a big speech out at the Brandon Outlook Conference, because he thought that was the thing to say. He came back to the Oak Bluff Outlook Conference a day or two later, and it had all changed, Mr. Chairman. Now he again changed directions. He said, well, that really isn't the way to go. I'm going to back off now, because I talked to somebody and they really don't think it's the right way to go.

I don't know, Mr. Chairman. I don't know where this Minister of Agriculture really intends to take the farm community when it's in regard to farm financing. He calls a meeting that bombed on him. He couldn't get anybody to come, because he was political posturing and trying to get himself and his own image improved in his government's image. He instructs his department to draft farm debt legislation, makes the announcement at one Outlook Conference; the next day, he's going another direction.

Well, when you're in a financial stress, when you're a farmer sitting out there owing thousands of dollars, looking to a government who have said they're going to do something, and then the next newscast you hear they're doing exactly the opposite, where does it leave the farm community? It leaves them totally frustrated. It leaves them with lack of trust for the Minister of Agriculture. They don't know what their next move should be and it has added more difficulties to their situation, rather than lessened the pressure that's on their backs.

That's really what we've seen happen under this provincial Minister of Agriculture, Mr. Chairman. We have seen a lack of direction, a lack of commitment, and all it has been has been political posturing by the current Minister of Agriculture.

But what are some of the responses? Well, let's hear some of the responses from the Governments of Alberta and Saskatchewan. I know what some of the responses from Saskatchewan and Alberta were. They said 8 percent interest. Saskatchewan said we already have an 8 percent interest program in our province for young and beginning farmers. Why would Saskatchewan want to come to a meeting in Manitoba when the Minister is playing politics for his own betterment? We, in Saskatchewan, already have an 8 percent interest rate for our young farmers through our Saskatchewan loan program; we don't need to go to the meeting because we have already got 8 percent money. Alberta already have loan programs through their lending institutions that are equal to what he was calling for.

But the other concerns coming forward from a lot of the farm community - and maybe this is the message that got through to the Minister of Agriculture - that some of the banks and some of the farmers who were working with those banks started to say, if you move the way you are moving then you will create a financial crisis for the other people who have had a long-term relationship with the bank and the farm community. That was what was being talked about.

I ask the Minister if that's what really brought him to his senses. Is that really what brought him to his senses?

**HON. B. URUSKI:** Are you saying it's an insensible thing to bring in legislation? Is that what you are saying?

**MR. J. DOWNEY:** I am saying the Minister of Agriculture, his whole lack of credibility, has caused further confusion in the farm community and added difficulties . . .

**HON. B. URUSKI:** You don't know what you are talking about.

**MR. J. DOWNEY:** Yes, I do know what I am talking about. I have talked to a lot of farmers.

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** I have talked to a lot of farmers and I will tell you, Mr. Chairman . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please.

**MR. J. DOWNEY:** . . . and again demonstrate the lack of credibility. The same day that the Minister of Agriculture - January 14th, a letter went out from the Manitoba Agricultural Credit Corporation - the Minister of Agriculture is standing up in Winnipeg on the 15th of January saying we want 8 percent interest rates, that's what I believe in.

The Manitoba Agricultural Credit Corporation on the 14th of January, and I want to read this letter into the record because I think it's important, and this goes to a constituent of mine that says: "Dear Sir: We wish to remind you that your real property mortgage to the corporation . . ." - this is the Manitoba Agricultural Credit Corporation - ". . . contains a clause providing for a review of your interest rate every five years. Your loan is now being reviewed and the new interest rate for the next five-year period, commencing November 1, 1984, will be 13 percent."

Yet the Minister who runs this department says he wants 8 percent. So on one hand he wants 8 percent but he is, on the other hand, saying we are charging you 13 percent.

Mr. Chairman, we'll go through the series of events: "We enclose herewith a revised amortization schedule which reflects the new interest rate. If you are making payments by monthly or quarterly postdated cheques please adjust them accordingly. Please retain this schedule with your permanent loan records." Signed Mrs. Terry Brunsel, Liaison Officer of the Manitoba Agricultural Credit Corporation. Another letter I have here from another constituent.

So what we have is a Minister of Agriculture saying one thing and doing another, Mr. Chairman. How can anyone in society call themselves a leader in the farm community and have that kind of inconsistency? People lose their trust and their faith in people that carry on like that, Mr. Chairman, and that's really what happened.

Now let's talk about really what could be accomplished. You know, we are sitting in the Province of Manitoba with record bankruptcies under this New Democratic Government. But let's go on a little further, let's go on to January 31st. The Minister says: What would we do?

Well, I again will refer to a letter that I sent to the Minister of Agriculture on January 31st. I am prepared to table it along with an attachment of Hansard 2124 of Tuesday, 19th June, 1984. Let's go through what we recommended, Mr. Chairman, because really it was trying to point out to the Minister of Agriculture what he could actually do. Eventually what he did, of course, was along these lines, but I am going to quote it for the benefit of the committee.

This is to the Minister of Agriculture and it's signed by myself, as an MLA for the Arthur constituency, and I write: "Dear Mr. Minister: I am writing on behalf of the farm community who feel betrayed by you and your government. At the time you were advocating lower interest rates for farmers you, through MACC, which reports to you, were increasing your rate from 10, 10.5, to 13 percent on certain loans I request that you move immediately to roll back the rate increases so that some of the pressure is taken off the hard-pressed individuals in order that they can continue with their family farm operations.

"I would like to point out to you that you and your government are gouging the farm community with your

interest rate policy" - which, in fact, you were. "Last June, 1984, the Minister of Finance issued preferred shares on the sale of government buildings. I understand you have raised over \$250 million, which I think has been verified by the Minister of Finance to this date. You are paying 9.25 percent. In the debate in the Legislature the Minister of Finance stated, and I enclose a copy of his statement, that the money would be used for Manitoba Agricultural Credit Corporation farm loans, and the rate would be 10.5 percent after all costs were included.

"We expect you to take immediate action and live up to your commitment and lower MACC rates as your Minister of Finance said he would do with the money made available from the issue of public shares. It is time for serious action on your behalf, because the farm community are totally frustrated with your lack of direction and sincerity in dealing with a very serious matter." That's the end of the letter, signed by myself.

The point is, Mr. Chairman, we pointed out to them the direction that they could go, that they had a commitment to the farm community in the June Estimates or comments of last year. What happened, Mr. Chairman? They did move, and I say to the Minister, we're glad you did.

But I ask the Minister now, and I hope he takes note of the question because I want an answer to it, to this date, how many farmers have received the loan under that program? Of the \$20 million made available at 9.75 percent, I want to know how many farmers have received a loan. We are now almost at the end of May, crops are pretty well completed seeding, and I wonder if there has been one farmer who has received any assistance this spring.

Well, he makes an indication that there hasn't been one farmer receive assistance under this program; 2 zeroes. There hasn't been one farmer receive assistance under this program, and yet it was highly touted in the spring Budget as being a major move and a major program.

Mr. Chairman, what I am saying to the Minister is, again, he is letting the farm community down. I have had numerous constituents come to me and say they want to get support under that program. First they get turned off because the MACC agent says, well, really you are either too well off or you are too far in debt and you don't qualify. So they say, my goodness sakes, what do I have to do to qualify? So they get turned away at the agent's office. I am not sure what happens when it gets to head office, whether there has been reconsideration given or not.

But, Mr. Chairman, again we have the credibility question brought forward of the Minister of Agriculture who makes a lot to-do about a program and then, in fact, lets the people down who are expecting the support. So it's the question of lack of credibility that we are dealing with, and a lack of direction.

Mr. Chairman, I'm really not sure where the agricultural community is going to end up if we continue to have the kind of inconsistency, the kind of policies that they dangle out to the farm community, programs that are supposed to be of assistance and then put the farm community through tremendous hoops and say, at end of it, "Sorry, you don't qualify." It's really bad leadership; it's not being straightforward to with the farm community, and it adds to further distress.

Mr. Chairman, I have another concern at this particular time and I'm going to lay it on the record right now. The Minister makes a lot to do about his 8 percent reduction to some farmers; and it did help, it did help certain individuals. The rebate of some several thousand dollars I say did help, but it helped a very few people. Again, he led them to believe that there would be 8 percent for a long period of time. Well, he was forced to take action on one year - he said his Minister of Finance gave him permission to do this. One, again, has to question his credibility in Cabinet and his strength in Cabinet because I'm sure the Cabinet member said, "Look, Mr. Minister of Agriculture, you're in a lot of trouble. You've called for 8 percent interest; you made all this noise; now what are you going to do to save your own hide because you've got to do something?" So they said to him, "Okay, we'll allow you to spend \$6 million and we'll allow you to write down the loans to 8 percent."

And I think that's probably what happened; that he was bailed out by some of his colleagues in Cabinet who said, "You've really got yourself in a box; you have to now show that you're really going to do something." And he was forced to do it for one year. I think that's really what happened. So he's written the interest rate down to 8 percent for one year. But what I'm saying right now is, and what I'm going to be saying is . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** Mr. Chairman, what I am going to say right now, and we'll spend some time debating because I, as well, want to know from the Minister of Agriculture what the current rate is for Manitoba Agricultural Credit Corporation loans. If a client goes in today, what kind of cost of money will the . . . He says on the one program he can get the first 100,000 at 9.75, or she can, at 9.75, the balance will be at going interest rates or current interest rates. What is today's current interest rate on the Manitoba Agricultural Credit Corporation loans?

Mr. Chairman, I ask the Minister that specific question and hope in his answer that he will provide it. I would like to know what the Manitoba Agricultural Credit Corporation Interest rates are because, Mr. Chairman, it's extremely important at this time that he not continue to mislead or to try and say to the farm community that he's doing one thing; says that he is doing one thing, and then doing something else.

Mr. Chairman, I think it is extremely clear, and the record speaks for itself, that this Minister of Agriculture, his lack of credibility, his lack of ability to handle his portfolio and deal straightforward with the farm community is one which we cannot continue to tolerate. If he can't handle a job, as I said to him last night, I would ask him to step aside, to voluntarily step aside, because there must be someone else who could handle it better than he has.

So, Mr. Chairman, I ask him, specifically, how many farm loans have been approved and, as well, what is the current interest rate of the Manitoba Agricultural Credit Corporation?



**HON. B. URUSKI:** Mr. Chairman, before I answer the specifics of those questions, I want to deal briefly with some of the remarks that the honourable member has made this afternoon.

Mr. Chairman, I find the performance of the former Minister of Agriculture dismal. I find his performance utterly disorganized, disoriented and really disjointed in terms of knowing and being able to deal with the farm issues in a comprehensive way. I believe he lacks understanding of really what the issues are and how we're to deal with them, and whose responsibility is it in terms of trying to deal with the situation that the farm community in Manitoba and across this country face. I think, Mr. Chairman, that is, and continues to be, a basic difficulty with members opposite, that they really have no direction at all and don't know what to do next but utter knee-jerk reactions to every proposal and every statement that this government has made. I haven't heard one word from the Honourable Member for Arthur that suggests any of the proposals that we've made, to this date, that there was basically anything wrong with the statements that we've made. He has not offered one solution, not one alternative to anything. All he has done, Sir, is that he has carped about every fine detail of every program.

Mr. Chairman, when we brought in the Interest Rate Relief Program, well, Sir, we couldn't find one farmer anywhere in the province that would qualify, there are no farmers in the province. In fact, Mr. Chairman, the bulk of the applications come from constituencies in regions represented by members opposite in terms of qualifying under the Interest Rate Relief Program. The same kind of carping came on the Loan Guarantee Program. We wouldn't find one farmer in the Province of Manitoba who would qualify under that program. Well, Mr. Chairman, \$40 million of loan guarantees to over 600 farmers in the Province of Manitoba last year.

Mr. Chairman, did I hear any criticism or any statement that somehow the direction that this department and this government has taken, in terms of the proposals put forward on the five point recovery plan were wrong? We have heard nothing. We have heard absolutely nothing in terms of the criticisms of the honourable member. All he said that we put five points that were beyond our jurisdiction.

Mr. Chairman, this government has put more money into agriculture than any government in the history of the province and it isn't enough and we admit it. Mr. Chairman, that's what hurts the honourable members, because the farm community clearly recognizes the limitations of a provincial government in terms of trying to support the incomes of producers.

Mr. Chairman, over \$40 million in income support to the red meat industry. Mr. Chairman, that is a long-term commitment to protect the producers and to protect the jobs in the packinghouse industry; that's the kind of vision and the kind of stability that this government is trying to get across to our farm community.

Mr. Chairman, they didn't knock 8 percent interest rates that we put forward. What did they say? Well, we were playing politics. Mr. Chairman, for six years the economy of this country has been burdened by the excessive high interest rate policy of the Federal Government, aided and abetted by that bunch when they were in office, and now to say that we are in favour

of low interest rates. Mr. Chairman, I find those kinds of statements, Mr. Chairman, very very weak, in fact, I would use another word, Mr. Chairman, but it is not parliamentary in terms of what their position is on interest rates.

Mr. Chairman, why didn't the provinces come? Why didn't the provinces come to this meeting? Mr. Chairman, they said it was premature. Now let's deal with that question of prematurity. The member opposite quoted the Minister from Saskatchewan. Mr. Chairman, I saw the news clippings. The Minister from Saskatchewan said he wanted action, not further study. When he was questioned by the reporter in Saskatchewan, the reporter said: "Well, the Minister said, let's write down the interest rates now to 8 percent." That was his response.

Mr. Chairman, I believe that the opposition here did play a role, and maybe I'm giving them more credit than credit is due, because the first reaction that came from the honourable member is that he supported the move. He indicated he supported the move to lower interest rates, and then I guess it got through to him that it had political implications; that if we brought all the lenders in all the provinces into the table here in the Province of Manitoba to deal with the question maybe something might happen, and that somehow, how could this one lowly socialist Province of Manitoba call all these people to the table and attempt to get them to agree to lower all interest rates to benefit Manitoba farmers.

Mr. Chairman, an \$80 million reduction in interest rates in one year. That's more, Sir, than the payment out of the Western Grain Stabilization Plan to the farmers this year. It would have done more, in terms of saved interest rates to Manitoba farmers, that's what that move would have made, Mr. Chairman. Wouldn't that have gone a long way to assisting a lot of the farmers in the Province of Manitoba. No, Mr. Chairman, the proposals were premature. We were awaiting for the federal task force to report and the federal parliamentary committee to report to the Minister of Finance on farm financing.

Well, Mr. Chairman, we had been to the national conference in Toronto the previous November to deal with farm financing. Mr. Chairman, a number of issues were put forward by provincial ministers; one of them, a dovetailing of operating loan guarantees, because the Province of Saskatchewan was having great difficulty in implementing a loan guarantee program the first year, it totally fizzled. They wanted national action so that there would be a comprehensive operating loan guarantee program dovetailed to the provincial programs. What did we get, Mr. Chairman? Thumbs down. Total rejection of that proposal last November. Mr. Chairman, the Federal Minister of Agriculture said that provinces would have to carry on with their own provincial programs; that was their response.

And so we waited, November and December, and January, and no action, Mr. Chairman, the farmers of Western Canada and this province had no national action in terms of the farm financial crisis that is facing producers right across, no leadership whatsoever to dovetail, to compliment the provincial programs that this government has put in, and other governments have done what they can. There is no national action, Mr. Chairman; that's what's been happening.

Mr. Chairman, it took two-and-a-half years for them to realize that they should write down interest rates at FCC to the current borrowing rate.

**A MEMBER:** Why didn't you get in a fight with them

**HON. B. URUSKI:** Mr. Chairman, the honourable member will have his opportunity to speak. Why didn't we get up and fight with them? Mr. Chairman, we didn't hear any support from the honourable members, we just heard carping. We heard carping from the Member for Turtle Mountain, who was a previous Finance Minister, about the interest rates. He knew better, Mr. Chairman.

**A MEMBER:** What?

**HON. B. URUSKI:** What, the Honourable member says. Mr. Chairman, it would only be a former Finance Minister who would have known, when they brought in the 5-year renewable loans, of what would happen. That, obviously, there is a time every year, which we will have to review, Mr. Chairman, which we will be reviewing those loans that are coming up for 5-year renewals. We will be looking at those, Mr. Chairman, because they were the loans. But there were benefits, notwithstanding that they increase, there's no doubt about it. All the loans increase and then, of course, they were reduced to 8 percent. That was the benefits of our reduction.

Well, Mr. Chairman, there was a benefit to those producers because they missed that period of the highest interest rates, because they had the stability of that low interest rate loan through the years when interest rates peaked at 24 percent, or some of the long-term loans were at around 20 percent. So they did have, at least during that period of time, the benefit of those lower interest rates, even though the new rate, the borrowing rate at the five-year term, was a fairly high change from the previous loans. But, Mr. Chairman, I say this to the honourable members, you have carped; you have bellyached; but you have not, in the three-and-one-half years that you've been in opposition, you have not given the people of Manitoba, or even this government, not one suggestion that made any sense in terms of operations of the Department of Agriculture, or programs for the financial well-being of the province.

Mr. Chairman, talk about leadership. What do we see now in this country? We see this budget increasing; the Province of Manitoba spending more money in the history of agriculture. And what do see at the national level, Mr. Chairman? Cutbacks, \$8 million reduction in agriculture last November, Mr. Chairman; a \$60 million reduction for this fiscal year, recovered by virtue of a \$30 million increase in fees, to be taken from farmers right across this country. That's what we see in terms of commitment to agriculture? Is that what honourable members opposite support? Is that the kind of programs that they're prepared to backup with their federal colleagues, to cut back agriculture and say, well, we cut the other departments even more but, see, we did agriculture very well, we're not cutting them as much as we cut everybody else. Because that's basically what they are supporting, Mr. Chairman.

Mr. Chairman, if the honourable members have not heard what we have been promoting, I will not repeat

for the honourable members. Mr. Chairman, is there anything wrong with a national monetary policy of 8 percent? Is there anything wrong with that? Do honourable members support that, Mr. Chairman. Is there anything wrong with changes to the Western Grain Stabilization Program that we've put forward in detail which all honourable members, or members of their party received? We never heard anything. Is there anything wrong with that, Mr. Chairman? Is there anything wrong with the crop insurance changes that we were able to negotiate and implement? In fact, we got bouquets from members opposite; nothing wrong with that, Mr. Chairman. Is there anything wrong with our position vis-a-vis the method of transportation and the changes in the Transportation Act? Haven't heard where the members stand on that one, it'll be interesting to know.

And is there anything wrong with our position on marketing and the need for stronger emphasis on international marketing that we put forward, instead of the nonsense that we're getting now in terms of retaliation on the U.S. side and retaliation from the European economic community, and we really can't be able to stand on our own two feet and negotiate strongly with those national governments. Is there anything wrong with those proposals, combined with the changes in western grain; the changes required in a cash-advance program, a solid program you know, Mr. Chairman, of support for grain prices by the national government? Is there anything wrong to underpin the agricultural community when the bulk of the farmers in western Canada, who are in the greatest financial difficulty, that's not to say that there aren't others in financial difficulty, but the bulk of the difficulties are those in the grain-related areas? Mr. Chairman, the programs that we've put forward under MACC certainly stand second to none anywhere in this country.

And the small administration - and I say small, it has not increased - that we have in MACC, has done as good a job as one can expect from that size of administration. Mr. Chairman, this administration has done a yeoman's job in terms of trying to deal with about 10 percent of the credit, we don't provide all the credit. But it appears that members opposite would like us to apply and supply all the credit and the credit needs of Manitoba farmers. We have never pretended we can, and never pretended that we will be able to.

Mr. Chairman, specifically, I want to answer for the honourable member, in terms of the new program, there have been 96 applications received under the \$20 million loan program, totalling approximately just under \$9 million; 8 applications for \$900,000 have already been approved; 16 are in process in head office, for a total of about \$1.7 million; and there are 39 in the field offices, totalling \$3.4 million; and there are another 33 applications which been given out which have not been returned. Eight have been approved.

Mr. Chairman, on the lending rates, the present lending rates commencing May 15th range from 12 percent for the two-year loans up to 12.75 percent for the 30-year loans, and it's progressively higher as the years go by. The FCC rate is generally about a .5 percent higher than ours on a five-year loan.

**MR. J. DOWNEY:** So it's 12 percent . . .

**HON. B. URUSKI:** At two years; 12.125 for five; 12.25 for 10; 12.625 for 15; and for 20, 25 and 30, 12.75 is the current lending rate at MACC.

**MR. J. DOWNEY:** Mr. Chairman, I know that I have several colleagues who want to make some comments in this area too, so I'll keep my comments a little briefer at this particular point. But I say to the Minister, he keeps coming back, saying we haven't made any positive suggestions.

I made reference to the program that we suggested he could come forward with. That was a January 31st letter where we suggested that they had said that they had \$250 million, so we see \$20 million come forward at 9.75 percent. We recommended to the Minister that he proceed to put in that program.

**HON. B. URUSKI:** You called that program a sham.

**MR. J. DOWNEY:** No, Mr. Chairman. We recommended that they could proceed to move on it. So we see eight people . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** . . . have approval. I compliment the Manitoba Agricultural Credit Corporation.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please. Order please.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I make a comment that there is a little relief. Eight farmers got approved. I say to them, that's good for those eight farmers, because I'm sure that they were in need.

But in a general sense, it is really nothing to give the farm community any feeling of security when we have 96 applications, eight approved. We're really not helping the overall farm community.

Mr. Chairman, what I would suggest to the Minister, and I suggest it today because we had to face it and we had to deal with it, our interest rates when we were in office were trailing the increases of everyone else. We were not the leaders. Mr. Chairman, I would suggest to the Minister right today that if he is serious about lowering interest rates to farmers, then he'd look around him and see what's going on. Because you know what the interest rates are today at banks? They're less, Mr. Chairman, than what they are at MACC for long term.

Mr. Chairman, maybe there could be some flexibility worked out, because one-year loans right now for a mortgage are just over 10 percent.

**HON. B. URUSKI:** Why don't you take it?

**MR. J. DOWNEY:** Mr. Chairman, he says why don't I take it? Why doesn't he do some leadership as the Minister of Agriculture and co-ordinate some of the activities that could be carried on? Yes, Mr. Chairman, the current interest rates for one year are 10.25 percent.

Now, that's a shorter term, I agree; that's short term. Mr. Chairman, the long term for five years is 12.5 percent.

But he just said, as of the 15th of May. What is happening at the banks? The bank rate, Mr. Chairman, is dropping. The bank rate dropped last week; the banks dropped their rates. It looks, Mr. Chairman, as if we are in for lower interest rates. Why isn't the Minister of Agriculture now leading with his Credit Corporation and saying we are going to be as good as the banks are or better?

He demanded in January that everybody drop to eight percent. Now they are dropping, Mr. Chairman. He has a chance with his corporation to show by example that he is sincere about it and not just help the few farmers that he's helped. Let us, Mr. Chairman, see some leadership come from the Minister of Agriculture in Manitoba. When he has the opportunity, Mr. Chairman, to show leadership, when the interest rates are dropping at the banks, why isn't he keeping up as aggressively with his Manitoba Agricultural Credit Corporation?

He keeps saying to us, what do we want? Mr. Chairman, we want the lowest possible input costs for the farm community going, and we would use every tool available to do it, not try to make excuses to the public as he has done for the four years that he's been in office. We, Mr. Chairman, believe in taking action to help the farm community.

That's why we recommend today, and I wonder why the Minister isn't prepared to lower the interest rates on MACC loans even lower than he has, Mr. Chairman. Give them some more flexibility within the lending program. That's the challenge that we throw out to him today, and we'll work for him to make that commitment to the farm community, that he lives up to what he has said he believes should happen. We wanted to see it happen in MACC.

**HON. B. URUSKI:** Mr. Chairman, I should tell the honourable member that the activity of this corporation, and if we look at the number of programs and loans approved through the corporation and looked at a chart and a graph of the activity of the corporation since 1981-82 and onward to 1984-85, you would see what moves have been made in the financing field.

Mr. Chairman, what you saw in the years when they were in office was a flat or a decline in terms of activity. If you look at this chart and you look at the activities of the corporation in the last four years, it has been a continued increase with the same number of staff and trying to deal with the situation.

Now let's deal with the question of how we have been operating and what our priorities have been. Mr. Chairman, our priorities have been this spring to make sure that operating lines of credit by farmers were secured. Mr. Chairman — (Interjection) — well, isn't what the statements from honourable members, farmers are seeding and they don't have their money. Mr. Chairman, 1984-85 guarantees, 683 guarantees totalling over \$39 million; 640 under Interest Rate Relief, \$3.7 million; Young Farmer Rebates, \$2.2 million; 780 loans in 1984-85, \$30.2 million. Mr. Chairman, the reduction of 8 percent, 3,258 farmers, 4,982 loans, almost a \$4.655 million reduction. Mr. Chairman, almost \$3

million was paid out in cash to farmers, and \$1.7 million placed in arrears.

Mr. Chairman, the honourable member wants to leave the impression that somehow the short borrowing rates are far lower than the MACC rates. Mr. Chairman, why doesn't he compare the same apples with apples? Mr. Chairman, why would he not say that why is our national lending agency, the Farm Credit Corporation of this country, which is an instrument of the Federal Government, and the Federal Government which sets the monetary policy in this country is loaning money to the farmers of this nation at a half-a-point above generally than our own provincial lending agency? Mr. Chairman, he doesn't say anything there.

Mr. Chairman, those loans are five-year renewables. Is that what he's suggesting, that all loans under MACC should be five-year renewables again, so that they can go out and when there's a review and try to make some political hay on the changes? Mr. Chairman, we are the only corporation in Manitoba that is offering interest-rate stability to the farmers of this province. They are fixed for the life of the loans, Mr. Chairman. There is no prepayment penalty, as there is by other lending institutions. The other institutions do compound the interest rate annually; Mr. Chairman, the corporation does not.

So, Mr. Chairman, the activity of the corporation and the lending policies of the corporation are sound. I challenge any of the honourable members to say that the lending practices of this corporation and the policies of this government are not sound. They don't know what they're talking about, Mr. Chairman. They again exhibit their lack of knowledge in the area of farm financing, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** The Minister, unfortunately for him and unfortunately for the agricultural industry, has very badly mishandled his responsibilities in the area of, especially of the lending.

One of the reasons that he finds himself in such difficulty is that he and his party misled the people, misled the farmers prior to the last election as to what this government could do. They led the farmers to believe that they could simply lower interest rates; that by wringing their hands and complaining about interest rates that somehow they could be lowered. They led farmers to believe that they would come in with significant assistance and instead they came in with largely token interest rate assistance. They promised that there would be debt moratorium legislation. They used to stand in this House, I suppose for a year-and-a-half to two years, and rant and rave about why the Government of the Day hadn't brought in debt moratorium legislation. So they raised all those expectations out there amongst the farming public and they didn't fulfill them. That's why the Minister started out behind the eight ball and he still hasn't learned his lesson. He still says, "Why can't there be 8 percent interest?" An 8 percent monetary policy, as he called it. No wonder that he is not able to fulfill their promises when he doesn't understand the situation any better than that. Does he think that the Federal Government could somehow decree that interest rates are going to

be 8 percent? Where does he think the money comes from to finance that \$35 billion deficit that the Federal Government is running and the deficit that all the provinces are financing?

**A MEMBER:** Where does it come from?

**MR. B. RANSOM:** Where it comes from, Mr. Chairman, is that the Federal Government consumes perhaps 70 to 80 percent of all the capital that's available in Canada and the rest of it has to come from outside the country. Now how are we going to be telling people outside the country, telling the Americans, that we're only going to pay them 8 percent for the money that we borrow from them? How is that going to fly? It's ridiculous to think that can work in a country that doesn't have enough capital to finance its own requirements. They can do that in Switzerland; they can do that in Japan. They have more capital than they need, but we don't have more capital than we need in Canada and it is so naive for the Minister to think that they can simply decree that they would have 8 percent money. He won't even lend the money out at the rate that he borrows it.

We asked him last year, why doesn't he go to the Minister of Finance then, and if he's borrowing Japanese money at 7 or 8 percent, why doesn't he lend it at 7 or 8 percent? But he wouldn't even give us the answer to that.

The situation the Minister found himself in last January - Mr. Chairman, do you suppose that you could ask the Member for Thompson and the Member for Pembina to conduct their debate out in the hall?

**MR. CHAIRMAN:** Order please.

**MR. B. RANSOM:** Mr. Chairman, where the Minister found himself last January was that he made such a monumental blunder in how he handled the situation that it's really unbelievable that a politician of his years' experience would make that kind of blunder. If he was prepared at the time to make a pledge of money to help reduce interest rates, then why would he not have said to the banks and to the other provinces, "Look, we are prepared to make a commitment, we're going to lower some of our interest rates to 8 percent? Now, we want you to come and sit down with us and talk about what we're going to do and what kind of a commitment you're going to make." But, no, instead, he simply calls for 8 percent rates, and of course it comes out that on the very same day that he's calling for 8 percent rates MACC is sending out notices, putting people's loans up to 13.

You know, what kind of a bungle is that, that the Minister doesn't even understand what's going on in his own area of responsibility? He could have levered something. Perhaps he could have levered something with that money, and goodness knows, I'll be the first to say that the banks deserve to have more levered out of them, but the Minister played his cards so badly that when he finally agreed to put up the money he lost the chance to get anything out of it. It was a face-saving effort. By the time the Minister came around to putting up the money, it was then a face-saving effort, instead of an effort to actually lever some money out

of the banks or to get the other provinces or the Federal Government into a program.

I'd like to just put a few other facts on the record, Mr. Chairman, for the Minister's sake and for the sake of the public. The Minister is very fond of saying that our government had lent money to farmers, I think 16.5 percent was the highest point that the interest rate reached with MACC, I'm not sure of the precise figure.

**A MEMBER:** Seventeen.

**MR. B. RANSOM:** Well, okay, so it was 17.5. That was done at a time, of course, when interest rates were running at 23 and 24 percent and inflation was running in the range of 11 percent, and that is not something that anyone is going to be happy with.

But the situation that we had in January was that we had this Minister raising interest rates on loans that were at various rates before, some of them in the range of 10, 10.5 percent, raising them up to 13 percent. At a time that the bank prime rate was in the range of 11, inflation was in the range of 4 percent, and so the Minister is in a situation where he's trying to lend money at 7 to 8 - even more than that - 9 percent, above the rate of inflation and actually lending above the prime rate at the bank. When those same loans were made five years previously, those loans were being made at a rate that was no greater, or maybe even less, than the rate of inflation and they were being made at a rate that was not very different from the prime rates of the banks.

So let's have the Minister at least acknowledge what some of the facts are surrounding the past borrowings, the past lending rates that MACC has done and the present rates that the Minister has established. Mr. Chairman, it's too late, of course, to offer the Minister any . . .

**HON. B. URUSKI:** What point are you making?

**MR. B. RANSOM:** Oh, he wants to know the point. The point is, Mr. Chairman, that while he's out there calling for 8 percent money he was actually lending money at 8 and 9 percent above the rate of inflation - while he was calling for 8 percent money - and he was lending it above the prime rates of the banks.

The other point that he was making, Mr. Chairman, was that we voted against the preferred share scam that the government entered into, and I'll tell you why we voted against it and how we handled it. We said if the government is going to participate in that kind of scam, we don't agree with it in principle, and we're going to vote against it. Because what it's doing is begging the Federal Government and begging other provinces who are going to put up the tax dollars so that Manitoba could lend money, could borrow money, at a lower rate at the same time as those members are continually haranguing about tax loopholes. They are participating, they set up the very mechanism by which people could take advantage of a tax loophole and avoid paying a full rate of taxes. We think that's — (Interjection) — well, it's good business for him to do it; it's not good business for anybody else to do it. If we're against it, we're against it. We don't stand up and condemn something on one hand and then perpetrate it on the other hand.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please. Order please.

**MR. B. RANSOM:** We facilitated the passage of that . . .

**MR. CHAIRMAN:** Order please, order please.  
The Member for Turtle Mountain.

**MR. B. RANSOM:** . . . because one of the things that the Finance Minister promised was that the money was going to be made available to farmers, and it wasn't. They borrowed money at 9.75 percent. They got something like, at this point they're up around \$275 to \$300 million that they borrowed at 9.75 percent. They promised that to the farmers, and they weren't delivering on it.

They never delivered on that promise until he was dragged and embarrassed into doing it in February or March. It wasn't even until March, I think, of this year that he did it, even though those preferred shares were sold — (Interjection) — well the Budget was in March, Mr. Chairman. The preferred shares were sold last June. They were snapped up within two days of them being made available.

The government had \$200 million of money in its hands at 9.75 percent, and the Minister of Finance and the Minister of Agriculture had promised that at least some of that money was going to be made available to farmers. There was not one word of an announcement or of a program from this government until the Budget came in, in March when they were finally embarrassed into providing some of that low interest rate money to farmers.

That's why we facilitated the passage of it, because it was promised to farmers and to small businesspeople. But, in principle, it was wrong; in principle, this government opposed it, and they turned around and did it. Mr. Chairman, there is a word for that, it's called hypocrisy, when you condemn something on the one hand and practise it on the other.

## INTRODUCTION OF GUESTS

**MR. CHAIRMAN:** Order please. Before proceeding, I would like to direct the attention of members to the gallery where we have standing a group of 40 students from Grade 8 from the St. Francis School in Ontario. They are under the direction of Miss Sue Clark.

On behalf of all members, I would like to welcome you to the Legislature today.

The Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman.

The Minister of Agriculture, the last time he spoke, said that members of the opposition have an incredible lack of understanding of farm financing and the financial world. You know, Mr. Chairman, that comes from a Minister, from probably the only Minister of Agriculture that this ragtag gang of socialists could ever put forward and it demonstrates just how completely out of touch this Minister of Agriculture and his government are with the real world of agriculture.

Wednesday, 22 May, 1985

Now my colleagues have been dealing with this Minister of Agriculture in some of the programs and some of the policies that he's put in place through MACC. I want to deal with the one specific one that my colleague has just touched upon, that being the 8 percent money program, which I have to say, when the Minister of Agriculture announced it and announced the proposition that he was going to call a national conference to try to get FCC and the major banks and the other provinces to participate in a program whereby 8 percent money would be available to the farm community, I have to tell this Minister that for a few days he actually enjoyed some credibility. He didn't need his communications officer to write a press release to make him look good.

But after people started to realize how shallow he was treating the farm community, he looked good to the farm community - he looked good and stupid. That's exactly what happened to this Minister of Agriculture in his 8 percent political manipulation of the farm community.

He talked about 8 percent money and there isn't any farmer, myself included, who wouldn't like to have all of his funds borrowed at 8 percent . . .

**HON. B. URUSKI:** Have you got a loan?

**MR. D. ORCHARD:** Don't you worry. I'm going to deal with that, my friend. You just hold onto your seat, my friend, and I will deal with that.

Mr. Chairman, there isn't a farmer who wouldn't like to be operating with 8 percent money. That program had a lot of appeal. They thought finally, after over three years, that maybe this government is starting to realize that there is truth to what they have been mouthing in some of their speeches, that farming is the backbone industry of Manitoba. They started to think that maybe this guy, this Minister of Agriculture, might have something that he can offer to the people of Manitoba.

Then slowly but surely, one by one, they found out that this Minister of Agriculture had no intention of doing anything but attempting to raise the political profile of the New Democratic Party, not in rural Manitoba where they won't get many seats, but the farm community realized that what the Minister of Agriculture and his government were doing was talking about a program so they could go to Winnipeg and say, look at what all we're proposing to do for the farm community, and raise their political profile in Winnipeg where they had maybe a miniscule chance of winning a few seats for re-election, but they had no intention.

But this Minister of Agriculture had no intention of an 8 percent farm loan program. That was adequately demonstrated, Mr. Chairman, by the fact that he didn't bring anything to the negotiating table, not a thing. As the Member for Turtle Mountain and others of us have pointed out, the day that he called his press conference, I suspect maybe the individual sitting in front of him right now saw the notices go out from MACC raising the interest rates to 13 percent while the Minister was talking about 8 percent money. You know, that absolutely destroyed the man's credibility.

I ran into some people in the skating rink at Miami. I happened to be home the night that he made his

announcement. They said, say, you know this guy's all right. Like, we want you to support that 8 percent money program. We think that's good. I said, well it would be good, except do you realize that this Minister of Agriculture is just doing some political manipulation trying to raise the profile of the New Democratic Party, and they're not going to do anything with 8 percent money.

The fellow didn't believe me. He, quite frankly, got a little angry and he didn't believe me, until he got his notice from MACC jacking the rate up to 13 percent, dated the day this Minister is talking in a news conference of 8 percent money. That's when he believed that this Minister was manipulating the farm community for purely political purposes on behalf of the New Democratic Party. That's when it became cold, hard reality.

Now, Mr. Chairman, that sort of two-faced approach to the farm community aside, we realize the Minister made a mistake. We realize that, contrary to what he said that we were out of touch with farm lending and credit programs, he was out of touch with what his own department was doing. But that being aside, Mr. Chairman, he had an opportunity to attempt to focus national attention on interest rates. But what did he do?

He called this meeting with something like two weeks notice, three weeks notice, whatever it was, hardly sufficient time for his colleagues across Canada to rearrange their schedules if they had to, to make it to Winnipeg for a meeting. Mr. Chairman, most of the other provinces already had programs in place, Saskatchewan and Alberta, to help their farmers, and they didn't see the purpose of coming here and helping what they probably saw this Minister as grandstanding politically with an election looming.

Now, Mr. Chairman, the Minister of Agriculture in attempting to call this conference in the manner that he did, not only did it destroy his credibility, what little of it he was starting to build up in the rural Manitoba farm community, but he destroyed his credibility nationally. So that now when this Minister of Agriculture goes to speak on behalf of Manitoba and the agricultural community of Manitoba, they laugh at this Minister of Agriculture from Manitoba. They call him the 8 percent man, the man who promised 8 percent and sent out letters saying that we want 13. This is the guy who has lost his credibility on the national scene and that, Sir, causes more harm to the farm community than merely his political grandstanding in Manitoba. They accept that as fact that that is all this government is going to do; they're going to talk, and not act.

But on the national scene, to lose your credibility as the spokesman for agriculture in Manitoba on the national scene by simply pulling off a politically motivated interest rate conference which he hoped probably wouldn't succeed so he could once again develop an issue and say, well, the the Federal Government wouldn't go along with this, therefore we can bash the Federal Government. For pure politics, this man lost his credibility nationally and in doing so, Sir, Manitoba is the loser. The Manitoba farm community is the loser.

What voice, what strength, what valid opinion is this Minister of Agriculture now able to put forward with the current border dispute in the hog industry? Is he

going to have any credibility? I doubt it. That hurts the hog producers in this province, the feed suppliers to them and the industry involved around the hog industry because this Minister has lost his national credibility because he politically grandstanded and tried to manipulate the farm community.

Now, Mr. Chairman, I want to tell my honourable friend that his 8 percent money that he talked about, as I say, it was something that was welcomed if he could have delivered it, if he could have levered it and delivered something, but he didn't. After his conference failed, after he was embarrassed at having letters going out from MACC raising the interest rates to 13 while he's talking 8 percent, after he lost his credibility nationally as the spokesman for agriculture for Manitoba, after all those things happened, they had a crash Cabinet meeting, one of the many emergency meetings they had, and they said, how are we going to save the image of the Minister of Agriculture? How are we going to save this?

What did they do? They cooked up a program. If I got the figures correct, there were some 3,500 clients of MACC had their interest rates reduced for one year, and some of them got cash rebates if they were up-to-date, some got application of that rebate to their arrears, and it cost something like \$4.6 million. Well, originally it was supposed to cost \$6 million.

Do you remember that old television show where the guy crashed his experimental plane and got all smashed up, and they gave him a bionic eye, a bionic leg and a bionic arm? They called him the "Six Million Dollar Man." Well, this is the New Democratic Party's "Six Million Dollar Man" because that's what it cost to bail his political image out of the doldrums. And, Mr. Chairman, they haven't given him the new parts, is what the problem is. He's still working with the same brain that doesn't understand farm financing. If only when they made this new Six Million Dollar New Democrat, they had given him a brain to understand farm financing in the farm community, we would have all been better off.

Mr. Chairman, the Minister posed the question a little while ago from his seat when I was mentioning this 8 percent program. Do I have a loan with MACC? I tell the Minister that I have; it was one of the last loans that this government - the Schreyer administration - ever put out before they went into that ill-fated land lease program. It's a long-term loan - 29 years - current interest rate under the five-year renewal program that was in place in those days. It was, I think, 11.5 percent I am paying, and I got a cheque back from the Minister.

Now, Mr. Chairman, that is what makes this even more ludicrous because here is a Minister of Agriculture saying that he is going to help out farmers in Manitoba, some 3,500 of them. Well, I tell you, the \$4.6 million that went out, there is probably 3,200 of those people are laughing all the way to the bank with that little interest rebate cheque they got, and the others that needed the assistance could have used the whole \$4.6 million, and I didn't need any of it. As a personal observation, I didn't, and many others didn't.

**HON. B. URUSKI:** Send it back.

**MR. J. DOWNEY:** Mr. Chairman, the Minister says send it back. If the Minister was worried about people getting

that money who didn't need it when others need it, he shouldn't have sent it out in the first place and that is why this program is a sham. It didn't do anything to save one farmer. Not one farmer was saved by this, but it wasted \$4.6 million of taxpayer money that they are going to have to borrow from New York at higher interest rates - 11, 12 percent, whatever this government has to pay now that the credit rating has dropped - and, Mr. Chairman, that is why that program of 8 percent money was simply a political bailout to save this person's credibility.

It was the ultimate embarrassment of this government and their agricultural program to be forced, after trying a conference, after talking 8 percent and his own credit corporation putting out 13 percent renewals, after talking about all of those things, to then come around and say, oh yeah, we've got 8 percent money all right, and it's to everybody, and it isn't targeted, and it isn't going to help the guys on the bottom wrung of the ladder; it's going to be universal, everybody gets it even if they don't need it, even if they're up-to-date, everybody gets it. That's a sham.

**HON. B. URUSKI:** Shouldn't they get it?

**MR. J. DOWNEY:** Well, Mr. Chairman, now the Minister is saying from his seat, shouldn't they get it? He just said a few minutes ago, why didn't you send it back? Will the Minister make up his mind?

That's the problem; he couldn't make up his mind. He didn't understand farm financing. He made bizarre statements. And when he announced his conference on credit, he said, if the financial institutions don't go along with it, then we are going to have to consider tougher measures, alluding to, presumably, some kind of debt moratorium legislation. Now, isn't that a fine way to invite people to a policy conference to discuss the problems in agriculture, to say, come, lower your interest rates or else?

Now, do you know, Mr. Chairman, why this Minister has no credibility nationally as the Minister of Agriculture for Manitoba? He has no credibility amongst the financial institutions across Canada? Because he is a manipulating opportunist with no political credibility, the new Six Million Dollar Man that cost the taxpayers of Manitoba \$6 million to save this Minister's political image.

We used to think it cost a lot of money to keep the Attorney-General, his image up, with the law suits that were laid against him for defamation, etc., etc., and his Premier. But this man, this Minister of Agriculture, has now taken the record for the most expensive image of any Minister or any member of this government - the new Six Million Dollar Man - to save his political image; and it didn't help a single farmer; it didn't stop a single foreclosure; it didn't prevent a single farmer from bankruptcy. All it did was cost the taxpayers of Manitoba \$6 million to save this terrible administrator's image politically when it was so tarnished.

He, Sir, cost taxpayers \$6 million because he engaged his mouth before his brain was running, and that was his problem. He thought he could manipulate politically the farm community. He couldn't and it cost the taxpayers \$6 million to save his image. The program, Sir, is a sham. It did not target \$6 million worth of relief

so that it could have helped some individual Manitobans, and that is the problem with it when he had to introduce that to save his political image. He wasted the money. It's not going to save a bankruptcy. It's not going to keep one farmer on the farm, period. It's a waste of money, it's to save his political image and that is the price we pay - the Six Million Dollar Man - Mr. Chairman.

**MR. CHAIRMAN:** The Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman. I would like to add a few comments and my views on what has happened under the MACC program.

Over the years, Mr. Chairman, many changes have taken place in terms of the requirements for the agricultural community. I can recall when I went back to the farm, I started farming together with my dad. We went out, and at that time we applied for an FCC loan. In those days the interest rates were subsidized under FCC and I think the program was set up in such a way that it gave an individual a fighting chance.

What has happened though is that over the years now the requirements have changed dramatically. When you consider the cost of farms, the cost of equipment, the cost of operations, it's changed dramatically, and I think the credit requirements have not necessarily kept pace.

For a young individual at one time it was a lot easier to get into the business. You'd go to FCC if you worked out a reasonable program, they would give you the money and you could take off. At the present time, it's very very difficult for any young fellow to get into the farming business through FCC or MACC. It's extremely difficult.

What bothers me most is that - I am not going to be quite as kind to the Federal Government as maybe the Member for Arthur or the previous Minister of Agriculture was - I feel that FCC has also not kept pace with the requirements. I'm hoping that in the new budget, understandably, that the whole economy is changed, that there will be changes coming forward. But I have to criticize this Minister as well, that I think that he's totally out of touch. He's been using a hopscotch bandaid approach to try and basically, you know, save his political face to some degree, and that it's been covered quite well by my colleagues already. He has not done really a thing that's been worthwhile and he has upset many of the farmers in the province, especially in the province with the kind of effort that he's been portraying or trying to portray in terms of the MACC is going to be helping a lot of farmers.

The Minister himself has admitted that only 10 percent of the farmers qualify under MACC, or 10 percent of the financial involvement comes from MACC, which is not a big amount. When you consider that a good portion of the balance of it comes from FCC, we don't have that kind of turmoil with FCC that has been created and their interest rates I believe are too high as well. From the philosophy and the policy they used to have, it was a subsidized interest rate, they are now higher than the you can get it at the banks. We're talking, of course, of long-range interest rates. But I know of people that still have 6 percent interest rates under FCC and what bothers me is that we are not keeping

pace with the whole thing. And the Minister started jumping up and down, as was indicated by the Member for Pembina, and creating an impression among many of the farmers that there was relief available.

When the Minister talked about his 8 percent interest program, bringing it down to 8 percent, I had a raft of calls of people saying they wanted to borrow money at 8 percent. And they were really under the impression that it was now 8 percent money available for the agricultural community. You know, that was wrong all the way, but that was the impression that was being left; we now have 8 percent money available for the agricultural community. It was not explained probably at the time that this was a roll back to '84, that it was a roll back and I won't get into those details. Then the Minister comes up and makes the announcement that we're going to put \$20 million into the agricultural community at a lower interest rate. And he's just indicated the figures as to who all qualifies, but out there there are many people who have a crying need for good financing for agricultural operations and they are under the impression that they can go to the MACC office and qualify for a loan. It is so restrictive that only very few people qualify under that program.

And the time element that is involved; I believe the time element for getting approval right now . . .

**A MEMBER:** . . . proves it's malarkey.

**MR. A. DRIEDGER:** Malarkey, nothing. You're the one that's giving malarkey to the farmers all the time. We're tired of listening to your bull, and so are the farmers. And basically that's what's happening; you're feeding a lot of bull and people are getting upset and we're getting upset.

When you talk about MACC and you're talking of applications taking five months, you're a shame to the farm community the way you're handling them. You're manipulating the farm community. That's what boils everybody up and we'll be talking about MACC for quite a while with this Minister until he's going to agree that he's going to drop the interest rates and do something constructive instead of just trying to cover his political butt. And you can drive around the community as often as you like and try and promote your image, it's not there anymore, they don't believe in you anymore. You're a sham, that's what you are. You're ashamed, you're doing a disgrace to the major industry in the province with what you've done . . .

**MR. CHAIRMAN:** Order please, order please.

Comments should be directed to the Chair and not to other members of the Chamber.

**MR. A. DRIEDGER:** Well, Mr. Chairman, I can direct them to you or to - but I find this passing strange that all of a sudden I'm supposed to direct my comments to the Chair when everybody else has been talking to the Minister and the Minister has been talking back. I'm very concerned exactly about the actions of this kind of Minister. Mr. Chairman, I am sure, with no reflection on you, that no matter how much anybody tries to protect this Minister, you know his actions speak for themselves and there's nothing that anybody can do that it's going to change that fact.



What I'd like to see, Mr. Chairman, we have to revise and I think that everybody to some degree feels there has to be a change in the financing operations of agricultural farms. I like the idea. I don't know whether this Minister talks to Ministers of other provinces about these things, giving the impression he always does, but other provinces have worked out programs that give assistance to young farmers to get into the business. I know that during the federal campaign, there was talk about the government that is now in place, they talked about the possibility of bringing in an Agro-Bond Program and I liked the idea. I think it makes sense. Because what happens now, those farmers - when you consider the average age of a farmer is 56 years old - that we need some program and place that is going to allow young people to take over.

What happens when a farmer, those that are fortunate to sell now, because this Minister's cut up all avenues of purchasing under The Farmlands Protection Act by making money very tight, so hardly anybody is buying farms right now, very few young farmers. I bet if we looked at the percentage, if he wants to show us scales as to how many purchases that have taken place, I'd like to see that. Because I have a little real estate company and I'll tell you something, very very little interest has been coming forward in terms of anybody buying. There are many young people who would like to get into it; there is no way. That is why I like the concept of something along the lines of an Agro-Bond Program where, if a farmer sells, that he could then take and settle his liabilities, buy himself a house to retire somewhere, if there are extra funds that he could invest this into an Agro-Bond Program, where possibly he wouldn't have to pay income tax on the interest that he gets at a reduced rate, then turn around and borrow it to a young farmer so that he could have a chance to get started in farming. Why hasn't this Minister not been working along these lines?

I'm still hoping that a promotion along those lines would have been a much more helpful, meaningful thing than what he did when he was trying to get all of the Ministers and all of the banking institutions together and saying we will now bring down the interest rate to 8 percent. Instead of using that approach, why did he not get together and consult about setting up a program, because the money has to come from somewhere? Where would the subsidization come from? If it's subsidized, fine, let's say so. But why would we not give farmers a break, farmers that are selling so that they can invest their money into there? I think it was a grand idea. Why not work along those lines? He actually had no solutions in mind when he started off with that invitation, I think. It was just a *carte-blanche* type of statement saying we want to bring interest rates down to 8 percent. And that is, Mr. Chairman, why we have the problem here today and why we will be discussing this problem for quite some time, because this Minister has lost his credibility with the farm community.

Even now, the situation is not improving. What is he offering in terms of new farmers? Is it \$20 million? He's indicated that out of the \$20 million, the 96 applications were all ready for what, \$9.-some million? We're looking at such a small, narrow tunnel. Why not get out there and promote the idea with the federal counterparts, instead of bashing them all the time? That seems to

be the favourite sport of the Government of the Day is bash the feds, bash the feds. It's always a federal responsibility. When it came to sugar beets, when it came to the — (Interjection) — problems . . .

**MR. CHAIRMAN:** Order please.

**MR. A. DRIEDGER:** When it came to the problems in the hog industry, individual operators have gone down to South Dakota to try and get the governor — (Interjection) — well, it's all part of the credibility of this Minister, why people don't believe him anymore, that you've blown your credibility. That's why these problems are developing, because you're not coping with them.

Mr. Chairman, as I indicated before, we want to discuss MACC until we have some kind of - we'd like to see what kind of a plan this Minister's going to come forward with. What he has done at the present time is not adequate. We want to see his long-range planning and thinking and if he doesn't have any plans of that nature, then let's call an election. We'll clear the air; we'll take over from there.

**HON. B. URUSKI:** Mr. Chairman, I wanted to take a few moments to respond to some of the comments about responsibility and really the activity of our corporation. Mr. Chairman, I am very pleased that I have had the attention of so many members opposite in terms of the programs and policies we put forward; obviously what we have been doing in the last couple of years has gotten through to many people.

The farming community is realizing that there are policy changes and there are directions that benefit agriculture in the Province of Manitoba when there is a New Democratic Party Government in office, that's what the farm community are realizing, Sir.

Mr. Chairman, they also realize that when the Tories are there the policies of agriculture end up being this way, absolutely no action, lethargy in perpetuity. Totally, the activities of this corporation went down during the four years when they were in office, Mr. Chairman; the activities of the corporation went down.

Even our activities in MACC, compared to our federal counterparts which is a much larger corporation and a larger presence in this province and should be so, last year just in direct lending MACC approved 780 loans, over \$30 million. Mr. Chairman, FCC with a much larger bureaucracy and a much larger activity approved 118 loans for less than \$20 million. Mr. Chairman, talk about performance; talk about sensitivity; talk about an interest rate policy that has hurt the farm community.

Members on that side still will support it, Mr. Chairman. They will continue to say the interest rate policy should continue; the monetary policy of this country should continue. Mr. Chairman, on whose side are they? On the side of the banks and the Federal Government, either Liberal or Conservative; that's whose side they are on, Mr. Chairman, that's who they're supporting.

Mr. Chairman, they're not calling for interest rates, they are trying to play politics in this Legislature to try and get a bit of embarrassment on this government, for the good that we're trying to do to Manitoba farmers. Why are they not arguing with the financial institutions

and the Federal Government when they can give away billions of dollars to the oil companies, a \$3 billion deal to Alberta, signed? Somebody's going to have to pay for it, Mr. Chairman. We will see tomorrow night who's going to pay for that \$3 billion.

Mr. Chairman, that money could have done much for the farmers of this country in terms of reduced interest rates . . .

**MR. CHAIRMAN:** Order please, order please.

**HON. B. URUSKI:** . . . that \$3 billion that they gave the oil companies.

**MR. CHAIRMAN:** Order please. The hour is 4:30, time for Private Members' Hour. Committee rise.  
Call in the Speaker.

### IN SESSION

Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

**MR. SPEAKER:** Order please.  
The Honourable Member for River East.

**MR. P. EYLER:** Mr. Speaker, I move, seconded by the Honourable Member for Concordia, that the Report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The time being 4:30 p.m., Private Members' Hour.

### PRIVATE MEMBERS' HOUR

#### RES. NO. 8 - CABOOSELESS FREIGHT TRAINS

**MR. SPEAKER:** The first item on today's Order Paper is Proposed Resolutions, Resolution No. 8.  
The Honourable Member for Concordia.

**MR. P. FOX:** Mr. Speaker, I move, seconded by the Honourable Member for Inkster,

WHEREAS CP Limited and CN Railway Company have filed an application with the Canadian Transport Commission seeking amendments to the regulations in order to allow for the operation of cabooseless freight trains; and

WHEREAS the Commission has conducted public hearings across Canada to establish the merits of operating cabooseless freight trains in Canada; and

WHEREAS there has not been any independent testing conducted to verify the alleged performance levels of safety options being introduced by the railways; and

WHEREAS evidence submitted by rail employees established that there have been numerous failures of the prototype electronic equipment; and

WHEREAS the electronic end-of-train units are affected by temperatures below minus 40 degrees C as well as engine failure and further, do not perform in tunnels; and

WHEREAS wayside detectors provide inaccurate or no readings under extreme snow conditions and are rendered inoperative by gnawing rodents; and

WHEREAS the above-mentioned railways have no plans to install shifted-load detecting devices to avoid accidents at bridges and tunnels as well as to prevent collisions between trains in double track territory; and

WHEREAS it would be difficult, if not impossible, to accommodate an injured person on a stretcher in the cab of a locomotive; and

WHEREAS leaking dangerous commodities and fires caused by trains cannot be detected by the front end crew; and

WHEREAS in the event of a serious collision or accident resulting in a lack of access to the locomotive, valuable time would be lost in identifying dangerous commodities and in initiating corrective action leading to the potential for serious explosions and widespread toxic fumes and inevitable loss of life; and

WHEREAS the above-mentioned railways have refused to conduct further tests of end-of-train units with cabooses in place;

THEREFORE BE IT RESOLVED that this Legislative Assembly urge the Canadian Transport Commission and the Government of Canada to require freight trains to continue to operate with cabooses.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Concordia.

**MR. P. FOX:** Thank you, Mr. Speaker.

Manitobans have more than a passing interest in rail safety. This is spurred in part by the sheer magnitude of the rail operations. For example, our dependence upon rail service is reflected in 6,400 kilometres of track located in the province. Numerous trains are operated daily over this expensive network which traverses a geographic mix of prairie, Precambrian Shield, marshlands and areas of discontinuous permafrost. These conditions, when combined with extreme weather variations create difficulty in operating the trains of these railways.

An additional reason for our interest in rail safety is the significant number of trains and car movements within the Winnipeg terminal and repair shop areas. Mr. Speaker, as you are aware, Winnipeg is on the main east-west line confluence of the railways and, as such, is one of the busiest rail hubs in Canada.

Just recently we had a number of areas of concern in respect to safety. We had the MacGregor spill; we had the Mississauga large accident and explosion; and we also had the explosion in our own CP yards. These are the kinds of things I'm referring to when I say that we need to be careful about the safety of rail operations. A very large volume of hazardous material moving through Manitoba and through our marshalling yards daily through the CP and CN rails, which are a potential for a mishap at any time, make us extremely aware of introducing a wide range of safety measures. One of the safety measures that is being introduced - or so-called safety measure - is the end of train unit.

Now, what is an end of train unit? I understand that this is a suitcase shaped device which sits on the end

of the coupler of the last car of the train. It monitors the air pressure on the rear of the brake pipe and then transmits the information to the engine crew which monitors the air brake pipe pressure in the locomotive of the train.

This air-brake pressure which is a sensor and transmitter sitting on the last coupler is operated by a battery operated unit. As we all know, battery operated units in our extreme temperatures are not reliable. We all have our problems with our cars in the wintertime if our batteries aren't up to snuff. Mr. Speaker, as you know, providing one of these units on the end of a train where nobody would be looking at it, where it could get frozen, and therefore the sensing device would be useless.

There is also the area of whether this operates as a unit which will do other jobs which the caboose people have been doing. Now as you are aware, Mr. Speaker, caboose operators, the trainmen that were in the caboose, were always sensing what was going on. They could look; they could see; they could hear. I know as an engineer I have been aware of doing these things myself. I could sit in a powerhouse and just the hum of the machinery would tell me whether it was working properly or not.

In this instance, we are removing the trainmen - brakemen as they were originally called, now they are called trainmen - and we are leaving nothing there but an inanimate sensing device which functions and does only one thing and that is, checks the air pressure. How will it detect if there is a fire along the way, if there is any other thing going wrong, if a load has shifted on the train? There are no ways that this unit will do that. All it will do is send forth a transmission to the front end letting the engine men know whether the air brake is constant.

Now, there are various reasons why the air brake may not be constant, and will the train stop every time there is a fluctuation in the pressure? Or will they go on to the next station or next division point and determine there what is wrong, taking the opportunity, or the chance, or the hazard of having something go wrong in the meantime?

I have spoken to some of the engineers who have been discussing the information in respect to the end of train units and their information is that this unit is just a very very expensive duplication of the service that they have now. At one time, in the caboose the trainmen used to have an air-pressure gauge and he would read it out, and then he would, by radio, inform the front end as to what the pressure was. Now they are proposing to exchange it for this \$5,000 ETU as they call it - end of train unit - which is run on batteries. I know that I mentioned this before, that batteries are subject to rapid deterioration, in cold weather especially.

This touted technology which is designed to protect and replace a trainman at the back end of the train is misleading because it does not replace him. All it does is give some information to the engineer at the front as to what is occurring. It does not replace the trainmen in respect to checking at the stops, whenever they make their stops, as they go along and check hot boxes, check for broken or misaligned axels, check for any kind of other hazard that may be present. All it will do will the one thing, is check the air pressure at the end of the train and relay it by a transmitter to the front end; and that, Mr. Speaker, I suggest is not sufficient.

There are many questions to be answered in respect to the ETU which is to replace the trainmen. One has to reflect only on what has happened recently in the PCB spill and the potential threat to the safety of thousands to imagine what can happen to our road system if something was to occur which this device would not be able to detect and yet the hazard that could be created, and it could be a spill, a leak of some kind, which will be dragged on for hundreds of miles before it would be detected at some other area. Mr. Speaker, also if there was to be an accident of any kind with no rear-end crew there would be no way of knowing that when the front end has passed that someone had been injured or an accident had occurred.

On a freight train, the size that we have functioning presently with hundreds of cars, it's just impossible for the front end to know if there is anything going on at the back end. The proposal to have this end of train unit which, as I said, indicates only one thing, as to whether the air pressure is being maintained, does give no assurance that any other factors that are hazardous will be noticed at the front end by the engineers.

Mr. Speaker, hot boxes are supposed to be one of the other technological innovations which are supposed to take care of the fact that we are now going to eliminate the end of train people - yes, the hot box detectors - there is only one problem with that. We have 6,400 kilometres of units in operation here in Manitoba and we do not have detectors on all of our branch lines or all of the side areas except for the main line and consequently there'll be no detection of any of these areas; and these other areas of track also carry hazardous goods and should anything occur on any of those lines that would create an accident or a spill, it would be again very very hazardous to the people of Manitoba. Mr. Speaker, I just cannot see how we can function and allow this to happen unless we have a lot more testing and a lot more looking at this to make certain that there are no areas which we have overlooked.

I am not against technological change, but I am certainly against technological change which has not been proven or tested or tried out so that we are certain that it is safe. We cannot afford to play havoc with the lives of our Manitoba residents and instituting this without further testing, without verifying that it is going to function and it is going to cover the area that we expect it to, is the only way I can see that we should do this.

Therefore, Mr. Speaker, I say again, there is no reason that the Transport Commission should be looking at this and testing this unit without having at least a rear-end train crew as well to monitor and to determine effectively and to have a comparison as to how much difference there is between the ETU and the train crew, so that it can be verified that we are proceeding in a safe, cautious manner.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Are you ready for the question?  
The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Mr. Speaker.

I concur in a great number of the remarks made by the Member for Concordia. The entire thrust of his

speech dealt with the public safety of the trains going through our province and our city, and that is something I can readily identify with.

During the last year-and-a-half, when I was at City Council, we had a great many dealings with the various CN and CP operations, and it is indicated that the amount of volume that the trains will be handling in Winnipeg will be doubling and tripling over the next few years. In fact, if there is a problem it's going to be magnifying, it will not be one that will be diminishing or going away. So, as I said earlier, I share the concerns expressed by the honourable member.

As our society has become more complex, and as we have begun to carry on more innovative changes in our society, created new chemicals, created new products, the amount and type of goods that are being carried on our railways, in fact, leads everyone to a great deal of concern. The Member for Concordia referred to a couple of examples that we have had in Manitoba; he referred to the MacGregor spill and the recent explosion in the CPR yards, just to name two of the potential dangers that we face. Without some careful monitoring and handling of these trains, it's possible that these events might start multiplying and become a far greater threat to our communities.

I congratulate the Canadian Transportation Commission in holding public hearings across Canada to determine whether or not the question of cabooseless trains should be allowed to continue or should be done away with. It is something that the whole community, just not Manitoba, just not Winnipeg, has a very important say in because, as the Member for Concordia pointed out, the trains go through Manitoba and what affects us affects all of Canada. Therefore, it is important that we know that the new change in technology that the trains are proposing, in fact, be safe, not only for those people who will still be working on the trains, but the communities in which they will be passing through.

I would also agree with the Member for Concordia that independent testing should be done, it should be requested of the train companies who are asking for this change, be carried out to prove to all concerned, in particular the general public, that this step in fact is a proper and safe one to take. Because, if it is not, then it is something we should not be allowed to happen. I realize that there is a great divergence of opinion, whether it be advanced by the rail company as to whether or not this, in fact, is a safe and indeed a proper method to follow; or the union, rightfully so, pointing out that there are inherent dangers and weaknesses in the proposal being made. Then I think the true facts can only be ascertained by an independent study who can verify the true facts of this particular motion before the Transport Commission.

As the member pointed out, a great deal of new electronics or equipment is being relied upon and doing away with the human factor, the factor that often prevented accidents from occurring in the past. Now I realize that the human individual, human being, can be fallible and not detect all problems, but to this point it's been fairly successful in stopping and preventing some accidents from occurring.

So I would agree that the equipment, that if it is to be used, had better be the best and the most up-to-date equipment installed throughout Manitoba, just not

in certain locations, to ensure that in fact we have the proper equipment in place for the protection of the public.

I would also agree that in certain aspects of the motion that there are certain problems can develop if the locomotive is not attached to the train. I would like to know whether or not, in fact, the preservation of that locomotive and the people in it would in fact detect potential problems from developing, whether there would be leaking of dangerous commodities, fires that would have been caused and unnoticed until they pulled into a train station. Those are very important issues that we have to know and, if the new electronic equipment cannot accommodate them, then indeed we should not do away with them.

But in dealing with the whole question of trains, Mr. Speaker, they play a very vital role in our community. I believe, between CNR and the CPR operations in the Province of Manitoba, we employ something like 12,000 people. In fact, Manitoba has been the distribution centre for Western Canada since the very early history of this province and, in fact, our country. It is something we have long prided ourselves on.

I think it is important that when we deal with a technological change that is being proposed here that be reviewed, that it be done in such a way as not to impact negatively on those who are employed in the industry. It is a large employer, it's a large contributor to our community through taxes and every other way, and it is important that we not lose this level of employment.

It is also important because we are now entering into a new era of double tracking through to the west. We are supposed to be expanding the amount of manufacturing, and the processed goods we are able to handle throughout the west, it is important that the industry, as far as a creator of work, consumer of materials, is maintained in this province.

It is also important that it be expanded and, where possible, encouraged either through provincial support, provincial rules and regulations, and through encouragement to the Federal Government that this industry be in fact encouraged and forced to expand in Manitoba so that we might maintain our proper and rightful place as a communication province.

The transportation industry is a very vital link, not only for our province, but for Western Canada, and it is important that historically we have always had a very large say in the transportation delivery system. The decision-making process for Western Canada has always been located in Winnipeg as far as CNR is concerned. Therefore, it is important that we urge the Provincial Government, and the Federal Government in particular, to make sure that this industry remains a large employer; in fact, adds to the payroll here, and keeps the decision-making authority that is here, because if you start transferring away people who make decisions out of this province, soon you then become a mere shadow of one's former self.

It is important that the decision-making process stay here so that we can encourage employment and investment. Therefore, I am concerned when there is a possibility of some decision-making power, especially the vice-president for the western region for the CNR is transferred out of Manitoba, or at least that's what it is rumoured to be, to another province in the west.

Now I don't wish any other province an ill-gain, but I would like to maintain and ensure that we at least keep what we have had historically, and I think we should be able to maintain that position.

Therefore, in light of my comments, Mr. Speaker, I would like to move, seconded by the Member for Niakwa, that the proposed resolution be amended by deleting the last paragraph of the proposed resolution and adding the following:

WHEREAS the railway industry is vital to the economic well-being of the Province of Manitoba;

THEREFORE be it resolved that this Legislative Assembly:

- (a) Urge the Canadian Transport Commission and the Government of Canada to conduct an independent test to verify the performance levels and safety of caboosless freight trains being introduced by the railways;
- (b) The Government of Canada ensure that the railway industry be maintained and expanded in Manitoba, and that the Regional Head Office for Western Canada for CNR remain in Manitoba.

**MR. SPEAKER:** Order please. I have looked at the proposed amendment that the honourable member has suggested and, rather than rule it out of order, there appears to be at least a grammatical error in the last paragraph of his proposed resolution. Would he like to re-examine it, and perhaps the House would be prepared to accept it as changed?

The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, could we perhaps ask for some further direction as to what, in particular, it is that offends the Chair?

**MR. SPEAKER:** The honourable member has suggested that the wording be:

"THEREFORE BE IT RESOLVED that this Legislative Assembly . . . (b) The Government of Canada ensure . . ."

It doesn't urge the Government of Canada, or request, or whatever it is. It doesn't make grammatical sense as it is. Would the honourable member wish to rephrase it and resubmit it?

Would the Honourable Member for Fort Garry wish to read his suggested change into the record?

The Honourable Member for Fort Garry.

**MR. C. BIRT:** Amend the proposed resolution be deleting the last paragraph of the proposed resolution and adding the following:

WHEREAS the railway industry is vital to the economic well-being of the Province of Manitoba;

THEREFORE BE IT RESOLVED that this Legislative Assembly:

- (a) Urge the Canadian Transport Commission and the Government of Canada to conduct an independent test to verify the performance levels and safety of caboosless freight trains being introduced by the railways; and
- (b) Request the Government of Canada to ensure that the railway industry be maintained and expanded in Manitoba and

that the Regional Head Office for Western Canada for CNR remain in Manitoba.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, I am delighted to have an opportunity to say a few words in respect to the amendment that is now before us, an amendment which, although I haven't read it in detail, leaves intact the concerns that are set out in the preamble of the resolution as introduced by my colleague, the Member for Concordia, which explicitly and, I think, very properly cites the concerns that we must have in respect to this proposed introduction of caboosless trains.

Mr. Speaker, I have some personal knowledge of this area, as I'm sure other members of this House may have, having served with the CPR in the field, as one who swung a lantern and directed the movement of trains for some time. In addition to that, Mr. Speaker, as Minister of Natural Resources, I have come to appreciate the problems that can be encompassed by society from the operation of trains as it affects our forests. Members of this House will recall that I have, on previous occasions, confirmed to this House the serious losses that we, as a society, have suffered as a result of fires occasioned by the operation of rails.

Because of those concerns, I did have a meeting with railroad officials and talked to them about the relatively high incidence of fire to our forested areas resultant from train operations. They admitted to me that it was not an uncommon experience; the major problem being that older-type cars use a quality of steel in the brake shoes that, when the brakes are applied, red-hot fragments of steel are discarded along the right-of-way, and if the temperature conditions and the humidity conditions are such, very serious fires can occur.

In some instances, the Department of Natural Resources had laid charges against the railways. In some instances, a whole series of fires were ignited along a rail roadway by the operation of freight trains in Manitoba, at very serious loss to Manitoba. These fires were detected by the workers in the cabooses, radioed ahead and they were actioned, in some instances, in time to prevent much greater loss that would have occurred to our forested areas as a result of these rail operations.

The railroad officials that I spoke to indicated that, while there was a reduction possible in the probability of fire being occasioned by brake shoes by the use of a composition brake shoe, they were not going to replace all of the running gear on the older type of boxcar, grain car, but rather would phase them out.

So the Honourable Member for Arthur says, "What's this got to do with the resolution?" Well, you see, Mr. Speaker, he doesn't seem to understand that the railroads are continuing to operate with very inefficient, very environmentally dangerous, running gear and are not prepared to change that until it wears out, but they are prepared to spend money and introduce new innovative equipment for the purpose of reducing employment, for the purpose of reducing their costs of operations. What that would do, Mr. Speaker, is markedly increase the likelihood of more forest fires

in Manitoba and across this country. Now the honourable members should recognize that this would be a foolhardy action on the part of the railroads.

**MR. SPEAKER:** Order please, order please. Order please.

**HON. A. MACKLING:** Well, let's put it on the record. The Honourable Member for Niakwa says, "If there's a problem with fires, do away with the railroads." If that's the kind of thinking that he exhibits, that is completely foolish. Now the honourable member says he doesn't want that on the record.

**MR. SPEAKER:** Order please. The Honourable Member for Niakwa on a point of order.

**MR. A. KOVNATS:** On a point of order, I wish that the Honourable Minister would be more aware of what's happening around in the Chamber and not quote people of things that were not said. That's not what I said! That's not what I said! I think that an apology would be requested.

**MR. SPEAKER:** Order please. The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, I'm sure that the Honourable Member for Niakwa, when speaking from his seat, and not when speaking in debate, then will be a little more careful about what he says because those foolish comments are going to be recorded by this member when they're made.

**MR. SPEAKER:** Order please. The Honourable Member for Niakwa on a point of order.

**MR. A. KOVNATS:** There were no foolish comments made and I don't like them attributed to me, Sir. I think an apology would be requested.

**MR. SPEAKER:** Order please. The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, honourable members may think that this is not a serious question because industry is looking at ways to become more efficient and more profitable and, while we must respect that, while we must say that is an excellent initiative . . .

**MR. SPEAKER:** Order please.

**HON. A. MACKLING:** The Honourable Member for Pembina seems to be somewhat exercised, Mr. Speaker. If he's uncomfortable, I urge him to leave the Chamber and exercise his intemperance elsewhere.

**MR. SPEAKER:** The Honourable Member for Pembina on a point of order.

**MR. D. ORCHARD:** Mr. Speaker, the Minister that is speaking right now constantly tries to provoke and put things on the record which are not true. He did it this afternoon. My colleague, the MLA for Niakwa, indicates

that he wanted an apology. The Minister continues to ramble on and attribute remarks that were not made.

**MR. SPEAKER:** What is the member's point of order?

**MR. D. ORCHARD:** Mr. Speaker, he did the same thing to me just now. I asked him to apologize from my seat, to apologize for misleading the House and the people of Manitoba by putting a remark on the record that was not correct.

**MR. SPEAKER:** Order please, order please. Order please. That is not a point of order.  
The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, this is a very important issue because what we're looking at is the effect of technological change in society. Technological change must be welcomed, encouraged; but technological change must not occur in a way that is destructive of human values and puts at risk our resources . . .

**MR. C. MANNES:** Like hotbox detectors.

**HON. A. MACKLING:** . . . and the safety of our people.

Well, the Honourable Member for Morris says, "like our hotbox detectors." Hotbox detectors are a significant technological improvement, but the honourable member must know that they are not fail safe, they are not fail safe. And the honourable member would be interested to know that they are only located at distances of 25 to 30 miles apart in most regions and, in between that distance, Mr. Speaker - and that's a vast distance, that's almost the distance from the Legislature to the honourable member's constituency - a fire can occur. Serious fires can occur in a stretch of just a few kilometres, Mr. Speaker, and these hotboxes are not fail safe even when they are there.

Mr. Speaker, the point I was making is that technological change must not be crudely used by business, and the Canadian Transport Commission has to recognize that technological change that is being suggested here is fraud with peril; peril, not only to our resources that I refer to, but to the safety of our people. My colleague, the Member for Concordia, has outlined some of the instances where this end-of-train unit would be so vastly deficient when compared to human resources in a caboose at the end of the train.

Mr. Speaker, that unit, as the Honourable Member for Concordia has pointed out, merely monitors brake pressure; that's all it does. It can't do all of those sensitive . . .

**MR. SPEAKER:** Order please.

**HON. A. MACKLING:** Mr. Speaker, the Honourable Member for Pembina talks about playing with trains. I'm not going to suggest that . . .

**MR. D. ORCHARD:** You fool, bloody fool.

**MR. SPEAKER:** Order please.

**HON. A. MACKLING:** The Honourable Member for Arthur . . . Pardon me, I regret associating the

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Honourable Member for Pembina with playing with trains, I'm sure that he was beyond that; only the Member for Arthur had an appreciation for trains as a youngster.

Mr. Speaker, the numerous cases where human intervention are not only vital, but critical in respect to the safety instances involving the passage of trains, are innumerable and yet this automated device will not be effective in respect to those problems. The Honourable Member for Concordia has touched on them and there is a long list of areas — (Interjection) — Yes, the Honourable Member for Lakeside is right, a litany. One could almost write a book.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. A. MACKLING:** One could almost write a book on the many areas where this technology fails, as compared to the human initiatives that are continuing to be vital in respect to railroad operations. For example, the whole area, if there is some, not misfeasance, but mistake on the part of the head-end crew; if there is some error that occurs, then the end-of-train unit can't record it, it's not in a position to take any corrective actions because it has no ability to recognize the errors that have occurred in the operation of the train. It's not in a position to detect fires that have been occasioned by hotboxes, by brake shoes; it is not in a position to detect shifting of loads on cargoes, or as the Honourable Member for Concordia has pointed out, the discharge by leaking of commodities onto the roadbed. None of those things can be detected by this unit, Mr. Speaker. The unit cannot recognize where roadbed has been washed out on an adjacent track, even on the existing track; cannot detect a broken rail, or other hazards that are existing on the roadbed. None of these things can be monitored by an automatic unit at the end of the train.

Mr. Speaker, so many - and I could go through a lengthy list - of inadequacies on the part of this unit, such a lengthy list that one would wonder why responsible organizations like the Canadian National Railway and the Canadian Pacific Railway would seek to even test a unit with the inadequacies in comparison to the existing system. Mr. Speaker, while I think that we have to be ready and prepared to see testing of new technology, we must be careful to make sure that the testing is weighed against all of the benefits of an existing system.

Mr. Speaker, the honourable member has talked about instances where if there were people injured, the inadequacies of the unit itself, how can you handle people that are injured in an accident and there have been many instances where tail-end crew or the crew that's in the caboose have been instrumental in protecting lives. Accidents happen. A vehicle will run broadside into a tree, maybe way down the train.

And as the Honourable Member for Concordia has pointed out, these trains now, Mr. Speaker, are not a matter of 60 or 80 cars; they're over 100 cars long. And when they go around a curve, and there are many curves in our rail system, the head-end crew can't see what's happening behind. There's just no way that they can appreciate problems that can have occurred back on the track. And, Mr. Speaker, for these many reasons,

it is obvious that these units are vastly deficient. — (Interjection) — Now in the . . .

**MR. SPEAKER:** Order please.

**HON. A. MACKLING:** Mr. Speaker, judging by the chatter over the aisle, I would think that the honourable members would be better served going and playing with model trains than listening to my speech, if they don't want to listen.

But, Mr. Speaker, I think it is important to reflect on the actions of CN Rail recently and the amendment that I understand includes a concern about the transference of the Western Regional Office from Winnipeg is a valid concern. This city has a long history of - well, Mr. Speaker, I hope the long interventions that were taken, long phony points of order were not deducted from my time - Mr. Speaker, this city has a proud history of rail operation and for the CNR under this new government in Ottawa to signal that there's going to be some change in the importance of the rail system to the City of Winnipeg, I think is a matter of very grave concern to us all.

Mr. Speaker, it is important that this city continue to play the vital role that it has in respect to rail systems. We have developed the expertise; we have developed the capacity in this city to provide efficient handling of rail operations. Very substantial investments were made by the city in the past to secure accommodations and services to complement the rail systems we have here. And all of that, Mr. Speaker, should not be jeopardized by some new trade-offs, if that's what's in the making with other regions to the west.

Mr. Speaker, for the reasons I have indicated, I reserve a decision on the wording of the amendment. I think on — (Interjection) — a quick . . .

**MR. SPEAKER:** Order please. Order please.  
The Honourable Minister of Labour.

**HON. A. MACKLING:** I think, Mr. Speaker, the amendment still, as I've indicated, having maintained within it the significant statements that are provided in the preamble, still provides the kind of reference that is acceptable to this member.

However, I have some reservation about the implied endorsement of the unit by urging the testing of the unit. I think on the basis of the facts we know now, Mr. Speaker, that this unit fails on, from my perspective, to be even considered as an alternative to the caboose occupied by workers at the end of the train unit; because there is a vast difference between the capacity of this unit to do all of the things and monitor all of the concerns that the staff in a caboose can presently do. It fails, in my opinion, so completely, Mr. Speaker, that I question the desirability of testing this unit further. Surely there is enough evidence there now to dismiss that and to signal to the railway system, that while we want innovation, we want efficiency.

And where that involves new technology, we will welcome it. We will not welcome a crude application of technology which doesn't protect our resources; doesn't act to protect our people and our interests in a proper manner, and is destructive of workers at the same time without any formula or any plan to deal with

that issue. For all of those reasons, Mr. Speaker, I think we should signal to the Canadian Transport Commission and the Federal Government our rejection of this kind of approach to technological use by the railway systems.

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker.

I just wasn't too anxious to speak on the resolution today because I hadn't really prepared my notes fully. But after listening to the Minister of Labour just speak, I don't feel badly at all because obviously he hadn't done any preparation whatsoever on it.

But, Mr. Speaker, it's getting close to the supper hour. Before I declare my support for the amended resolution, Mr. Speaker, I should declare my conflict of interest. My son is a trainman with the CPR and should I eliminate his position, I don't know whether I want him back on my payroll or not. But having said that, Mr. Speaker, the Minister of Labour went on at some length on how important the industry was in the employment it provided to this city and how important it was to our economy, and we can certainly agree with that and we have pointed that out in our amendment. We want to see that employment continue and there's no question about its value to this part of the country.

I just want to say before we call it 5:30, Mr. Speaker, that while I agree with many of the aspects of the resolution wholeheartedly, employment is one of the items that is foremost. I am well aware, Mr. Speaker, of the day when the railways converted to diesel locomotives and it was six or seven years that firemen rode the caboose, they had no useful purpose whatsoever up in the cab of the diesel train and yet it was six or seven years in the engine cab, the fireman that used to shovel the coal, there was no need for him when they went to diesel. But it was a number of years before they were laid off. I think the Minister of Labour will agree, they weren't laid off, they were absorbed into the system. They were retrained and brought into the system through attrition.

But the Minister of Labour, I'm sure, would agree that was one of the most blatant cases of feather-bedding that you could ever find and we don't want

to see that happen with the cabooseless trains. There are a certain amount who will be taken care of by attrition and the other ones, the younger members, will be retrained into various other functions of the railway.

So we wouldn't want to see that happen again, which would be a case if they eliminated the caboose right now. There would be some difficulty with the union contract. They would have to find a place on the train somewhere for them and it would be very crowded up in the cab.

I think the member makes a legitimate "WHEREAS," in his resolution that it would be very difficult in the case of an injury, to accommodate someone in the cab of a diesel locomotive, and therefore the caboose does provide a useful function in that way.

But, Mr. Speaker, I do want to contribute something to the debate along the lines of the arguments that the member puts forth in his resolution, because there's a great deal of study, I think, has to be done yet to make absolutely sure that the ETUs are safe. They have to be tested and proven, I think, a little more than they have been now. I think there is going to be ample time for that because, as I said, it's going to take a good deal more negotiation and a good deal more public hearings before we see the end of the caboose.

A certain amount of the scanners have malfunctioned, there is no question about that. But anyone who's been an old railway man will fully understand that there was a certain amount of malfunction with the men in the tail-end crew. They were either busy cooking their supper or they were busy playing crib and there certainly would be malfunctions there, as well as there will be with the electronic scanners.

Mr. Speaker, before I get into the fullness of my notes in my support of this resolution, it would be appreciated if you would like to call it 5:30 now, and I'll finish my remarks when the resolution again comes up.

**MR. SPEAKER:** Order please.

When this resolution is next before the House, the honourable member will have 16 minutes remaining.

The time of adjournment having arrived, this House is adjourned and will stand adjourned until 2:00 p.m. tomorrow (Thursday).