



Third Session - Thirty-Sixth Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Sixth Legislature**

Member	Constituency	Political Affiliation
ASHTON, Steve	Thompson	N.D.P.
BARRETT, Becky	Wellington	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave	Kildonan	N.D.P.
CUMMINGS, Glen, Hon.	Ste. Rose	P.C.
DACQUAY, Louise, Hon.	Seine River	P.C.
DERKACH, Leonard, Hon.	Roblin-Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary	Concordia	N.D.P.
DOWNEY, James, Hon.	Arthur-Virden	P.C.
DRIEDGER, Albert	Steinbach	P.C.
DYCK, Peter	Pembina	P.C.
ENNS, Harry, Hon.	Lakeside	P.C.
ERNST, Jim	Charleswood	P.C.
EVANS, Clif	Interlake	N.D.P.
EVANS, Leonard S.	Brandon East	N.D.P.
FILMON, Gary, Hon.	Tuxedo	P.C.
FINDLAY, Glen, Hon.	Springfield	P.C.
FRIESEN, Jean	Wolseley	N.D.P.
GAUDRY, Neil	St. Boniface	Lib.
GILLESHAMMER, Harold, Hon.	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KOWALSKI, Gary	The Maples	Lib.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
MACKINTOSH, Gord	St. Johns	N.D.P.
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McALPINE, Gerry	Sturgeon Creek	P.C.
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McINTOSH, Linda, Hon.	Assiniboia	P.C.
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NEWMAN, David, Hon.	Riel	P.C.
PALLISTER, Brian	Portage la Prairie	P.C.
PENNER, Jack	Emerson	P.C.
PITURA, Frank, Hon.	Morris	P.C.
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TWEED, Mervin	Turtle Mountain	P.C.
VODREY, Rosemary, Hon.	Fort Garry	P.C.
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## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 16, 1997

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

#### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

##### Committee of Supply

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

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

#### TABLING OF REPORTS

**Hon. Eric Stefanson (Minister of Finance):** Madam Speaker, I have three reports to table. The first one is the 1997-98 Departmental Estimates for the Department of Finance. I also have the 1997-98 Departmental Expenses for Manitoba Community Support Programs. I also have the 1997-98 Departmental Expenditures for Manitoba Sport.

#### INTRODUCTION OF BILLS

##### Bill 19—The Human Rights Code Amendment Act

**Hon. Vic Toews (Minister of Justice and Attorney General):** Madam Speaker, I move, seconded by the Minister of Finance (Mr. Stefanson), that leave be given to introduce Bill 19, The Human Rights Code Amendment Act (Loi modifiant le Code des droits de la personne), and that the same be now received and read a first time.

Motion agreed to.

##### Bill 20—The Summary Convictions Amendment Act

**Hon. Vic Toews (Minister of Justice and Attorney General):** I move, seconded by the Minister of Natural Resources (Mr. Cummings), that leave be given to introduce Bill 20, The Summary Convictions Amendment Act (Loi modifiant la Loi sur les poursuites sommaires), and that the same be now received and read a first time.

His Honour the Lieutenant Governor, having been advised of the contents of this bill, recommends it to the House, and I would like to table the Lieutenant Governor's message.

Motion agreed to.

#### Introduction of Guests

**Madam Speaker:** Prior to Oral Questions, I would like to draw to the attention of all honourable members the public gallery, where we have this afternoon twenty-five Grade 11 students from Technical Vocational High School under the direction of Mr. Mike Gartner. This school is located in the constituency of the honourable member for Wellington (Ms. Barrett).

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

\* (1335)

#### ORAL QUESTION PERIOD

##### Home Care Program Privatization

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, my question is to the First Minister. On March 21, 1996, when the Premier was justifying his decision to privatize all of the home care services in the city of Winnipeg, he stated to the public that this

proposal, this extreme proposal to bring profit into home care would result in a savings of some \$10 million to the taxpayers of Manitoba. Just this last month his own new Minister of Health (Mr. Praznik) said: Generally speaking, our home care system is relatively well run on the cost side.

Who was telling the people the truth, the Premier last year when he said he would save \$10 million or the Minister of Health a couple of weeks ago?

**Hon. Gary Filmon (Premier):** Madam Speaker, of course the member opposite, in quoting from the news release that was put out by the union today, makes the comparison of \$10 million for privatizing an entire system versus half-a-million dollars for privatizing 25 percent of two quadrants. Clearly there might be more economies of scale, but the department in its wisdom, after public consultation and various discussions, chose not to go with the full privatization, the full contracting out. I would think that the member opposite would be supportive of that.

**Mr. Doer:** Madam Speaker, I was quoting from the Premier's own words of last year that have been contradicted by his new Minister of Health. The government's own advisory committee, the Connie Curran committee, Dr. Evelyn Shapiro, Manitoba's seniors, all of which had examined the issue of profit in our home care system, examined costs and quality, have all come to the same conclusion that when you look at both costs and quality of services, a profit home care system is not desirable for Manitobans.

Why has this Premier approved a private profit contract that runs contrary to the advice that he received by all the committees in his Department of Health that advised against it?

**Mr. Filmon:** Madam Speaker, because it saves half-a-million dollars for the taxpayers of Manitoba and provides an equivalent level of service. I would think that those are things that everybody would be supportive of, including New Democrats, no matter how convoluted their thinking is.

**Mr. Doer:** Madam Speaker, it is not convoluted at all. In fact, we believe it makes a lot of sense to keep all the money, the publicly administered money into

quality of care instead of into the profit of some company. We do not have any problem with that thought. Maybe the Premier does.

I would like to ask a further question in light of the fact of the position of Manitoba seniors, and today Mrs. Duval said that you are a dictator in the way in which you are making this decision, that it is despicable that you are making this decision to go to a profit system. These are her words, not mine. In light of the fact that the Mennonite Central Committee, the Catholic Church, the United Church, the Anglican Church last year in the public hearings all recommended against going to a profit home care system, why is the Premier denying the wishes of the public, the clients and the churches across Manitoba with his ideological decision?

**Mr. Filmon:** Madam Speaker, without accepting the truthfulness of any of the preamble, I would say that the main reason that we would be looking at opportunities for being able to save a half million dollars is so that we can direct that half-million dollars into better patient care, that we can provide better services for the people of Manitoba who require those health care services. I cannot for the life of me imagine how New Democrats can reason that that half-million dollars not being able to be put into better services will somehow improve the quality of care in our province.

### **Home Care Program Privatization**

**Mr. Dave Chomiak (Kildonan):** Madam Speaker, since last year and since the Premier has changed his Minister of Health—and the Minister of Health (Mr. Praznik) seems to have a new philosophy; at least he now supports home care publicly—still the government has persisted in privatizing a portion of home care. The government is privatizing food services. The government has privatized the home oxygen service. The government is privatizing the public lab system and is on the way to privatizing the home care equipment.

Madam Speaker, everybody, even the mayor of Winnipeg who today issued a proclamation calling it Public Home Care Week, recognizes the importance of the public home care system.

Will the Premier not admit that Manitobans want and demand not a private system but a public, fully operated nonprofit health care system? Can he not utter the words “public nonprofit”?

\* (1340)

**Hon. Gary Filmon (Premier):** Madam Speaker, our government has been more supportive of home care than ever was the case under a New Democratic government in this province. We have increased the funding from—

**Some Honourable Members:** Oh, oh.

**Madam Speaker:** Order, please. The honourable First Minister, to complete his response.

**Mr. Filmon:** Madam Speaker, we have increased the funding from under \$40 million a year under the New Democrats to around a hundred million today. We have improved the levels of service, the comprehensiveness of the service, the extensiveness of the service. We continue to put more money into home care than ever before in our history, better home care services than are available in virtually every other province in the country.

Other provinces have followed the model that the New Democrats were prepared to accept, because they got a report from management consultants that were urging them to put on user fees. We have not done that. They got reports from a management consultant that was urging them to cut services. We have not done that. Other provinces have much more extensive contracting out of home care. We have not done that.

We have acted in the best interest of the people of Manitoba, those people who depend upon us for their home care service, and that is why we are providing the best home care service in Canada.

**Mr. Chomiak:** Madam Speaker, I will just table a copy of the mayor's proclamation recognizing the city and the mayor recognizing the importance of public home care.

Madam Speaker, the Premier did not answer the question. I will repose the question perhaps in another

way. The question is: Will the Premier or the Minister of Health today, in light of the public concern, in light of what the tendering process showed, in light of the privatization, say, and in light of the need for quality of care, ensure us that there will be no further privatization of our home care system?

The Premier talked about the past but no further privatization in the future. Will the Premier commit to that today?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, we have been over this issue many times in this Legislature, both in my tenure as Minister of Health and certainly in many, many Question Periods and debates under the previous minister.

The program of putting out to tender four quadrants in the city of Winnipeg was designed to test our system, to see if it can improve in service and in cost-efficiency. The results are known. We had, I believe, five companies, approximately, who met the quality level, and one had a price that gave us a saving. We are in a one-year test period to see what the result is. As well, our provincial home care employees on April 1 in rural and northern Manitoba were transferred to the RHAs as they try to improve again the delivery of service.

The issue really here, as we increase our budgets for home care, is ensuring—because it is such a needed service—that we continue to improve and have a good, excellent home care service to the people in Manitoba. That is really the fundamental issue. That is where we are.

**Mr. Chomiak:** The fundamental issue is using patients as experimental monkeys.

**Madam Speaker:** Order, please. The honourable member for Kildonan, to pose his question now.

\* (1345)

**Mr. Chomiak:** Madam Speaker, can the minister assure this House that one of the major concerns about the privatization and contracting out, which is the selling of additional services to patients, will be prohibited by law and by regulation from Olsten corporation, that they will be denied the right to sell

additional services and make more money at the expense of patients during the duration of this contract. Will the minister assure this House that will not happen?

**Mr. Praznik:** Madam Speaker, the member flags by way of his question one of the challenges that has to be addressed in the home care system in the years ahead. The member sits here as a Winnipeg member, and I take somewhat offence to that as a rural member of this province because in my constituency today we have home care services, we also have support services for senior programs that are run by volunteers and funded through the Ministry of Health, and they provide some services for fees. The regional health authorities consider combining those services to have that balance or a better delivery mechanism. Yes, I would share the same concern as other members. We do not want to have a system where people are forced to buy services they do not need or want, but there is also a demand, in part, of this province to combine that service. So it is a balance, and one that we have to work through, but members should be very careful how they pose the question; there are parts of this province that are looking for that.

#### **Winnipeg Remand Centre Youth Gang Member Release**

**Mr. Gary Doer (Leader of the Opposition):** Madam Speaker, my question is to the First Minister (Mr. Filmon). A dangerous street gang member, a person who was in jail for alleged first-degree murder was released last Friday by the Winnipeg Remand Centre. I would like to ask the Premier: Has he investigated with his Minister of Justice (Mr. Toews) why this has happened, and can he explain to the people of this province why a situation like this has developed in our community?

**Hon. Vic Toews (Minister of Justice and Attorney General):** I have had an occasion to speak to members of my staff in respect to this particular incident, and I can assure the House that this was not the fault, if fault is to be attributed, of people in the Remand Centre. The Remand Centre acted in accordance with the documentation that was before them, and they released the prisoner on appropriate legal authority.

I do not want to get into the specific details of the case, but in fact there are some concerns in respect of how the Criminal Code is interpreted, and there are certain deficiencies in our Criminal Code which we believe must be addressed. I have discussed this with my staff, and we have taken certain administrative steps to ensure that we can overcome the deficiency in the Criminal Code, but in fact we will be raising this matter with my federal counterpart to ensure that the process is appropriate.

**Mr. Doer:** Last week, when I asked the Premier and the Minister of Justice about the report, the gang report that they had not released to the public, where it cited a lack of co-ordination in Corrections in the Department of Justice was leading to potentially dangerous situations—and I have the Hansard—the minister responded: We are clearly working very closely with the Winnipeg Police department.

I would like to ask the minister why this happened in terms of the Justice department, a lack of co-ordination. Why do they have to put in a backup system now? Should they not have had it in place before, and secondly, why did it take five days with this so-called co-ordination system to notify the Winnipeg City Police of this release that took place last week?

**Mr. Toews:** The particular situation, without getting into any details, is that the usual course of events is that an information is laid charging an accused. From time to time, an accused will take a bail application in the Court of Queen's Bench. The Court of Queen's Bench then notes its findings in respect of the bail on the information. When an indictment is entered in respect of any particular individual, under the Criminal Code there is a specific provision that says that the bail conditions on the information are then transferred to the indictment. In this particular case, it involved a process which is very rarely used in Manitoba but a process that we are beginning to use more, and that involves the situation with the direct indictment. That same process and the transfer of bail application conditions do not occur in the same way that it occurs between an information and a regular indictment and so it is that specific technical issue that needs to be addressed, and the best way to address that is through an amendment to the Criminal Code. The prosecutors in this case

assumed that was the case in respect of direct indictments as well.

\* (1350)

**Mr. Doer:** The minister can go through all the legal arguments he wants to, but the public is not satisfied with his answer today, nor should they be. You are responsible for the Crown attorneys; you are responsible for the Remand Centre—[interjection]

If the Premier (Mr. Filmon) would like to answer the question, he is quite able to answer the question.

He has the responsibility to implement the gang surveillance action task force that would at minimum have notified the Winnipeg City Police when a known gang member was released. Why was that protection not provided in his justice system, and why were the police not notified immediately when a gang member was released even though we believe that was an illegal release to begin with?

#### Point of Order

**Hon. James McCrae (Government House Leader):** Madam Speaker, I rise on a point of order, which is something you will have noticed I do not do very often. I think we are called upon and reminded from time to time of the rules around asking and answering questions, and there are appropriate times, like now, when members of the opposition ought to be reminded about the rules with respect to the putting of questions and the use of preambles in this House.

**Mr. Steve Ashton (Opposition House Leader):** Madam Speaker, I find it interesting that the government House leader rose after the Premier (Mr. Filmon), of all people, was yelling from his seat about abuse of the rules. This Premier, of all people, talking about abuse of the rules.

I want to suggest that if the government House leader and the government are concerned about the operation of Question Period, they might want to start with some of their ministers, including the Minister of Health (Mr. Praznik), who only a few moments ago stood up and refused to answer a very important question asked by

the member for Kildonan (Mr. Chomiak). The rules apply both ways.

**Madam Speaker:** Order, please. On the point of order raised by the honourable government House leader, I would remind all honourable members that according to Beauchesne's 410(7): "Brevity both in questions and answers is of great importance."

\* \* \*

**Mr. Toews:** I note the Leader of the Opposition has indicated that, in his opinion, the order was an illegal one. Perhaps he knows more about the law than others do. In this particular situation, the Remand Centre had in its possession documents which would indicate that the prisoner was entitled to be released. That document, in fact, they acted on. The real issue here is to ensure that there are administrative steps in place pending any amendment of the Criminal Code to ensure that this situation does not occur again.

The issue here was not a lack of communication between the Remand Centre and the police. I believe they are working together very closely, and we do consult the police and advise the police in the appropriate circumstances.

#### Winnipeg Remand Centre Youth Gang Member Release

**Mr. Gord Mackintosh (St. Johns):** A question to the Minister of Justice. We know that rule No. 1 in the Justice minister's guidebook, how to respond to matters that put the government in hot water, is to blame the federal government. Blaming Allan Rock I think is a stretch.

My question to the minister: Would the minister not—[interjection]

**Madam Speaker:** Order, please. The honourable member for St. Johns, to pose his question.

\* (1355)

**Mr. Mackintosh:** Would the minister not recognize that the increasing pressure and strain of caseloads on Crown attorneys and court officials, the increasing

complexity of the kinds of cases that are coming has affected morale, put a strain on the system, particularly with chronic understaffing, and it results in mistakes like happened in this case?

**Mr. Toews:** Madam Speaker, in respect of any criticism of Allan Rock, I do not think that is appropriate. I was not criticizing Allan Rock.

I think this is a problem in the Criminal Code itself. I have had a number of discussions with the federal Justice minister, and while we do not agree on everything, in fact, in certain cases such as the year and the day limitation on charges of murder, the Justice minister has in fact indicated, yes, we should be repealing that particular section, and I am thankful to him for that. I believe that we can work together, and we want to work together.

In respect of the other allegations, I reject that in this situation that had anything to do with it. I believe that the situation has been clearly explained, but I will go into it in some more detail if the member wishes.

**Mr. Mackintosh:** Would the minister, who should recognize that a mistake here was made which is not the problem so much as it has gone undetected for five days at least, not explain his understanding that this matter comes as no surprise given that the Youth Secretariat 10 months ago warned the minister that the lack of current technology resulted in serious gaps in knowledge and the Secretariat strongly recommended a computerized network linking police, prosecutions and courts.

**Mr. Toews:** Madam Speaker, my colleague from St. Johns has totally taken that quote out of context. In this context it was not in any problem a matter of the communication. There was an assumption by the Crown attorney that certain bail conditions would apply to a direct indictment. A direct indictment is a very rarely used mechanism for proceeding. Indeed, of the tens of thousands of charges that we proceed on on an annual basis, I am led to believe by my officials, in the last number of years, perhaps we have had six direct indictments. This problem has not surfaced, and, therefore, as we use this mechanism on a more regular basis, we have to assure ourselves that as these

problems occur there are answers, whether they are administrative or legislative.

**Mr. Mackintosh:** Would the minister not acknowledge that there is a serious shortcoming when the Winnipeg police are not notified for five days about the release of an alleged gang member, particularly in light of the minister's statements in this House that his department has now instituted an institutional gangs management strategy? Does the gang unit not know when alleged gang members are being released from the corrections system?

**Mr. Toews:** Madam Speaker, for the Remand Centre to assume anything other than this was an individual who was entitled to be released and therefore entitled to go about his business as any private citizen is not justified on the documentation. The documentation in fact indicated that this was a citizen who was entitled to be released. Perhaps the member opposite has no respect for the law, but the Remand Centre in fact and the officials there saw the document and acted on it. If there is a specific—

**Madam Speaker:** Order, please.

#### Point of Order

**Mr. Steve Ashton (Opposition House Leader):** A point of order, Madam Speaker. The minister in his response made reference to the member for St. Johns having no respect for the law. That is completely out of order. Given the fact that we are asking this minister to show concern about the law and about this particular situation where someone was out for five days before the notification took place, I would ask the minister to not only withdraw that but to apologize to the member for St. Johns, who is trying to uphold the law in this province.

**Madam Speaker:** On the point of order raised by the honourable member for Thompson, I would remind the honourable Minister of Justice that in his response he should not provoke debate and pick and choose his words carefully.

\* \* \*

**Madam Speaker:** The honourable Minister of Justice, to quickly complete his response.



**Mr. Toews:** Thank you, Madam Speaker. As I indicated, I have reviewed this situation with my staff to ensure that all the appropriate mechanisms and safeguards are in place. They have assured me that the steps that they have taken will address this particular problem, and I am satisfied with their explanation.

### **Home Care Program Nonprofit Service Delivery**

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, my question is also for the Minister of Health with relation to the home care issue. Last year it was a very hotly debated issue in which the government created a great deal of controversy and uncertainty in the minds of home care clients and home care workers.

We are asking the Minister of Health: Given that it appears as if they are softening on the privatization for profit, will the Minister of Health make a commitment that any future changes in home care services will be based on nonprofit models as opposed to private, for-profit models?

**Hon. Darren Praznik (Minister of Health):** Madam Speaker, the process that was embarked upon last year was to open to proposals and tenders part of the home care service in the city of Winnipeg to test, quite frankly, to see if other methods of delivery provided equal or better service at better value, better cost. In conducting those proposal calls and the tender process, we had one company who could provide the same or better level of service at a half-a-million-dollar savings. The commitment in that contract was for a one-year period in which to assess that.

The agreement we have with the Manitoba Government Employees' Union, many of whose members are here today, was to do an evaluation at the end of the year. We will at the end of that particular year have the evaluation. It will be a matter, I am sure, of public debate and at that time we will have a better idea of where the future lies, to some degree.

\* (1400)

**Mr. Lamoureux:** What I am asking the Minister of Health is to acknowledge that there are nonprofit models, such as what is happening in the province of Quebec with community health clinics that are indeed quite successful. Will the minister make the

commitment that any future changes to home care services will be based strictly on nonprofit delivery of service as opposed to privatization for profit?

**Mr. Praznik:** Madam Speaker, as I have indicated, we will want to see the results of this particular pilot at the end of the year. I know in rural Manitoba where we have transferred our staff to the regional health authorities, they will be looking at ways of improving service delivery. I know, from my own area, probably the great percentage of home care in this province, particularly in rural Manitoba, is still going to be delivered in a public way through the regional health authorities, simply because it makes the most sense. I think what we have been trying to do through this whole process is not commit to delivery mechanisms on the basis of ideology but ensure we are delivering the best service that we can in an efficient manner.

**Mr. Lamoureux:** Madam Speaker, is the Minister of Health then prepared to instruct or request that the super regional health boards then play some sort of a role in facilitating public input in terms of how that service should be delivered, with a special emphasis put on the nonprofit organizations' participation?

**Mr. Praznik:** Given the economics of home care and the fact that in our tender process of the companies that met the quality rating, only one was able to provide the service for less than the cost that we estimated it does for government to do it, I would suggest that there is not going to be a rush of private sector deliverers in the profit sector wanting to provide care. I mean, that is one of the things that we learned in the tendering process. By next year, I gather part of the plan will be for home care services in the city of Winnipeg to be turned over to the authority of the Winnipeg long-term community care board, so they will have flexibility. Again, if you just look at the tendering process, I think it has confirmed what many have thought, that we did have one provider that was able to meet the quality at a reduced price. We did not have others, Madam Speaker.

### **Manitoba Hydro Hydro Pole Expenses**

**Mr. Eric Robinson (Rupert's Land):** Madam Speaker, my questions are for the Minister responsible for

Manitoba Hydro. Last July, the federal government cut welfare rates in this province by 21 percent, and following public pressure, they agreed not to pocket the money but instead use that money to go towards new housing. Of course, we heard about the so-called new federal housing strategy for the First Nations communities. Little housing has actually been built despite the promises.

I want to talk about Shamattawa. Despite its severe housing shortage, only 12 new houses were built in that community after media pressure and meetings held here with Indian Affairs in Winnipeg. Now the Shamattawa First Nation has been required to pay \$1,200 a pole for 18 hydro poles just to be delivered to the community.

Why did Manitoba Hydro not pay for the delivery themselves since it is Manitoba Hydro who will be getting new customers and not Shamattawa?

**Hon. David Newman (Minister charged with the administration of The Manitoba Hydro Act):** Madam Speaker, this is a very unusual kind of situation which related to the thawing, if you will, of the winter road situation. Every effort was made by Manitoba Hydro to get 21 hydro poles to Shamattawa. The difficulty was that the thaw did take place. Shamattawa then took upon itself the contract to arrange for those poles to be delivered and the 12 new houses and water plant requiring the hydro line to be built. They took responsibility for that.

Hydro tried to co-operate with them to get the poles to them, co-operating with that private contractor. Manitoba Hydro in fact loaned the contractor the pole trailer, and fortunately the contractor was able to deliver the poles to Shamattawa in accordance with the original intent but in a different way.

So the matter, I believe, is in hand. In terms of the charging for it, Manitoba Hydro staff suggested that Shamattawa band hire the private contractor with the larger equipment. They went about it their own way, and at the moment the band is seen to be responsible for that particular charge, but that is under review.

**Mr. Robinson:** Madam Speaker, I would like to ask the same minister why Manitoba Hydro themselves did not take the alternative measures. Instead, it was the

band that wound up hiring somebody else to bring in the poles.

I would like to ask the minister whether or not the band will be reimbursed for their efforts for the cost incurred for the poles to go up to the community.

**Mr. Newman:** Madam Speaker, I already answered that question.

**Mr. Robinson:** I did not hear the answer to that question I posed previously, Madam Speaker.

Since the winter road is still operating as of this day and in fact another water truck is expected to be on the road tonight, why did Manitoba Hydro not make another effort to ship the poles to the community?

**Mr. Newman:** Madam Speaker, I am informed that Manitoba Hydro went to extreme measures to try and accommodate this particular difficult situation, and the ultimate resolve is in accordance with I believe what is reasonable.

### **ManGlobe Manitoba Business Registration**

**Mr. Jim Maloway (Elmwood):** Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs and deals with the ManGlobe project.

Things are going from bad to worse in the ManGlobe case, with one million of taxpayers' money lost with nothing to show for it. The company has virtually no revenues from sales or liquid assets and owes \$600,000. The management is earning hundred-thousand-dollar salaries with lots of worldwide travel. The company has only 10 employees rather than 175 that are projected and now ManGlobe's two partners, the Royal Bank and MTS, have backed out of their partnership.

I would like to ask the minister: Has the minister checked to see why ManGlobe is in default of its Manitoba business registration, as it is currently not registered in this province?

**Hon. Mike Radcliffe (Minister of Consumer and Corporate Affairs):** Madam Speaker, I would thank

the honourable member for that question. I will take it as notice, and I will bring that information back to the House as soon as possible.

### Government Review

**Mr. Jim Maloway (Elmwood):** Madam Speaker, in view of the fact that ManGlobe's two partners, the Royal Bank and MTS, have withdrawn from the partnership and MTS Advanced President Bruce MacCormack resigned from ManGlobe on March 25, 1997, after serving only 11 months, why has this government not reviewed this situation and got on top of this situation that has developed?

**Hon. Eric Stefanson (Minister of Finance):** Madam Speaker, the member for Elmwood was asking some detailed questions about this yesterday of the Minister of Industry, Trade and Tourism (Mr. Downey). He took aspects of those questions as notice, and he will certainly be reporting back to this House.

**Mr. Maloway:** Madam Speaker, my final supplementary to the same minister is: Given the serious allegations of mismanagement by the former General Manager Karen Alcock, what action is this minister and this government prepared to take in this situation?

**Mr. Stefanson:** Madam Speaker, without accepting any of the information provided by the member for Elmwood based on his past practices in dealings with the former Minister of Government Services and other members of this House when he brings information forward, without accepting any of the information he provides, the Minister of Industry, Trade and Tourism (Mr. Downey) is prepared to respond in detail to this particular business.

\* (1410)

### Public Housing Behnke Road

**Ms. Marianne Cerilli (Radisson):** Madam Speaker, there are a number of errors in the Minister of Housing's news release issued yesterday regarding the demolition of approximately 20 units of social housing and public housing in St. Vital so that Home Depot

could build a parking lot. The first error is that the units were vacant, because in the summer of '96 the government forced those tenants to move against their will so that they could, in turn, sell the property to Home Depot, and he confirmed that yesterday in Estimates.

Can the minister explain to the House why this news release claims that those units were vacant when he knows that it was his department that forced the tenants to move against their will, disrupting their families?

**Hon. Jack Reimer (Minister of Housing):** Madam Speaker, the member is referring to the news release yesterday in which Habitat for Humanity is in the process of disassembling these public houses. The houses are vacant now. I am not too sure whether the member is referring to the fact that people are still in the accommodations now.

The units were sold in a package that was presented to the City of Winnipeg and the province through the Housing department to establish a Home Depot retail outlet in that particular area. What it involved was the negotiation of the sale of these two complexes through Manitoba Housing. It is a project that is going to create approximately 250 jobs in the area. It is going to generate also the opportunity for these people who were in these units to apply for the jobs in that particular area that Home Depot has made. So it is a winning proposition, Madam Speaker.

**Ms. Cerilli:** This is truly remarkable, Madam Speaker.

Will the minister admit that, contrary to what the news release claims, the unjustifiable loss of the 20 units in public housing will not be replaced by the two homes constructed by the scrap material, and what the government and the minister are trying to do is put a positive spin on their bad decisions and their abandonment of maintaining their responsibility for public housing for low-income Manitobans?

**Mr. Reimer:** Madam Speaker, let it not be said that this government does not keep its responsibilities in regard to public housing. We have been committed to the fact of supplying housing to people who found themselves in difficult situations, and we will continue to do that. The member is referring to a situation in the

St. Vital area where there is still, even with the relocation of these individuals in these homes, a vacancy rate of family units of well over almost 12 percent here in Winnipeg. There is room for the absorption of any type of relocation that took place on Behnke Road, and it was just a matter of filling units that were vacant. The people had the opportunity to move to other areas of St. Vital; they had the opportunity to move to other places in Winnipeg and at no cost to themselves. All costs were picked up by the company Home Depot in the moving of these individuals.

**Ms. Cerilli:** To the same minister: Was a condition of sale of the Behnke Road property to Home Depot that they would indeed ensure that the used building materials would be reused for housing? If that is the case, they are in violation of this agreement and condition of the sale because they have not given enough time for Habitat to remove all the building materials.

**Mr. Reimer:** Madam Speaker, I find this very ironic. We have a situation here where Home Depot and the Manitoba government, when we were in negotiation, we put in a stipulation and a clause saying that when the dismantling of these units comes about, that Home Depot has the opportunity to participate. It is a tremendous opportunity for Habitat to recycle almost 90 percent of these units back into the utilization of materials. They would have the ability to sell some of these products, to reuse them in the two homes that are being built for the two people that were there that took part in the ceremony. I do not know why the member is so upset that we are recycling public housing back into public housing through the Habitat for Humanity.

### Immigration Head Tax

**Mr. George Hickes (Point Douglas):** My questions are for the Minister responsible for Multiculturalism. The head tax and immigration fees of the federal Liberals have caused great damage to this province. The recent drop in Winnipeg's listing to eighth-largest city is but one example of this. Now as part of their pre-election posturing, the Liberals have said that their head tax will not have to be paid up front.

Last week I asked the minister for a report on how much the head tax and other immigration fees brought in by the Liberals have cost this province. Does she have this information and could she table it today?

**Hon. Rosemary Vodrey (Minister responsible for Multiculturalism):** We have seen a lot of surprising announcements from the federal government. I am very pleased that our government, the work of the former Minister of Culture in dealing with the head tax, concerns about the head tax to the federal government, letters which I have written on behalf of the government and also the member opposite's concern for the community relating to that tax and the destructive effect and very difficult effect that it had on our immigration has in fact led to a change.

I do not have the numbers. I believe I said when I answered in Question Period that I would attempt to have that available during the Estimates discussion, so I do not have it for distribution today.

### Family Reunification

**Mr. George Hickes (Point Douglas):** Since the federal government also broke a major election promise with their restrictions on family reunification, I want to ask this minister what data her department has collected on the impact of this action to our province?

### Point of Order

**Madam Speaker:** Order, please. The honourable member for Inkster, on a point of order.

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, as we get closer to the federal election, the temptation to ask questions with respect to the federal government and federal policy no doubt is going to be greatly enhanced. What I was prepared to do in order to accommodate maybe some questions that might be posed—as opposed to maybe lofting these lofty nice questions to the government, maybe one of the members of the Liberal caucus would be interested in answering the question direct. It is not necessarily to belittle the question, but I did want to—

**Madam Speaker:** Order, please. On the point of order raised by the honourable member for Inkster, the

honourable member definitely does not have a point of order.

#### Point of Order

**Madam Speaker:** The honourable Leader of the official opposition, on a new point of order.

**Mr. Gary Doer (Leader of the Opposition):** On a new point of order, Madam Speaker, being an apologist for a federal government that breaks an election promise is not a point of order in this Chamber and never should be. We should all be proud to raise issues on behalf of our constituents no matter who the federal government is. Whether it is the former rotten Mulroney government or this government, we should be proud to raise these issues on behalf of our constituents.

\* (1420)

**Madam Speaker:** The honourable Leader of the Opposition did not have a point of order.

#### Point of Order

**Mr. Brian Pallister (Portage la Prairie):** On a new point of order, Madam Speaker, in defence of the member for Inkster, I believe that the member for Inkster raises an excellent point. I believe that we should give consideration to directing such questions to the Liberals in this House because we get no answers from the Liberals in Ottawa now.

**Madam Speaker:** The honourable member for Portage la Prairie does not have a point of order either.

\* \* \*

**Mr. Hickes:** Madam Speaker, because of the decline of our population in Manitoba, has the minister written to the federal government stating the Manitoba position on the tinkering with the head tax, telling them that what Manitoba wants is the head tax scrapped and an increase in family reunification?

**Mrs. Vodrey:** Madam Speaker, as I have said in this House before, the policy of this government and the position of this government is for family reunification.

We are very interested in steps which would assist, and we have expressed ourselves very clearly when there has been any policy by the federal government which in fact impedes family reunification. There are in fact some issues currently on the table which I have responded to as Minister of Culture, Heritage and Citizenship, but I take the matter that the member has raised very seriously because the issues relating to families, family reunification and in immigration to our province is a very important one; it is important to all of us in our province. So I look forward to a further discussion in the process of Estimates with the member.

**Madam Speaker:** Time for Oral Questions has expired.

#### Introduction of Guests

**Madam Speaker:** I would like to draw the attention of all honourable members to the loge to my left where we have with us this afternoon Councillor John Angus, Speaker of City Hall and former member for St. Norbert.

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

#### NONPOLITICAL STATEMENT

**Dr. Leo Mol**

**Mr. Doug Martindale (Burrows):** Madam Speaker, do I have leave for a nonpolitical statement?

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

Order, please. I wonder if I might ask for the co-operation of all honourable members in moving quickly out of the Chamber to carry on their conversations so that we can all hear the comments of the honourable member for Burrows.

**Mr. Martindale:** On Saturday, April 12, 1997, the Ukrainian Cultural and Educational Centre held a tribute dinner to honour Dr. Leo Mol, at which he was presented the Order of the Buffalo Hunt by Premier Filmon. Dr. Mol has an extensive list of artistic

creations, including portrait busts, portrait figures, monuments, including the Right Honourable John Diefenbaker, Max Bell, St. Vladimir and others. In addition to sculptures, Leo Mol has designed and executed more than 80 stained glass windows, including at St. Vladimir and Olga Cathedral in the north end of Winnipeg.

We as Manitobans are grateful that Dr. Leo Mol, who immigrated to Canada in 1948, has made Winnipeg his home and that the Leo Mol Sculpture Garden is located in Assiniboine Park. Duncan Campbell Scott, poet and essayist said: Art persists by the same force that leads a man to do good because it is true and beautiful to do so and from no mercantile reason whatever, and thus art and religion are fed by the same translucent springs. Artists like Dr. Leo Mol remind us that life is not just about the marketplace and buying and selling but that culture has an important role in our lives.

I congratulate Dr. Leo Mol on being honoured by the Ukrainian Cultural and Educational Centre and on receiving Manitoba's highest award, the Order of the Buffalo Hunt, and for enriching our lives and our province with his artistic creations.

#### **Committee Changes**

**Mr. Edward Helwer (Gimli):** I move, seconded by the member for Sturgeon Creek (Mr. McAlpine), that the composition of the Standing Committee on Public Accounts (for Thursday, April 17) be amended as follows: the member for Turtle Mountain (Mr. Tweed) for the member for Riel (Mr. Newman), the member for St. Vital (Mrs. Render) for the member for Morris (Mr. Pitura), the member for Pembina (Mr. Dyck) for the member for River Heights (Mr. Radcliffe).

#### **Motion agreed to.**

**Mr. George Hickes (Point Douglas):** I move, seconded by the member for Broadway (Mr. Santos), that the composition of the Standing Committee on Public Accounts be amended as follows: Radisson (Ms. Cerilli) for Elmwood (Mr. Maloway), for Thursday, April 17, 1997, for 10 a.m.

#### **Motion agreed to.**

### **ORDERS OF THE DAY**

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

**Motion agreed to,** and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the Department of Northern Affairs and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Agriculture.

\* (1430)

### **COMMITTEE OF SUPPLY (Concurrent Sections)**

#### **NORTHERN AFFAIRS**

**Mr. Chairperson (Ben Sveinson):** Order, please. Will the Committee of Supply please come to order. This afternoon this section of Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Northern Affairs. When the committee last sat, it had been hearing opening comments from the official opposition critic, the honourable member for The Pas (Mr. Lathlin). Does the honourable member for The Pas wish to continue his opening comments?

**Mr. Oscar Lathlin (The Pas):** Thank you very much, Mr. Chairperson. I will very quickly conclude my opening remarks.

Yesterday, I believe, I started to say that I regarded the Department of Northern Affairs as being a very important department. I also believe I stated yesterday that, even though it has got a very important mandate in terms of what is listed or what is described in the mission statement, for example, the type of mission statement that it contains and the goals and objectives that it has, I fully agree with except that on the other side of the ledger in terms of what is actually being done to achieve those goals and objectives, that is

where I have a really serious concern. The budget, for example, has continually shrunk. I believe it was around a little over \$20 million when I came around here some six years ago. It is now just barely \$16 million.

I regard it to be a very important department because I always viewed the Department of Northern Affairs as a cross-reference department for other government departments. For example, whatever is happening in the North, or whatever Highways might be doing up north, I guess I could say it would probably be that the best way to do any kind of work by Highways, for example, might be to co-ordinate everything through Northern Affairs. The Northern Affairs department works directly with the communities, NACC, and therefore they have a pretty good knowledge. They are very aware, or are supposed to be very aware, of what is going on in communities. So they are in a position to say to government as to what is needed for developing further those communities, as it says in the mission statement and in the goals and objectives. So I view the department as being very important.

I want to finish off by saying then that it has been two ministers now that I have had to deal with as a Northern Affairs critic. I would like to say at this point that I want to be optimistic, that having a new minister in Northern Affairs will mean that we can look forward to some positive changes, that it would mean that the mission statement and the goals and objectives contained therein will actually mean something instead of just nice words that are there and they do not get acted upon and in the end nothing gets done. The Department of Northern Affairs shrinks to the point where it would no longer be feasible to have a Department of Northern Affairs.

So I guess I want to tell the minister that I want to be positive, and I want to tell him that if he is going to be working in partnership, as he seems to tell us, I am all for that; I will support that. But also, on the other hand, I have been elected by the people who live in our riding to represent their interests, and a little over 50 percent of The Pas riding is comprised of aboriginal people. I know that in the Department of Northern Affairs, the NACC, the majority of those communities are in The Pas, Thompson, Flin Flon and Rupertsland, and I have a good chunk of them in The Pas riding. So from time

to time I will be coming to the minister by way of correspondence or through direct questioning in the Chamber on issues that are being put to me by the constituents of The Pas riding, and just because I am saying here this afternoon that I want to be positive, it will not in any way prevent me from taking a hard line on issues that I believe are very important.

So with those comments I guess we will continue. My colleague Eric Robinson will be joining us here momentarily, and he will be asking the minister some questions as well. So I would like to thank the Chair for allowing me to finish that part of our work here, and I look forward to—I think we should be finished with the Estimates for Northern Affairs here today if things go well.

**Mr. Chairperson:** We thank the official opposition critic for those comments. Under the Manitoba practice, debate of the minister's salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line. Before we do that, we invite the minister's staff to join us at the table, and we ask the minister to introduce his staff present.

\* (1440)

**Hon. David Newman (Minister of Northern Affairs):** Maybe while the staff is coming forward, I know Mr. Lathlin indicated yesterday that he proposed having an open kind of dialogue, and then at the end of the day, proceed with the passage of the line by line in Estimates. I endorse that request and am pleased to engage in a dialogue with the member and any of his colleagues who wish to participate in the process. I welcome that kind of approach.

I would like to introduce my staff, my Deputy Minister Michael Fine, who will be leaving for a meeting shortly but will be back and forth this afternoon; Jeff Polakoff, who is Assistant Deputy Minister; Oliver Boulette, Assistant Deputy Minister; Harvey Bostrom, who is the Director of the Native Affairs Secretariat; and Rene Gagnon, who is responsible for the financial side of Northern Affairs.

**Mr. Chairperson:** We thank the minister. We will now proceed to line 1.(b) Executive Support (1)

Salaries and Employee Benefits, on page 111 of the main Estimates book. Shall the item pass?

**Mr. Lathlin:** Mr. Chair, we are going to have an open discussion initially and then, after, the passage of those lines at the end. Right?

**Mr. Chairperson:** As information, this is just a procedure. You can, indeed, and you have agreed. Both the minister and yourself have agreed to a free-ranging discussion, so just proceed.

**Mr. Lathlin:** Mr. Chairperson, the first thing that I wanted to ask the minister is: I know I asked him a question some two or three weeks ago regarding the Cross Lake First Nation. It is an issue having to do with northern flood. It is an arbitration issue that I talked about some two or three Estimates ago, maybe a couple of Estimates ago, whereby there was a decision made by the arbitrator, previously, in favour of Cross Lake First Nation for the installation of a vehicle bridge—I do not know which channel now of the Nelson River, the east-west channel, one of the channels. The Hydro or government or whoever subsequently appealed the decision by the arbitrator.

I understood, towards the end of the Estimates process at the time, the former Minister of Northern Affairs advising us that he had just received a letter that afternoon, that it appeared that negotiations were going to continue, and that there would be some resolution to that issue in the near future. Of course, that is a couple of years ago, I think.

Now I understand there was another decision that was made. I do not know if it was a second arbitration decision, or whatever process was used, but I understand another decision favouring Cross Lake First Nation was made. Again, although I understand the decision did not say clearly, directly, that a bridge should be built, I think the decision was made saying that it had something to do with the definition of an all-weather road. According to the arbitrator's review or findings, indeed the winter road was not—I do not even know how to put it, but in any event, somebody somewhere along the way decided that this was not a permanent road and that there needed to be a permanent road, so therefore the bridge was going to be built.

I wonder if I can ask the minister now—because at the time that I asked him the question, he had not seen or read the decision—whether he had read it and where the department is going to be headed in terms of any action that might come about as a result of that decision.

**Mr. Newman:** Just to respond directly to your question after I do a clarification of the record just to get the sequence and dates right. It was in 1993 that the Northern Flood Agreement arbitrator determined that the respondents, Canada and Manitoba, had not constructed an all-weather road at Cross Lake as contemplated in Recommendation 25 of the Lake Winnipeg, Churchill and Nelson River Study, which was “that an all-weather road be built connecting the Cross Lake community road network with the Jenpeg access road.”

The issue of damages arising out of that determination was to be determined at a subsequent hearing. The subsequent hearing was on November 26 to 28, 1996, and Cross Lake requested that damages be awarded that would equal the payments made by Cross Lake to Highways and Transportation for extended hours of operation from 1995 to '97. The arbitrator made a decision, and the decision was to provide compensation based on the failure to complete an all-weather road, and the damages settlement would be determined by the difference between the amount of benefit that an all-weather road would have provided and the benefit that the road as constructed has provided. It is not clear what the value would be for, quote, the difference between the amount of benefit that an all-weather road would have provided and the benefit that the road as constructed has provided, end of quote. Manitoba has filed an appeal of the arbitrator's decision on April 9, 1997, based on a matter of law or jurisdiction under 24.34 of the Northern Flood Agreement by stated case.

All of this is proceeding at a time when the Northern Flood Agreement negotiations are proceeding, and my hope frankly is that all of this will be resolved in one package without this being an isolated kind of legal issue.

**Mr. Lathlin:** Last week I was going through some Hansard trying to refresh my memory on that particular issue, and I read in there where I stated to the minister



then that I was afraid that this issue would be chased back and forth between the different courts. I stated that I did not know how long it was going to take; but, judging from what I knew then, I sort of made the prediction that it would take a long, long time, because each time that a decision was made, either through arbitration or through the court, Hydro or our government, the provincial government, would keep appealing. Then, of course, pretty soon everybody would get tired. People would run out of money, and the issue would not be settled.

I see now from the minister's response that is exactly what is happening, and it is too bad, because as he says the negotiations are ongoing and could be one of the stumbling blocks to an agreement being reached. I hope not. I hope it can be resolved before that.

So I guess that answers my question, like, the government has appealed it once more. Is it the government or Hydro?

**Mr. Newman:** The Province of Manitoba.

\* (1450)

**Mr. Lathlin:** Perhaps I can ask the minister then, Mr. Chairperson. He said on a point of law that an appeal has been made. I wonder if I can ask him to explain why that decision is being appealed, if he would explain that to us.

**Mr. Newman:** Essentially, the primary reason for the appeal is that what could happen by virtue of the way the award was expressed and given that we are negotiating the comprehensive implementation agreement, there could be a possibility of double compensation. The unfortunate thing is you cannot go to the arbitrator, who happened to be G. Campbell MacLean, and ask him what was intended. You have to really go to a court given the nature of the relationship.

Of course, this is one of the reasons we have this implementation agreement process so that we are not spending as much time on arbitrators and lawyers. Once we get the total implementation agreement concluded, hopefully this kind of way, clumsy way, expensive way and formal way, of determining intent

will be replaced by another approach, an approach based always on agreement.

The specifics of the grounds of appeal, for the record, are that the arbitrator appeared to ignore largely the background reports which had been presented in evidence. In the opinion of our legal counsel, these reports show that the principal consideration of the writers was that the effects on transportation into and out of the community would be addressed, especially the effects on transportation of cargo into and out of the community. Other factors were considered, but in respect to the opportunities associated with the construction of a road, not because the road constituted compensation.

The other ground is the arbitrator did not consider the settlements or the claims relating to the other issues, including fishing, trapping, culture, employment and others. Settlements in these claims and the proposed comprehensive implementation agreement are intended to address compensation in respect of many adverse aspects, effects of the project, so that the road may not be compensatory in that context. Those were the specific expressions by our legal counsel of the basis for the appeal.

**Mr. Lathlin:** Could I ask the minister then, as far as he can see, what time frame are we looking at here, because, as he has pointed out to us, the first decision was made in '93? This other one was made just within the past month, I guess, because it was just given to me probably three weeks ago—two weeks ago? If the appeal is being launched, has it been done already? If so what kind of time frame are we looking at? Are we looking at approximately the same time as, let us say, from '93 until the spring of '97 again, four years?

**Mr. Newman:** I do not think that, being a lawyer, I would even be able to ever project what it would take in terms of time in order to have this matter come to a conclusion. I do not have that information. Even if I asked it of our legal counsel, I do not think I would get an answer which would be useful.

My understanding is that this item is isolated from the negotiations. That is the technical, legal question, so it is not going to delay the conclusion of the negotiations. The time frame is not as significant as it would be if it

were an impediment to achieving a finalization of the Northern Flood Agreement and modifications.

**Mr. Lathlin:** I suppose that is why I am asking the minister, given his experience—he is a lawyer himself—what would be his best guesstimate I guess in terms of how long it would take to go through a second appeal before a decision was made?

**Mr. Newman:** Once again, when you are in the legal process it takes two parties to move things ahead. If there is a will to move expeditiously, the courts will usually try and accommodate that within their time frames, given all their other priorities. So it simply is dependent on not just us as government but the other parties involved.

**Mr. Lathlin:** I wonder if the minister would like to elaborate, Mr. Chairperson. He says this appealing decision after decision is separate from negotiations. Then I think earlier he said that we do not want to double compensate. I wonder if he can clarify that for us. How is it separate and what does he mean by, we do not want to double compensate?

**Mr. Newman:** The arbitrator of course is not privy to everything that is going on in negotiations, so what was in the arbitrator's mind when he used the words he did to make his award are unknown to us. So all we can depend on is the wording that is there, and if that wording, in light of the broader knowledge and deeper knowledge that we have as a party to the negotiations and the band has as a party to the negotiations is different. Unfortunately the only way that you can get something meaningful to determine what the arbitrator really had in mind within his jurisdiction is to have the court involved. As slow and sometimes cumbersome a process it is, it is at least civilized; it is a very reliable process with integrity.

So I believe that isolating this kind of interpretation issue does make a considerable amount of sense. This is in no way a tactic. It is strictly a way of determining what the intent was of the award and what the jurisdiction was of the arbitrator to make the determination under the powers given to that arbitrator by the agreement.

**Mr. Lathlin:** Maybe as a last question, on the issue of Northern Flood, I would like to ask the minister to give us a picture or describe to us as to where exactly the Northern Flood communities are, particularly those who have not agreed to any kind of settlement yet. I am thinking about Norway House, Cross Lake, and even those who have agreed to settle already. For example, where is Nelson House at, and Split Lake? Is the minister satisfied that whatever was agreed to in the settlement is going satisfactorily, the agreement being implemented. the settlement being implemented? From that extreme to the other one. I understand that particularly one band is not quite ready yet to go to a type of settlement that this government has been proposing to the affected First Nations.

\* (1500)

**Mr. Newman:** I am advised that, with respect to the signed agreements with York Factory and Split Lake and Nelson House. from all accounts they are operating well, and we are pleased with that result. I am advised that one matter that has not yet been tried is the resource co-management. York Factory. The committee has not met yet, but that is up to the community to determine when that would take place.

With respect to Cross Lake and Norway House, the terms of those agreements have now been substantially agreed to. and we have even made advances pursuant to that accomplishment as per our framework agreement with respect to that. So, from all accounts, we are making very good progress, and we are very pleased with the co-operation that we are receiving from those bands in terms of reaching a final result.

**Mr. Lathlin:** Mr. Chairman, I wonder if I can ask the minister to be a little more—I am not asking for minute detail, but I was hoping that the minister would be more clear. I am asking for a clarification after all. “We are making progress” does not exactly tell me anything. My question had to do with, for example, are you at a point where you are talking about signing a memorandum, or are you talking about principles? Are you at a point where the First Nation is being asked to have a referendum? Where are you, for Cross Lake and Norway House?

**Mr. Newman:** I can be more specific to the extent that I can say all substantive issues, we believe, have been agreed upon, and it is now a case of just putting in legal language the wording of the final, formal agreement for formal signing purposes.

**Mr. Lathlin:** So can I take it, Mr. Chairman, from the minister's comments that what he is telling us is that Cross Lake and Norway House have agreed to comprehensive agreements?

**Mr. Newman:** Yes.

**Mr. Lathlin:** I would like to briefly go on to another area here, and then I believe my colleague the member for Rupertsland (Mr. Robinson) will be asking some questions as well.

I would like to talk about Northern Affairs. Earlier I tried to make the minister understand that I view Northern Affairs as being a very important department. I have never been able to understand why it has got such a huge mandate, and yet it is a very small department. I believe that Northern Affairs is capable of, yes, facilitating human resource development, community development, but, at least since I have been here, I have not seen too much of that.

You know, we talk about NACC. Even at one point here I was asking the minister as to how training funds are administered. After much going back and forth, I was able to determine that the communities themselves had very little to do with the managing of those funds. Everything was done either from Winnipeg, Dauphin, Thompson or wherever the offices are located, because I was comparing the Department of Northern Affairs to the way the Department of Indian Affairs was doing business with our First Nations, where they operate on a contribution agreement basis.

The goals and objectives are outlined in the agreement—this is what is to be done for this amount of money—at the end of which an accounting will take place to ensure that those monies were spent on items that they were intended to be spent on.

So the money from the Department of Indian Affairs is devolved to the First Nation. The First Nation has a plan as to how they are going to use the money, and

they manage it themselves directly, because I guess at the time that I was asking that question I was wanting to make myself believe, or maybe I was wishing, that that is the way this department was operating. That is to say, in program areas, money is devolved to the communities. They spend according to their plan approved by the department, and then it gets accounted for at the end of the year with the report coming to the Department of Northern Affairs. Unfortunately, that is not the way it is being done. It is being done by departmental staff almost on everything that goes on at the NACC community.

It was my belief at that time, and I made it known to the minister then that to my way of thinking—and I have been involved at a First Nation level, The Pas Band—that is not how you develop individuals in that community; that is not how you develop those communities to become eventually self-sufficient and self-determining, autonomous and deciding things for themselves eventually. You can only achieve that by giving more decision making to the communities. Yes, they are going to make mistakes. The Pas Band made more than one mistake when we first started out, but after many years of determination, training, hard work, it paid off.

I guess that is what I thought would be happening in Northern Affairs as it pertains to our aboriginal people who are Metis, who are not First Nations. So that is why I was saying earlier, Mr. Chairperson, that I regard the Department of Northern Affairs as having the potential to play a bigger role than it is playing right now.

I want to move on to the office in The Pas that I understand was supposed to be closed and not closed and people were being reassigned. Again, at the time that I was discussing that issue with the minister and with others who are directly affected and also from a couple of the communities that I visited at the time, they were concerned that, well, who is going to help us now? Who will come down and give us a hand type of thing, referring to the people who were about to be laid off or moved on to Thompson? I wonder if I could ask the minister to maybe give us an update as to what is going on with the office in The Pas, whether in fact people have been relocated, laid off or reassigned. If they have been reassigned, to what positions?

\* (1510)

**Mr. Newman:** I will respond to that specific question after I comment on the remarks you made with respect to the mandate and also the importance of the department and also about the way you see these communities moving towards more self-sufficiency and autonomy.

First about the mandate. I agree with you. I feel very privileged to be responsible for a department that is of so much importance to such a large proportion of Manitoba's geography and such an important part of our multicultural population in this province. There are some very special features about our north country which distinguish it from even rural Manitoba, as it is more popularly known. The way that this department is designed and positioned takes that into account. That is why this department is now one of the departments responsible to work with and guide the Children and Youth Secretariat, and Doris May Oulton from that secretariat is here today. If there are any questions directed in that connection, I will invite her to the table.

So that is one important position. That, of course, is Health, Education, Family Services, Justice, Culture, Heritage and Citizenship, Housing and our department, so it is seven departments that influence decision making with respect to children and youth in the province and help to develop policy. So the North and aboriginal people are represented in that in a very specific way, and that has become a very important avenue for policy development.

Also, I chair the Native Affairs Committee of Cabinet which has on it other departments like Justice and like Industry, Trade and Tourism, Natural Resources, Family Services, and I think I said Justice, as well. So the opportunity is there for me as the chair of that committee to create the agenda for that committee and also to bring to the table issues of importance to the North and to the aboriginal community in the province.

Another committee that I serve on by virtue of my office is the Human Services Committee of Cabinet, and that exposes me to the ministries of Education and Health, as well as Family Services, Justice and Culture, Heritage and Citizenship. So, once again, there is a

broad picture and an opportunity to participate in the policymaking through that means.

Because the North has all this diversity and you have to look at it in a complete way, it is no accident that I also serve on the Economic Development Board which, along with ministries like Industry, Trade and Tourism, Rural Development, Highways and Agriculture focuses on economic issues. So the North is well positioned in this ministry on a whole variety of important decision-making and policy generation bodies, as well, of course, as being at the cabinet table itself. So I think the positioning is representative of the significance attached to this department by this government.

With respect to your comments about evolving, how do you evolve healthy, sustainable and more self-reliant communities, I think that we can have a very useful and constructive dialogue on that issue because our thinking is not very much apart, and it sounds like there could be a lot of good dialogue between us, not just at this table but outside of it.

I share with you that I view you, as the representative for The Pas, and Eric Robinson, as the representative for Rupertsland, as the elected representatives for the region which forms a large part of the North country, and several other of your colleagues also happen to be the chosen representatives. In all cases of representatives from the North, regardless of party stripe, you are service providers, and I want to work together with you in providing an enhanced service to the North. I want ideas and problems of the northern community to continue as you conscientiously have in the past to be brought forward, so that we can address them. I will treat them as seriously as every other communication I get in good faith from people in the northern region. You have very significant roles to play on their behalf, and I look forward to working with you in a very constructive way to serve those interests.

Just a little bit more about the direction of this department, there is no question, regardless of what might have been said in the past, that we are on a more focused and concerted effort to work in the kinds of ways you are talking about; that is, encouraging more community decision making and equipping them to make informed decisions in that respect. I see us as very much through Mr. Boulette's leadership in the

North working with those communities to help them emerge with more capacities to make decisions and take responsibility for more management.

As you may know under our new approach, the best measures kind of approach, we as a government are very anxious to develop ways and means that will enhance the process of what you have called community development. We have been working at that with our management people and will be working with the communities themselves and with staff at all levels to come up with a plan that fits each community.

\* (1520)

I am looking forward, as I say, to having your input as we go along, because I am sure that on behalf of the residents in the North whom you have an interest in representing you will be there to assist them in letting their views be known to me. I will take them very seriously, because we want to do the right thing to help these communities ultimately achieve a level of autonomy which I would describe as being an incorporated community status. That is really when you make a decision to take responsibility. I think when some of the communities do that and are ready to do that and have developed the capacity to generate some revenue and have assurances about the future and not having a diminished importance in the eyes of our government, that we will have a movement in that kind of direction with enthusiasm.

I hope with your help that there will be some excitement about this, and the positives of this will be looked at because it appears to me that we may be in agreement that to the extent that they achieve more control over their own lives, they are going to be healthier and happier. If that is so, we are indeed able to work together toward that kind of objective.

With respect to The Pas office, the current status of that—and I will be very specific because we have had exchanges in the House in Question Period about the facts, so I can build on that and give you the current update.

We have four people from The Pas office directly affected by that decision. The first individual, as I described in the House, the regional director has moved

to Thompson, and as far as I am aware, that is seen to be a positive opportunity and, in fact, a promotion. With respect to the secretarial position in The Pas, that individual is now employed in The Pas for the Department of Natural Resources.

With respect to the two other positions in The Pas office, both of those individuals, as I indicated in Question Period, continue to work in The Pas out of the provincial building there, the lease having expired; we let it expire at the Otineka Mall. Those two individuals have been given the accommodation I described in Question Period to make up their minds as to whether or not they want to transfer to Thompson or not to perform the same or similar functions, because everything is changing to a certain extent, but to move to Thompson, and my understanding is that their opportunity to finalize that decision is September of 1997. If they opt not to, they will be laid off or re-employed. If there is another opportunity within government, they will be put on the redeployment list, as I understand it.

**Mr. Lathlin:** Perhaps it would be a good time for me to ask the minister in terms of rationale behind that decision to—I do not have any problem whatsoever in not renewing the lease at Otineka Mall. I mean, that is not my problem at all. Two weeks ago, I was in conversation with the mall management there, and they are scrounging around for space as they are all completely filled up. I do not think they are looking to—they do not have any more space to lease. In fact, they are leasing space in the town, I was given to understand. So it is not a matter of objecting to the fact that the lease was not renewed.

My issue at that time was what rationale did you develop before deciding to relocate, well, potentially four people to Thompson when, in fact, if a staff member were to travel from Thompson to The Pas to perhaps go and do some work in Moose Lake or Easterville or Grand Rapids or even come further south, say, to a meeting in Dauphin, that perhaps it would be more costly in terms of travel expenses and time spent on the road, whereas if the people were stationed in The Pas—hell, 40 minutes, you are in Moose Lake, and you do not have to spend anywhere overnight, probably pack a lunch, go to Moose Lake. It is not all that costly. The same thing with Easterville, Grand Rapids or

if you are coming down to Barrows. All those communities are within—like, you do not have to go in overnight.

In fact, if you had two or three days of meetings in Barrows, for example, you could commute from The Pas quite easily. It is only about an hour, an hour and a half from The Pas one way. To have that staff member travel all the way from Thompson to Barrows, yes, you have to be on the road more. You may have to overnight somewhere, thus costing more money, so I was just interested in what rationale or what thinking went on behind those particular decisions.

**Mr. Newman:** Again, this I think allows me to dialogue with you about the philosophy, the vision of this particular department under my ministry. The vision behind that decision is that the role of the department is essentially to empower communities to the extent that empowerment results in them taking on more responsibility and the civil servants in the department performing less functions, because they have now been assumed by qualified community members or employees of communities or contracted services for communities. That is considered to be a success. That is considered to be an achievement.

You had commented in your opening remarks about the diminution of the department. There is no question that the fact is that the department, between 1984-85 through to the beginning of 1997, had diminished the total department workforce by 44 percent over the 12 years. The local government area itself had diminished from approximately 100 to 101 staff in '84-85 to the mid-40s now, and that is a decrease of 54 percent.

That is probably a measure of the amount that the communities have assumed in terms of responsibility. The major decrease is in positions or in management, technical and trades kinds of categories. You sort of raised the question, does this mean the department is shrinking and you are wondering whether or not it might disappear.

\* (1530)

The department, as I envision it, will be functioning in different kinds of ways, and that is in more

facilitation roles, more training roles, more empowerment kinds of roles, more liaison with other kinds of other department kinds of roles. I see a real and very significant function being performed by the staff in this department. I think, as the attitudes are changing about the role, there will come an increasing excitement, because this is I believe the new kind of civil servant, a civil servant that rather than just being there to be of service in a continuing way, the community in ways will be performing more advisory functions or, broadly saying, empowerment functions.

They will not be doing as many services themselves. They will be training community members to employ or engage individuals or companies, contractors, to perform services that have traditionally been performed by the department, and this kind of evolution has been taking place over the last 12 years, and even before that, and will continue, but at the moment I see the importance of the individual staff members in playing those kinds of roles as very positive things and things that are going to be very enriching for people performing those kinds of jobs. Just for example, our recreation function was a term employee, for example, who is now going to be permanent staff, and that person now has a broader mandate which is not just recreation but is really a health and wellness kind of function, broader than just recreation, a new vision in how you go about building healthy sustainable communities. I think that is all I will say at this point.

**Mr. Lathlin:** I do not want to belabour the point, but perhaps the best way to illustrate this, Mr. Chairperson, is to tell the minister the story about The Pas Band.

You see, in 1969-70, I was still in high school and just finishing off high school. I visited our band after having been away for awhile, and I was told there was a band office. So I went to visit the band office because I was interested. It was a little two-bedroom, bungalow-type house where the chief worked. I saw the chief and there were three other people working in that office. I cannot remember, I believe one was a gravel manager, and the other one might have been the band administrator and the other one a secretary; four people working in that little office. So I was asked to go and see the chief, and the chief told me all about his operation, a big operation, as he called it. Their annual budget was something like \$12,000 a year.

**An Honourable Member:** Was that Gordon Lathlin?

**Mr. Lathlin:** Right, and that was in '69-70. He showed me around the office, and he was so proud of it, but, you know, when you put it into perspective, that is only 27 years ago. That is not a long time.

So, when you look at The Pas Band now in terms of how it has been able to develop its people, the business and economic development that goes on in that community, that happened in a span of, like, 27 years—27 years, okay?

Now, when we are talking about NACC and the Department of Northern Affairs, I appreciate what the minister is saying, to empower the community so that it can be self-sustaining in time, but the group that is facilitating this human resource community development business, economic development, like what happened in The Pas.. If you are shrinking, would there not be corresponding growth to community level if all this devolution is happening? For example, if you laid off 55 staff people, would that not somehow be translated into growth at the community level? Would that not somehow be translated into more community-based decisions being made at the community level, much like what happened in The Pas? After 25 years, 27 years, should we not be expecting more results from such people, community development work? That is what I was getting at. If you are shrinking staff and if you are now only \$16 million, would there not be a corresponding increase of money being spent at the community level? Would there not be more people working at the community level? But it is not.

**Mr. Newman:** Do you want me to address that? Maybe I could address that. Sorry to interrupt, Mr. Lathlin, but I just thought because you have come to a conclusion which is not, I believe, an assumption that I would regard as a valid one—my information is that in 1974 we had zero employees in the communities themselves, that is by the mayor and councils in those communities, and that now we have 165 employees employed in the community.

My belief and understanding is not only has there been that kind of direct employment, but in some cases there are contracted services done directly by those communities with the support of the Northern Affairs

department. That is the perspective where I am coming from, and I thought I would share that at this time so you might not walk down a path that is based on an assumption different than I have. If you want to discuss the assumption, I might stand to be corrected.

**Mr. Lathlin:** Mr. Chairperson, I have to ask you for a big favour. An issue has just come up that Eric and I have to discuss by ourselves for about two or three minutes. I wonder if the Chair would allow us.

**Mr. Chairperson:** Is it the will of the committee to take a five-minute recess, 10-minute recess?

**Mr. Newman:** A 10 would be satisfactory.

**Mr. Chairperson:** Okay. The committee will resume in 10 minutes.

*The committee recessed at 3:40 p.m.*

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#### After Recess

*The committee resumed at 3:56 p.m.*

**Mr. Chairperson:** Order, please. We will resume the Estimates of Northern Affairs.

**Mr. Lathlin:** Mr. Chairperson, I am not quite sure if I understood the minister on the last part—because I was handed a note here, and I decided to read it at the same time—where I talked about in a devolution process. I have had experience in that, you know, working with the Indian Affairs and working at the band level, being chief of our band for about six years and being staff there for several years—where there is downsizing on the government side, and we had to make sure that whatever was downsized would hopefully translate into either person years or program money at the band level and that is how we were able to do it. So that is why I mentioned, when there is a decrease on the departmental side, should there not be a corresponding growth whether it be person years or program funds at the community level. The minister talked about assumptions, but I could not really understand what he was trying to say. So perhaps I could ask him if he would reclarify for us.

**Mr. Newman:** I was talking employees, employees of the department on one hand and the diminution and relating that to the increase in employees of the mayor and council of the different northern communities. I would even enhance that because the policy, the approach that we are working on is that healthy communities are the product of individuals having more control over their own lives and more participation in their communities so that they influence the decision making which affect their own lives and destinies.

\* (1600)

The fact that in 1974 we did not have mayors and councillors in these communities and now we have 315 elected mayors and councillors in those communities, I believe, is another measure of the progression, the evolution towards the more self-reliant and more healthy communities that I am talking about. I also would use as another measure of the kinds of progress, if you want to use dollars, is that the budget for Northern Affairs in 1969 was \$567,000.

So what is the appropriate measure for the progress of the communities? I can say that we are looking at, and I have asked my department to look at benchmarking kinds of mechanisms or measures so that you have goals and then you have ways of measuring progress towards those goals for those communities, and those measures are the kinds of things our Children and Youth Secretariat has become aware of and, I think, has developed a certain amount of expertise and certainly accessed a lot of research. It is the sort of research that grows out of the population health kinds of disciplines, and we want to apply those kinds of measures to those communities on a very long-term basis. So we are looking toward, hopefully with generally acceptable criteria, measuring progress toward I think the sorts of goals that probably, from what you have said, you and I would have in common for the people in those areas.

Another point in terms of dollar measures is that we have maintained our annual capital expenditures at the \$2.6-million level for those communities over the last three years, and the operation and maintenance budgets have also been maintained over the last three years.

So I offer those as other kinds of measures of the sort of thing we are talking about. If I still am not

responsive to your question, I certainly welcome continued dialogue on it.

**Mr. Lathlin:** Mr. Chairperson, I thank the minister for that clarification. Yes, it is that kind of progress that I would look at. You know, if I was in charge of Northern Affairs, there would be a clear mission statement and attainable goals and objectives, and at the end of each year I would be interested in sitting down with staff as to what was actually achieved and what was not achieved, and if they were not achieved why did we not achieve, and so on and so forth.

Even, for example, you downsize on the departmental side. I would be interested in knowing—because I know for our band, again, when we started out 27 years ago the unemployment rate at the band level was like any other First Nations community, 80, 90 percent. I do not think we are now as high as 80, 90 percent, but still high, meaning that we have a long way to go yet, but at the same time I know how many people we employ. We employ close to 350 people at the band level, just by ourselves. In fact, I think our band is the second largest employer in The Pas area, second to Repap.

So when you talk about those kinds of statistics and benchmarks and progress, then you know what you are talking about. Over those years that Northern Affairs has existed, for example, how many jobs were there when we first started, and now when you look at all the NACC communities, how many full-time jobs are there, because when I go into a community I visit with the administrator and I ask questions. Sometimes you find an outreach officer, CIC outreach officer, in some of those communities, and I am able to get—you know, Stats Canada does not go into Indian communities when they do unemployment stats. They just go to Thompson, The Pas, Flin Flon, and so I am always interested in knowing what the unemployment situation is like when I go into a community.

Would the minister have any idea of how many people are working as a direct result of Northern Affairs operating in that area? What would the unemployment situation be like? Thirdly, that 21 percent cut that was made by the government to social assistance, I wonder if the minister has an idea as to what impact that 21 percent social assistance cut may have had on those communities.



**Mr. Newman:** You will be pleased to know, given your preliminary comments to your question, that we are indeed establishing a mission for the department and a business plan, so not only will I be able to hold my department accountable, but you will be able to hold me accountable for my department, and I am pleased that you share that accountability approach to the way you do government. Hopefully, it will mean that we will make more measured progress, and when we do not, change our approach.

With respect to the measure of jobs, I, again, would agree with you that is an excellent measure of success, given the policy of our government believing that working at a real job is far better than being dependent on welfare or government. To that end, we have a number of programs to address what is a disproportionately significant unemployment rate against the norm in the broad picture of Manitoba in our Northern Affairs communities.

What are we doing to address this unemployment situation? That, of course, is why we have the Partners for Careers program to make sure that those people who make the investment in time and effort to achieve graduation from a high school or from a community college or university will get jobs; I mean, the very discouraging thing to the hope of people if those people who make that effort are not successful.

\* (1610)

So that is why we focus on them, and then they become role models and can go back and say, yes, if you do stay committed and work toward achieving that sort of level of education, you will have the ability to achieve meaningful careers.

That is what Partners for Careers is all about, and as you know, that is federal-provincial, multidepartmental. It is Education and Training and my department that are involved in funding that and the federal government, but it is also a partnership with the employer community out there, and the training will be delivered by aboriginal training agencies. So that is one way.

The other kinds of things that we are doing to move people off welfare and into jobs are a top-up program in conjunction with Family Service, and that is our

Employment First initiative which we have had in place in our northern communities. We are very pleased with the success of that kind of initiative.

We also, in co-operation with major employers like Hydro when there was, I might say, a very excellent kind of public-private kind of partnership or public-public partnership, Crown corporation-government partnership, when it was determined that, through I think it was a 10-year payout, at what would have been enhanced diesel fuel hydro rates, and you paid those towards electricity, that could pay for the implementation of hydro lines to Thicket Portage and Pikwitonei, which are two northern communities. So a very creative initiative resulted in an opportunity to put a hydro line through, which is going to increase the health in the community, the ability to generate employment in the community, and the actual clearing of the rights-of-way led to jobs for both of those communities over the past while. I was there and was able to share in the pride that the mayor of Thicket Portage, for example, felt in that they had a significant number of people, and in many cases families, out working and putting the line through.

There is also employment, as you know, in the North Central power line process, and there is also, through the generation of entrepreneurship and people achieving the capacity to provide contracted services to northern businesses, that employment is generated. I know I am always pleased to hear the stories that come out of the Communities Economic Development Fund, another area of my responsibility, and their clients who the majority by far are fishermen. They also support in responsible ways, in terms of funding and in terms of management guidance ways, organizations like Moose Lake loggers that provide employment for members of the Moose Lake community and the neighbouring band.

All of the applications that are made for funding to that body, that Communities Economic Development Fund, demonstrate the kind of initiative that results in support for employment opportunities within the communities.

With respect to, have we done a measure of specifics community by community, we do not have that, but, frankly, that is exactly the kind of benchmarking I am asking to be done and developed. I want the capacity

to be able to do that, and I want the capacity to be able to measure progress on health, the long-term progress. We have measures of things like diabetes and respiratory illness, fetal alcohol syndrome and effects, all of these kinds of things. I would like us to have the capacity, to measure progress in those kinds of things.

Similarly, with dependence on welfare, I would like to have statistics to show progress in that fashion, and similarly with justice, interaction with the corrections system and the justice system. I would like to see progress in that. I have already indicated the number of employees in Northern Affairs communities, the number of elected officials, and I would like to see more involvement in community activity like justice committees. We have, as you know, an initiative under the Department of Justice in the North now involving \$400,000 towards a First Nations strategy. We have 74 youth justice committees in the province. I opened the last one at Falcon Lake, the 74th. I would like to have the presence of those in more communities, Northern Affairs communities, just as I would like to see it on the reserves. So that is the answer that I can give with respect to jobs and unemployment and entrepreneurial kinds of initiatives. Economic development, this government is very big, as indicated by the throne speech, in developing partnerships to do economic development.

I just, again, would share what is the benefit to the North in terms of having our gaming agreements with bands, including Opaskwayak Cree Nation. What are the impacts of our taxation agreements with those bands, because they do not just affect the bands, they affect the communities adjacent to them and some of the northern communities are, and what is good for one part of the North is usually good for the rest. Those kinds of initiatives continue, I think, to bring results. As you know, we have the working committee being established to deal with the interest in expanding gaming in the North. We are fulfilling that commitment as a government with the northern communities, and certainly Opaskwayak Cree Nation is involved in that.

With respect to the changes in Family Services support, I really would defer to the honourable Minister of Family Services (Mrs. Mitchelson) to address that. I would not feel that my staff would have that kind of information at hand, and I would not even invite Doris

Mae Oulton to comment on that. I think it is best directed to the honourable Minister Mitchelson when her Estimates come along.

**Mr. Eric Robinson (Rupertsland):** Mr. Chairperson, I do have a number of questions. I was hoping that we would get the department done today. I am not sure if we will be able to accomplish that because we have other members that also want to raise some questions with the minister on this particular department.

I noted with interest many of the things that the minister talked about in responding to my colleague the member for The Pas (Mr. Lathlin). We have, of course, said on numerous occasions that this department, indeed, is underfunded, and it is one of the more important departments considering the nature of northern Manitoba communities and the high unemployment situation and socioeconomic problems that do exist there and are an every day reality in northern Manitoba. We certainly will undertake the minister's offer to work with us, those of us that represent the poorest region of this province, and we do look forward to that. We, of course, have had the opportunity of being with the minister on a number of occasions at different functions in northern Manitoba, and I commend him for that, for taking an active interest—for example, the northern youth justice conference that was held in Thompson during the Easter weekend.

\* (1620)

I do not think we have ever had a minister that took of his time to sit and listen to the concerns of the young people, the youth of our communities. I also noted that he, being the chair of the Aboriginal Affairs Committee of Cabinet and also the human services part of cabinet, will realize that there are many outstanding issues relating to aboriginal people in this province—the A.J.I. of course, the Hughes report, the recent tabling of the Royal Commission on Aboriginal Peoples in late 1996 which calls on more innovative ways to work with aboriginal people in Canada, not only in reserve and northern communities but also in urban communities throughout Canada, so, no doubt, we would like to embark upon a bit of a dialogue in the next few hours that we have in Estimates on that particular issue.

We also know that there are many positive things happening with aboriginal people. On the other hand, there are probably more negative things happening with people, and, certainly, I think as responsible members of the opposition and critics, we have tried to provide some guidance and direction to the government. The opportunity certainly was there yesterday, if I could refer to the private members' resolution with respect to the AJI, which simply asked the province to table and work out a blueprint for the future in how the AJI could be implemented in its entirety in the province of Manitoba.

I do not think we are that stupid to think that every one of those recommendations can be done in a short period of time. However, it certainly would have given this government an opportunity to develop a plan of action if we are talking about partnership arrangements with First Nations and aboriginal communities in beginning the design, the framework, if you will, the building blocks, in establishing long-term relationships with aboriginal communities in Manitoba in addressing the many longstanding issues that aboriginal people have been faced with in Manitoba.

I would like to begin, Mr. Chairperson, on one very serious matter, I believe, and that is road maintenance in NACC communities, and I refer specifically to Manigotagan. I wrote a letter on April 11, and, of course, I do not expect an answer immediately, but this was again raised with me today.

Two years ago, changes in the process for maintaining roads in NACC communities, of course, changed, and the department, as I understand it now, hires directly with the Department of Highways in getting these contract arrangements with others. Alex Simard, who a couple of members of the staff here are familiar with, in Manigotagan—Mr. Bostrom and also Mr. Boulette will know him—is currently suffering from cancer. On the weekend that we had the big storm in Manitoba here, April 5 to April 8, it put him in an awkward position according to him and other community members that I have talked to.

Mr. Simard is a man that requires close monitoring and is forced to travel to either Selkirk or the city of Winnipeg for treatment. I believe, according to the latest figures we have, there is roughly 250 people in

the community of Manigotagan, and they did not receive any road maintenance services for those four days. Now, finally, on Sunday evening the road was cleared in the community of Manigotagan. When a member of the community did call, an individual by the name of Jeff Gordon, asking them to send out a crew, they were told to plow out the road themselves. This causes me great concern.

I would like to ask the minister whether or not there is any leverage within the department to perhaps have some side agreements with members of the community that could deal with a potential critical situation such as the one that occurred on the weekend of the storm.

**Mr. Newman:** I appreciate the honourable member's letter of April 11 of this year raising that issue, and I had my department check into that. A response certainly will be forthcoming in writing, but this does give me an opportunity to share with you the circumstances in response to it.

Of course, it was well known to all of us that there was a big blizzard at the time and the Highways department could not get to it right away, and to top it off, the grader from Bissett had mechanical problems, as I understand it. The process for, in effect, funding these kinds of maintenance situations that are urgent, of this kind of situation, was changed so that Northern Affairs could transfer funds directly to the Highways department when Highways did the work. Before that time, there was a problem about who, ultimately, would bear the burden for the cost. That was straightened out two years ago so in this particular crisis situation, exceptional circumstances, Manigotagan could have plowed it out themselves or hired a contractor, engaged a contractor to do it, and the dollars being managed by Northern Affairs could then have been used to pay for this being done. So it was an unfortunate situation, but I do not think it is any longer a systemic problem.

**Mr. Robinson:** I wonder if the minister would just reiterate that. There is some flexibility then, as I understand it, with the contracts. With the contractor being in Bissett, there is some flexibility to perhaps have subcontracts with a member of the community that may have the equipment to, you know, deal with emergency situations like that.

**Mr. Newman:** My advice is that it is entirely up to the municipality to decide. They have a budget for this, and could make that decision, but in a nonurgent situation, the work is normally done by Highways and it has been for many years.

**Mr. Robinson:** Mr. Chairperson, how many of the NACC communities are affected by this new process that was introduced a couple of years ago?

**Mr. Newman:** The simple answer is all of those with roads are subject to that policy, which means about two-thirds of the communities.

\* (1630)

**Mr. Robinson:** Mr. Chairperson, I want to thank the minister for his response, and certainly I look forward to the letter that is forthcoming on the issue that we raised about Manigotagan. I believe that it is very dangerous, could be potentially dangerous if an incident like that did occur again.

Today in Question Period, and certainly we were not grandstanding; we are very, very concerned about this—and while we are on the subject of aboriginal issues, we have been working with Chief Margaret Koostachin of Shamattawa for a number of weeks now on the housing crisis that is faced by this community. The federal government, last summer, announced a so-called new housing strategy that would meet the needs of First Nations communities and their housing needs in Manitoba and across Canada. The minister is well aware, as well, the 21 percent cuts in welfare to First Nations communities did occur as well, but the federal government did take the advice of not only ourselves and the opposition, but I believe, to a degree, of this government.

However, the welfare dollars were then converted, and it was again reaffirmed by a staff member from the Department of Indian Affairs, with the money saved on the welfare reductions that the housing then would—the housing strategy which amounts to \$140 million nationwide, \$28 million in the province of Manitoba. When you break that down, considering that there are 62 First Nations communities in this province, what that breaks down to is roughly about 4.5 houses per community. In the meantime, the backlog is roughly 40 to 150 houses in each of these First Nations

communities. The so-called federal housing strategy for First Nations communities is nothing. Yes, sure, it could be argued that it is something but, really, when you come down to it, it does not amount to anything.

We, in our work with Shamattawa—and we went to the Department of Indian Affairs, were able to negotiate some advances on next year's capital budget, but it was not new money. It was simply, as the federal government has tried to portray it, what the band was entitled to already.

What resulted of course was 12 houses being built in a community, and that was only after some media stories and other things that I brought to the minister's attention during Question Period today. To accompany that, of course, to build these 12 new houses, and Shamattawa being in the location that it is in and only accessible by air, and only having a short winter road season, the province did in fact do the community some justice by allowing the winter road to be extended for a period of time. I believe it was two weeks. The winter road is still being used.

We want to give some assurance to the people of Shamattawa and the hard work that Chief Koostachin and her council have been doing, about the hydro pole issue that I raised today. As I understand it, they are going to pay \$1,200, or they have paid \$1,200 a pole. This works out to 18 I guess, apparently, and the total amount being \$12,600. That is something that the band cannot afford; this is one of the poorest communities in Manitoba. I know that the minister has his own thoughts about the community. Yes, it is a beautiful place. It is a beautiful place to visit. It is one of the most beautiful in fact in the province of Manitoba with the rivers, the lakes, the trees and so on. I know the minister painted a beautiful picture, but try and live there for a month and the impression will be altogether different.

In spite of the beauty of the territory, the fact of the matter is that people still do not have proper water and sewer. This is an added burden, of course. The community cannot afford over \$12,000 for hydro poles to be transported to their community

So I want to be in a position with the minister in a good spirit of working together here to be able to assure

the community that they will be reimbursed for that amount of money that they have had to pay for the poles. The point I made was that Manitoba Hydro will be getting new customers as a result of this; it is not Shamattawa.

So I think that we should make every effort to ensure that the poles are paid for, are reimbursed to the band who have spent that amount of money in getting the hydro poles delivered to their community.

**Mr. Newman:** At the outset, let me say that I had the good fortune when I was in Thompson to interact with, in particular, two representatives of the Shamattawa band and one of the RCMP constables from the detachment there whose wife is the postmistress in the area.

I was tremendously impressed with what was obviously the leadership of that band and their participation in that conference, and I might say conscientious participation. They were there to learn, and I am sure they took back to their community many, many good ideas from others of the MKO bands represented there and the Manitoba Department of Justice, people that were there and others who were present, helping each other in coming to grips with their own community's justice problems, and I say small "j" justice problems in the very broadest, most holistic sense. So having said that, I am sure that the chief's overtures through you to address this issue are done with the same kind of effort to lead with distinction and sincerely in the interests of the community.

One of the issues that might be behind all of this, of course, is the dissatisfaction with the federal financial support for housing in all of the northern bands. Unfortunately, during this election campaign, I have been exposed to a number of situations where there is an effort by candidates in that election to address this issue and, depending on the audience, sometimes in a one-sided kind of way.

I am sure that the chief there and yourselves are interpreting through the message that is being conveyed what the realities are, as you have pointed out, but we in our partnership with the aboriginal people in this province do not want to see the federal government ever take advantage of aboriginal people or to

shortchange them in terms of their just entitlements or what is fair. It is becoming increasingly obvious to me that we are becoming more and more allied with our Manitoba citizens who are aboriginal people in issues that are growing out of the dismantling process, issues which all Manitobans have an interest in because it means everyone is going to be bearing a bigger burden if the aboriginal people are not given their just desserts under the dismantling process in areas of health, education, family services and including housing, of course.

But, specifically, I will read into the record exactly what I have received from Hydro on the issue you have raised, and I thank you for that question in Question Period. I will give you as definitive an answer as I have, and the issue you have raised is about 21 hydro poles being delivered to the Shamattawa Band by a private contractor. The Shamattawa Band paid the contractor for this delivery and is now asking that Manitoba Hydro reimburse the cost.

I am informed from Hydro the background to this. Over the winter months, Manitoba Hydro staff in Gillam checked regularly with the Shamattawa Band to see if they were planning any construction that would require additional hydro lines to be built. Manitoba Hydro last contacted the Shamattawa Band on February 5, 1997, shortly before the winter road was scheduled to be closed. At that time, the band indicated that they were not planning any construction.

On April 2, 1997, the Shamattawa Band informed Manitoba Hydro that they were building 12 new houses and a water plant would require a hydro line to be built. Although the closing of the winter road had been postponed to ship the construction material, the road had been closed for two weeks before Manitoba Hydro was contacted. There had been no maintenance of the road after it was closed.

\* (1640)

Now I am aware, I was in Thompson when the trucks came through at midnight, I believe it was, most certainly during the Easter break week. That was the last group coming out of Shamattawa, and they had, to everyone's pleasure, made the deliveries there during the extended period of the winter road.

Manitoba Hydro decided to try to deliver the 21 poles in spite of the road having been closed and maintenance not being done. However, the condition of the road had deteriorated to the point that the equipment available to Manitoba Hydro was unable to get through. Manitoba Hydro staff in Gillam informed the Shamattawa Band that they were unable to deliver the poles due to the road conditions. Manitoba Hydro staff suggested that the Shamattawa Band hire a private contractor with larger equipment. It was made clear that if they did this, it would be at Shamattawa's expense. The Shamattawa Band hired a contractor and Manitoba Hydro loaned the contractor the pole trailer. The contractor was able to deliver the poles to Shamattawa.

So that is how the situation stands, and I guess the question I would put back to the chief and council is why under those circumstances would they reasonably expect that Manitoba Hydro should pay for that or indeed, of course, why should the Manitoba government be approached to pay for that.

**Mr. Robinson:** Well, I can only reiterate what I said. The band is one of the poorest in Manitoba, and perhaps the minister and I will have an opportunity to visit that community at some point in the future. I believe it is a reasonable request.

During that given time that we are talking about, there was some movement of trucks into the community that were transporting in supplies to the community. Again, we commended the province for agreeing to go beyond the deadline of the scheduled date of closure of the winter road, and as far as we understood, maintenance was going to carry on for a couple of weeks beyond that. So to the best of our knowledge, the winter road was still open.

I guess our question is—well, in the meantime, the other trucks are getting through and the band did not secure this arrangement with the Department of Indian Affairs till very close to the Easter weekend, as the minister has indicated. I think, as I said earlier, in good conscience and in good faith, I am simply trying to reiterate what the chief of Shamattawa and her staff have told me. I think that the minister—putting it simply, I am just asking him to act in good faith considering the special circumstances, the special needs

of this band, to do what he can to effect perhaps a reimbursement for the community in these unfortunate circumstances.

**Mr. Newman:** It would seem to me that this might be a special case that could be made to the honourable Member of Parliament Elijah Harper with respect to this situation. I know that, for example, when you deal with priorities, there is a conference planned for Winnipeg for April 21, 22 and 23 supported by the aboriginal community and also by the federal government. I know the original budget was something like \$700,000 or more, and it has now been apparently pared down to something that is significantly less, and I commend the organizers for doing that. I would hope that if there is a good case to be made that Mr. Harper and his colleagues would be approached to try and have the federal government, who has this direct relationship with the band in this kind of situation, to do small “j” justice to what you are presenting as a very compelling situation.

It is cases like these where I would hope that you, as members of the Manitoba Legislature, and being the alternative at this time to government as the official opposition, would help the people of Shamattawa and the chief and council understand how we are trying with our limited resources and prudently on behalf of taxpayers to invest money as well as we can to carry out our responsibilities. I would hope and expect, properly presented, that the federal government, whoever they may be at any given time, would operate in the same way in relation to their first instance direct responsibility to the Status Indians on bands in this province.

We will work very closely in co-operation always with the federal government on issues for the benefit of members of the aboriginal community, whether they are on reserve or off reserve, whether they are Status Indian or non-Status Indian, or Metis, or call themselves just northerners or Inuit. We must, however, do it in ways that I think are consistent with our clearly defined responsibilities, and sometimes to do otherwise will not make the appropriate participants in partnerships live up to their full responsibilities. So I would hope that we can be allies in addressing this issue and getting a solution to it but from the government that is directly responsible.

**Mr. Robinson:** I am not quite sure what the minister is proposing. I want to refer him to an incident that occurred with a fire at Wasagomach where a couple of members of that community, trappers, lost their cabins and all their equipment. The minister of government affairs, who sits with us here this afternoon, was kind enough to look at it as a special circumstance and affecting a good number of people, after some persuasion on our part towards him, and he did come through for those people in the Wasagomach community. I am asking the minister the same thing here as part—yes, the federal government has indeed made their contribution in the form of money and allowing the community to purchase the supplies and the needed equipment to construct 12 new homes in advance of this year's capital budget. So in good faith, to show that Shamattawa people are Manitobans and they count in the Manitoba community, I am asking the minister outright here if he will just simply, yes or no, reimburse this community the cost that it has picked up for transporting the poles into the community.

\* (1650)

**Mr. Newman:** Well, I can, without any equivocation at all, say that under the circumstances that I have heard, I would not recommend that my government support that, nor do I have any budget to support that. But let me just indicate along the lines of what I suggested earlier as to how far we have reached, and in special situations will reach, to accommodate unusual situations that fall through the cracks of jurisdictions. There was a program which grew out of the Indian and Metis Friendship Centre dealing with solvent abuse, and it was a program that was funded by the federal government for two years. My understanding on all accounts was that it was a very successful program. I think Susan Sinclair was the co-ordinator of that program. About the middle of March she came with a whole host of representatives from the Indian and Metis Friendship Centre community and the organization that had mounted this initiative and asked if we could facilitate a solution to a denial of continued funding, to their surprise, by the federal government.

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

They thought they would have continuing funding for five years, although that might have been an

expectation, not a contractual commitment. When the project looked like it was going to fall apart and all of the work that had been done would not be able to be systemically placed into a system so it would be ongoing through schools and other agencies to educate youngsters about solvent abuse, we communicated with the federal government through the Privy Council office to see whether or not they would, at an official level, take a look at this situation. My understanding is they are still looking at the situation, but in the meantime we looked at providing some funding in the interim so the program would not die. We had no obligation to do that, but it was a program that our Children and Youth Secretariat evaluated as having merit. We saw it, through our Native Affairs Secretariat, as a meritorious program. If the federal government commits to continuing funding, we will be prepared to provide some sort of bridge support to allow it not to die and the people leave and be laid off and so forth.

So those kinds of special situations where there is sometimes a bureaucratic vacuum or lack of attention or there is time required, we want good programs for the benefit of women and children and others who are at risk in the aboriginal communities, to be perpetuated and enhanced and we are working hard to do that through collaboration. But this particular situation, it would seem to me that I wish you would direct the same energy you are directing at me now in the Legislature at Elijah Harper in his forum and perhaps use the same public means to do that. I really think that between you and me we could let him know that this is clearly something that they should be responsible for, given the case you have presented so far.

**Mr. Robinson:** Mr. Chairperson, yes, I have been on the case of the federal member of Parliament for that area, and as a matter of fact, we have had extensive exchange of letters on that particular community and other northern Manitoba communities with respect to the issue of housing.

Mr. Chairperson, allow me to pose this then as an offer to the Minister of Northern and Native Affairs and I as the critic for Native Affairs for the opposition: that he and I write a joint letter to the federal Indian Affairs minister, again taking into consideration some of the points that the minister has made and we co-sign this

letter and show that there be some reimbursement of the expenses that have been incurred by this band with respect to the Hydro poles by the federal government.

**Mr. Newman:** That is the kind of approach that makes good sense to me, and I would have Harvey Bostrom of the Native Affairs Secretariat analyze, in discussion with the chief and council there, what the circumstances are and get a direct understanding beyond what we have been advised by Hydro. If you want to draft such a letter, that could be the starting point, and then I could have Mr. Bostrom start right away to do the analysis in anticipation of the letter. Then I am prepared to jointly sign a letter with you to the extent that we consider that that is a meritorious approach to take for the benefit of the members of the Shamattawa Band.

**Mr. Robinson:** Certainly I have a lot of confidence in Mr. Bostrom, and certainly we have a wealth of knowledge about the circumstances at Shamattawa. I could direct Harvey to one of our staff members who could probably jointly develop that letter in the next several hours and hopefully get it out of this building in the next 24 hours, I hope. So I would like to leave it at that.

Mr. Chairperson, another issue that I would like to raise with the minister relates to a concern that was raised by Chief Bill Traverse of the Jackhead First Nation with respect to a letter that he received from a Dave Simms, a manager of fish loans regarding—I guess it is more the tone of the letter that deeply concerned Chief Traverse and also members of the community about the CEDF program, and he attached one letter that was received by one of the treaty Indian commercial fishermen in that area. What Mr. Traverse's contention is, Mr. Chairman, is that this letter appears to be threatening and discriminatory and is causing serious concern in the community, and I am reading directly from the chief's letter to the minister. He further goes on to say that Mr. Simms's highhanded approach is totally unacceptable and unnecessary. I do not believe that it is a matter of the band or the community, the First Nation itself, trying to slough off any responsibility about money owed, but given that the area itself that we are talking about is a high unemployment area and fishing is the main industry, and if you are not fishing and if you are not producing,

well, obviously then it is going to be a little harder to pay back the loan even though you may be willing. Again, I believe I sent a letter to the minister dated March 19 on this particular issue.

**The Acting Chairperson (Mr. Tweed):** It now being five o'clock, I will ask the minister to respond to that question tomorrow.

**Mr. Newman:** Maybe I could just say, Mr. Chair, that I do have the answer to that question and will provide that to you tomorrow.

**The Acting Chairperson (Mr. Tweed):** Committee rise.

## AGRICULTURE

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

We are on resolution 3.2 (a) Manitoba Crop Insurance Corporation (I) Administration \$4,458,300. Shall the item pass?

**Ms. Rosann Wowchuk (Swan River):** Mr. Chairman, I still have a few questions under this section. One of the issues that I would like to talk about is a couple of years ago there was a Crop Insurance Review report done, and several recommendations were made for changes on how Manitoba Crop Insurance should operate. Some were fairly significant recommendations, some to do with how the appeal process was handled and other issues.

Can the minister indicate to what extent those recommendations that were made under the Manitoba Crop Insurance Review Committee have been implemented and whether or not there are some recommendations that are causing difficulty and will not be able to be implemented?

**Hon. Harry Enns (Minister of Agriculture):** I am advised that that committee did a fairly extensive review of the overall Crop Insurance Program. It made



a host of recommendations. I am told they numbered over a hundred, 122 recommendations. Senior staff advised me that a good many of them have been implemented in the normal course of revisions to the program that Crop Insurance is always engaged in. A lot of them had to do with the methodology that the corporation employed in arriving at yield figures, probable yield figures and the likes of that. I do not have a breakdown of that extensive review that she refers to.

I know that there were other items in there, particularly as a result of last year's 85 percent production figure, that the return to 100 percent was among the recommendations, but I can indicate to her that a good number of those review issues have been dealt with.

\* (1430)

**Ms. Wowchuk:** One of the issues that has caused over the years a lot of concern under Crop Insurance is when we start to get split policies where husbands and wives who choose to farm separately have separate policies. I know there was a real move on Manitoba Crop Insurance to try to join those policies.

I believe there was a court case in one instance, and I have talked to many young people who are—I should not say many, but several young people who have indicated that they are trying to set up their own separate farm operations. In some cases, it is a daughter who is trying to set up an operation separate from her father, and in cases it has even been a son.

Manitoba Crop Insurance has insisted that those be combined, and those people feel very resentful because they feel that they are setting up their own operations. They should be treated as separate policies, so I would like to ask the minister what is happening. Is consideration being given to the fact that many times, although people share equipment, it is not feasible for both people to buy equipment, but they still do run separate operations? Can the minister indicate whether this is still an issue? If it is still an issue, how many instances have you got that there may be challenges in court or still a dispute over the fact whether or not these people will be allowed to carry separate policies?

**Mr. Enns:** Just to provide some background, the Manitoba Crop Insurance Corporation has developed a process to determine the degree of independence of each applicant for contract eligibility. In fact, there is a formal eligibility review committee that is operating within the corporation comprised mainly of Manitoba Agriculture staff, and they help to determine the degree of independence. That is the question, you know, as to whether or not on a single farm operation that chooses, you might say, to split the risk in this manner, or whether there are truly independent operations that can be viewed in such a manner by the corporation.

Conditional contracts allow applicants who are not totally independent to receive a contract. Another assessment of independence is then required within a three-year period. Conditional contracts recognize that the development of a totally independent farm operation is a gradual process. So we, I think, are sensitive to father, son or the daughter wishing to begin to establish a truly independent and a separate operation in terms of eligibility for a separate and distinct, if we like, contract with the corporation.

There is an appeal process that is in place. Applicants viewed by the committee as dependent or another farm operation can appeal the decision to amalgamate directly to the Manitoba Crop Insurance Board of Directors, and quite a few of these come before the board. In 1996, some 498 applications were considered. The number of amalgamations of the total numbered some 20 percent or 98; 18 of these were appealed directly to the Board of Directors.

Manitoba Crop Insurance has lowered the scoring criteria required to receive a conditional and an independent contract. We recognize that times are changing out there in the land, but we still need to assure ourselves that they are, in fact, independent operations. The kind of three-year conditional acceptance of an independent contract, I think, recognizes that that independence may not be established totally immediately, but you know that, I think, is being understood. Within the management of the corporation, changes result in a significant increase in the contracts that are granted on the basis that the honourable member for Swan River refers to.

**Ms. Wowchuk:** Just for clarification, the minister is indicating that now if a husband and wife want to

separate their operations, or a young person is coming in, they are on a three-year trial period to prove that they are, or three years when the government recognizes that it takes some time to set up an independent operation. Then after that three years, if they want to continue with the crop insurance, they would have to be set up completely as a separate entity. If that is the case, if that is what the minister is saying, does this mean that they would only have to have set up separate grain storage facilities or does it mean separate operations altogether? Surely the government would not be saying, you know, that you are not allowed to share equipment or things like that.

**Mr. Enns:** Mr. Chairman, what the corporation is saying is that they have to meet certain basic criteria before they will even be considered for separate and independent contracts. I think what I am hearing from the corporation is that if the applicant can convince the corporation that they are in fact operating independently even though that independence is not total—perhaps something like what the member suggests, some sharing of equipment and so forth, but the basic criterion is that they be separate farm ventures, and the corporation, if they are satisfied that they are indeed separate, will provide either an outright separate contract if that separation is total and complete, or if it is somewhat blurred, not totally independent. That is when this conditional kind of three-year contract is offered to them and would be reviewed within that time period, and if during that period of time the separation becomes more clear and is total, then of course a separate contract will be provided to those kinds of operations.

**Ms. Wowchuk:** Can the minister indicate some of the operations that are very large and who take contracts with the corporation? Can the minister indicate whether there are exceptions made, or—I guess what I am trying to get at is all of the crop is averaged out underneath a contract, but on very large operations it might be in different municipalities, different zones. Can one corporation, or large operation, very large farm, get separate contracts, or can one operator get separate contracts if they are in a large operation that spreads over different municipalities or over different soil zones?

\* (1440)

**Mr. Enns:** Mr. Chairman, I am advised that there is no exception. They are all treated in the same manner, large or small, and whether or not an operation crosses into different municipalities or areas it is considered a contract; the same rules apply.

**Ms. Wowchuk:** In talking with people in my constituency, Mr. Chairman, people have indicated this as one of the problems with the crop insurance, that they operate over different soil classes and when all the crops have to be pooled these individuals have suggested that consideration has to be given to individual field averages instead of the whole operation averages. Is this a valid suggestion, and is it something that the board has looked at? If they have looked at it, what comments can the minister share as far as the corporation's view on this idea?

**Mr. Enns:** Mr. Chairman, the corporation is cognizant of the different yields, different soil types, and they are taking it into account in assessing the premium for that farm, but they are all rolled together into one premium structure. I am advised that to do otherwise, what the honourable member is suggesting, would boil down to providing individual field coverage. It would create quite a different premium structure, considerably higher; one that I am sure would cause considerable more difficulties for the producers than the current system employed.

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

There is sensitivity to the different soil types in the making up of the premium, but overall, the premium structure is based on providing a joint or combined premium for the whole farm operation. Because of the size of some of these operations or the fact that they span different soil zones that may bring on the concern that the honourable member raises, it would not be advisable to change the methodology currently employed.

**Ms. Wowchuk:** Last spring, farmers faced real problems with planning their crops with the flood in the Red River Valley and in other parts of the province. We are going to be facing that same situation again or so it appears unless the good Lord looks down on us in a very special way and takes away that water that is

coming down the river. As a result, that is going to cause problems for farmers in the area and delay seeding.

Has the corporation considered at all what the impact of this flooding is going to be? I know last year there was no consideration to extending the deadline. Is the corporation having any discussions as to whether or not there should be an extension of the deadline? I know it is premature at this point to think about that, and I guess I would ask the minister whether any work is being done with suggestions of alternate crops and other material being provided for farmers, as they wait in anticipation of the flood and consider what they are going to be doing as far as cropping this spring.

**Mr. Enns:** Well, Mr. Chairman, certainly I was aware of the concern that the honourable member raises. Last year, just about this time or a little later when we, regrettably, had in the Red River Valley and other places, I might say, serious problems with too much moisture, and requests were coming into the corporation and to my office about whether or not we would consider setting back the seeding deadline dates that the corporation has struck, we resisted those requests last year, as the member is aware.

I am happy to report to you, Mr. Chairman, that even with the high waters and the flooding situation that we had in the Red River Valley, virtually all of the crop was planted within those deadlines, which I remind members of the committee are June 15 for most of the crops that we put in the ground. Some special crops like Polish canola have an additional five days, June 20.

That seemed to address the issue last year. There is, understandably, a reluctance for very good reasons for the corporation not to diddle with these dates. It puts in jeopardy the costs that are then imposed on all producers, not just the region that is impacted. These dates are not plucked out of the air. They are set by accumulation of good, sound agronomic data that over the years tells us that the probability of successful planting, growing and harvesting prior to killing frosts and the likes of that. These dates have to be adhered to to enable the corporation to run an actuarially sound insurance program.

It is my hope that we will be able to experience a similar situation this year. Certainly, from all reports,

at least, the Red River Valley will find itself in a nip-and-tuck situation in terms of the seeding dates.

I take this opportunity, Mr. Chairman, to commend our farmers who, in a truly amazing way with the expertise that they have, helped with the kind of equipment that they now have, that within a very few, short days thousands and millions of acres get seeded in time to meet the deadlines for the corporation. To answer the honourable member specifically, we are not considering changing the deadline seeding dates at this time. I suspect that will not stop appeals from being made in this regard. We will, you know, look at the requests. We will look at the situation. I am advised that these dates are not, you know—they have been moved back and forth on different crop varieties.

(Mr. Chairperson in the Chair)

Certainly, the corporation has to be sensitive to new varieties that come on the scene, different changes that have been brought about by plant breeders that create different varieties that enable us to put a later date on some varieties. This is done with considerable care and caution, because a miscalculation really does jeopardize and hurt the majority of producers whose premium structure would be impacted if as a result of setting dates back too far—then having a serious problem in terms of successfully harvesting their crop because of timelines, weather related. Those costs have to be spread and borne by all the contract holders of the corporation.

\* (1450)

**Mr. Jack Penner (Emerson):** I am very pleased to see Crop Insurance here today in the Estimates. We have on a number of occasions discussed not only the deadlines for seeding but also for the areas identified where coverage will be extended to certain varieties of beans. I think the Rhineland-Montcalm boundary is now the current boundary that exists for given varieties of beans. I would wonder, Mr. Chairman, in light of the fact that the sugar beet industry, putting some 25,000 to 26,000 additional acres into some other crop varieties, will be needed to ensure that area that was formerly producing a very valuable crop in this province and supporting a major industry will now have to be diverted to some other crops. Beans seem to be

the crop that is identified by many farmers as an acceptable crop that can be used in a rotational manner as well as utilizing the equipment for row crop that was used for sugar beets.

Of course, Montcalm and even areas extending beyond Montcalm are where the sugar beets were grown. It would appear that the changes in designation of boundaries for various varieties should seriously be considered in light of this, that these farmers could in fact, in an orderly manner, change their rotational practices as well as cropping practices to utilize the huge investment that they have sitting in their farmyards, which is worth virtually zero if they cannot move into some other crop. I think there needs to be some consideration made of this.

So I am wondering, Mr. Minister, whether you and your corporation have given serious consideration to extending those areas for bean production of given varieties beyond the current areas that exist.

**Mr. Enns:** Mr. Chairman, I appreciate very much my colleague's intervention and suggestions on this issue, and have senior Crop Insurance people present to hear directly from him. It allows me to do two things, to put on the record, firstly, that it would appear that Manitoba may become the pre-eminent grower of beans in the coming crop year, taking that title away from Ontario. We are expecting to put upwards of 80,000 acres, 90,000 acres into bean production this year compared to some 60,000 to 70,000 acres in our sister province, Ontario. This would, for the first time, make Manitoba the bean capital of the country, Mr. Chairperson.

The other item is not, of course, that positive that I choose to reflect on for a moment. That is the regrettable loss of the sugar beet acreage that my colleague himself was directly involved along with about 280 or 300 other producers. It is with a great deal of sadness that I see the demise, have to accept the demise, at least for the moment, of the sugar beet industry. Not that it was a major crop in the province of Manitoba, but it was the kind of crop that I often enjoyed using as a model in occasions where I had the chance to speak to different public meetings and public audiences.

It was a crop that called for the best out of our producers. It was an intensively managed crop that required pretty intensive farming methods, special equipment, costly equipment. It then also resulted in a crop that, however, was a cash crop, did not have to await the quota restrictions. It was a contractual arrangement with the processor, and that was the beauty. We had the value-adding right here in the province. It provided 100-150 jobs here at Fort Garry and the southern part of the city of Winnipeg, with the value-added jobs that then saw the primary product grown by our farmers produced into high-quality sugars and molasses.

Indeed, as a cattleman, I can recall taking my half-ton to the plant and filling it up with sugar beet pulp. That was another by-product of the sugar beet industry that was a very useful and valuable feed-additive in cattle rations, both the molasses that is used for supplement feeding with various minerals added to it or the dried beet pulp that was the by-product, the meal if you like, of the sugar beet processing program.

I am told by the corporation, to answer more directly the member's question, that we take our advice on this crop from the Pulse Growers Association. We take advice, again, from the various agricultural, agronomic experts with respect to where the lines ought to be drawn. It is always a difficulty where you are drawing lines. A line has to be drawn somewhere I suppose in terms of soil types and for particular crops. I am going to ask, I am going to challenge the corporation. This development within the sugar beet industry, of course, just happened in the past two or three months.

I think the position that the honourable member for Emerson (Mr. Penner) puts forward, not just on his behalf but on behalf of the sugar beet growers who are in exactly the same position, who have specialized equipment sitting idle and could well be looking at pretty serious economic loss if no utilization of this equipment can be found, it is not as though a sugar beet farmer was going out of business trying to sell a piece of equipment. That kind of trade has always gone on with our American friends where there is a healthy sugar beet industry. But when you have the whole sugar beet industry collapse, you cannot move overnight, over the season, the kind of equipment that is on our sugar beet farms.

Certainly if some of it can be adapted because of the type of cropping situation for a crop-like bean production, then it is understandable that some of them are going to look at that alternative. I do not know whether specifically, Mr. General Manager of the Manitoba Crop Insurance Corporation, since the demise of the crop insurance industry have we taken that into account, and if not, will we take it into account to challenge the experts that we get this advice from, the Pulse Growers Association, the other people in Agriculture who can perhaps help us determine whether or not those current boundary lines should be reviewed?

I can certainly understand that, and specifically directed to where sugar beets were grown. If this is an alternative crop, if sugar beet growers are looking at beans as an alternative crop, then it is, I think, a fair request to make of the corporation to take a hard look at whether or not in the Portage area, the Niverville area and the south Red River Valley area those lines are defensible as they now stand.

**Mr. Penner:** Mr. Chairperson, I am pleased to hear that you are directing that there be reconsideration given to the establishment or the re-establishment of boundary in light of the fact that we have lost a very valuable crop simply because a political process was not willing to designate a policy in this country that would have maintained a semblance of supply of sweetener products and basically sugar in this country. We could have expanded that crop by some 300 percent and not had to worry about the agronomics within the province, and therefore there was a tremendous opportunity for expansion of the sugar beet industry simply based on a pure and simple policy decision in Ottawa.

However, I think we are in the same sort of a situation with the event of the bean industry in this province. I think, and I agree with you, that there is a tremendous opportunity for expansion of this crop. The potential for job creation in the agricultural community through the bean industry is probably greater than the sugar beet industry, and the opportunities there are substantial in creating smaller processing plants to process beans even beyond the cleaning and packaging. I think there are some real opportunities here, but in order to allow that, in order to expand upon those opportunities, I think there has to be a recognition within government, in our government agencies, that

the agronomics have changed very dramatically in the last 10 years. Production techniques and varieties, even within given varieties, there have been varietal changes and a shortening of growing periods within breeding trials.

\* (1500)

Those of us who have been in the bean industry for a number of years and have grown beans in areas that have not been insured, and most of our beans, quite frankly, Mr. Minister, over the last number of years have not been insured, and we have still taken the chance to grow them because the economics are there. However, it does put a very significant risk on those farmers who are starting out especially, who do not have the economic base to take a loss.

But there are opportunities to raise black beans, red beans, Mexican beans, cranberry beans, which we have all grown in the Montcalm area, which are not insured or insurable. They do extremely well in those areas, and we have yet to raise a crop that would not have met Crop Insurance standards in the last five years of those varieties. Therefore, I think we have some data that can be provided by bean growers in those areas to expand the area of bean production very dramatically in this province.

I think the heat utilization and heat unit evaluation in the province should be used to a greater extent than we have, recognizing that beans are normally not seeded until later on, and they can very easily be seeded much sooner than we normally do, and therefore the harvesting period at the end of the year which is the critical one, it does not come into play.

That is why I say the agronomics of the production cycle in Manitoba have changed very dramatically in the last year simply based on experience of the bean production, and that is where I think Crop Insurance needs to take a real hard look at expanding the boundaries in the areas. That is the argument that certainly the bean producers would make and I am making on their behalf in asking for that reconsideration of those boundaries.

**Mr. Enns:** Well, Mr. Chairman, I always enjoy at the early start of every year to join with the Manitoba Seed

Growers Association and others and my department officials along with a number of organizations from the private sector that are in the seed business. In fact, in the last few years I have been privileged to host a little reception for them down in the legislative dining room where we produce, in co-operation with The Manitoba Co-Operator and the Department of Agriculture, the annual seed guidebook or the directory, and it just amazes me to watch that growth of the varieties that our producers have to choose from as to what they put into the ground. Canola alone, I think, has some 45-46 varieties available, and that is not going to diminish. That has greater emphasis on specialized end-product results requiring different types of seed that will proliferate as we constantly put our best minds to producing those varieties that will do best in our soil conditions, in our weather conditions.

I think you will recall, and this is still a touchy issue with some people in a philosophical sense, certainly with our members opposite, the monies, private monies and public monies, that are being put into developing different varieties because of the patent laws now in existence having spurred on major companies, United Grain Growers, other companies into putting real dollars into the ongoing research and development of new seed varieties. The facility that I think UGG runs not that far from the honourable member's farm at Jordan, I believe it is, extensive pot trials of very successful seed research stations. Many producers enjoy an annual visit to the facility to see first-hand the crops in their seed pots as they are developing and the new ones that are being introduced.

I say all this because this puts a tremendous challenge on the corporation. They have to stay up to speed with this development and, Mr. Chairman, all I can say is that I believe that they are listening to what is being said. They are certainly, I am aware—I am reminded by staff as the member was speaking that we rely heavily on the formal organizations, in this case, like the Pulse Growers organization for ongoing advice, and certainly I invite that kind of crossover intelligence sharing to continue to take place. If anything, it has to increase because, you know, our people are not the researchers themselves. We essentially work with numbers and with data and with figures. We have to be shown what the features of a particular variety are that our experts can and this corporation can translate into numbers, can

translate yields into probabilities and then ascertain a fair premium coverage for these crops, fairer, that is, to the individual producer, fairer because there is a collectivity involved here, fairer to all producers in the province.

Not unlike the question of a late seeding date, they try to provide that support for a minority of producers because of a particular situation but then expect the whole to shoulder the costs. We have to rely on the good judgment and the data that is collected by the Crop Insurance Corporation that our premium structure, as fairly as it is possible, represents our best effort, or else we invite challenges.

Those challenges have come to us from time to time when it was felt that the Crop Insurance Corporation was not sensitive enough to some of the differences and some of the facts as growers experienced them over the years in terms of soil types, in terms of climate types and so forth that factored into the production records of a given contract holder and how all this data combined came up with a premium, but I again welcome those comments from my friend for whom I have a great deal of respect. He happens to be one of those aggressive farmers, along with his sons, who has produced a great variety of crops, and I am sure he will continue to do so.

\* (1510)

**Mr. Penner:** I respect, Mr. Minister, certainly the corporation's willingness, first of all, to review and consult with the industry and also to be open enough to discussions on change. I believe that there is a tremendous opportunity in this province for the expansion of the whole speciality crops area.

We have an area in the province that has not aggressively searched out opportunities to the extent that I think is possible in new crop development, in areas such as our spices and other high-value crops. I would challenge you, Mr. Minister, as well as the total department and Crop Insurance included, that we approach this whole next decade with a very open mind toward change.

This is basically not a question. I am making this more as a statement and recommendation, and

hopefully this will lead toward further discussion, but certainly a much greater ability to encourage change, and our whole value-added sector I think has some tremendous opportunities to search out new production probabilities and possibilities in many parts of our province, and they need not only be centred in southern Manitoba.

I think there are some really great opportunities in the whole spice area. I think we have looked at cranberry and caraway seed and all those kinds of things. Some farmers have done extremely well in those commodities where processing plants have sprung up to process these specialty crops. I think there is a much greater opportunity in the future to do this, and even to utilize some of those products within our manufacturing sector within our province has some real possibilities.

So, therefore, I think the Department of Agriculture I would like to call maybe the department of food processing production, because I think that is the real value that should be identified in the future. I think there are some real opportunities for our Department of Agriculture especially to expand its horizons and meet some of these challenges aggressively and help search out those opportunities in moving into the next decade.

Therein I think lies, Mr. Minister, an opportunity for this province, for this government as a whole to look at this whole value-added sector from a primary source production base, but that will need the consideration and maybe even taking some chances at some point in time on some of these things which would apply to all producers. Maybe we as a government want to look at it a bit differently than we have in the past and say, if we want to become a bit daring, if we want to search out some of these new opportunities, these are some of the chances that need to be taken without involving direct grant payments and those kinds of things.

So I would hope, Mr. Minister, that you and your department would take those kinds of considerations simply as a friendly recommendation for the department's future endeavours.

**Mr. Enns:** Mr. Chairman, I again appreciate very much those comments and, as the member indicated, there was not really a question asked but simply some

good advice given to the Minister of Agriculture and to his senior staff. Allow me to indicate to you, although before I do so, I do not want to leave on the record that we have given up totally on the question of sugar beet production in the province of Manitoba. In fact, we are meeting tomorrow with American Crystal, with whom we have had some ongoing discussions about the possibility of perhaps, even if the processing cannot take place here, is there some way that we could encourage, if not for this year but a coming year, some continued sugar beet production in the province?

If we could come to some arrangement and have American Crystal do the processing for us, the haul, the freight is not that much of a factor either coming to Winnipeg or going across to the plants there. If we could do that, that would allow the departments of Rural Development, Industry and Trade, and Agriculture to perhaps over a period of time, three or four years, develop a situation where we could reintroduce the processing of sugar in Manitoba.

If we could resolve some of the small "p" politics that are involved in industry, if we could get all of us to understand that on a sensitive item like sugar which has a volatile price history attached to it, rationed in time of need when traditional sources are no longer here, it would be prudent policy in a country like Canada to say that we should maintain some degree, 15 percent, 20 percent of a capacity to produce that product in Manitoba.

But, Mr. Chairman, the honourable member for Emerson's interjection reminds me of the first time I had the privilege of introducing the Estimates of the Department of Agriculture into this very Chamber some 31 years ago, 1966. There was a different process at that period of time. Regrettably I was bereft staff could not come into the Chamber. They had to stay up in the higher reaches of the public gallery and if a minister was really faltering and making some serious errors you would see a waving of heads back and forth up there telling the minister that he was getting himself in deep trouble or, indeed, the minister was halfway right, there would be a nodding of heads and that would encourage the minister to carry on. What was happening in the Chamber though, we had a lively debate about principles and about policies of programs.

Mr. Chairman, I cannot do anything about it, but I regret, of course, that agriculture, which is, despite its being represented by some 3 percent of our population in our country and not as attention-grabbing as when young thugs and murderers walk out of our remand centres, you know that is what captures the attention of the television sets and the cameras that watch us at Question Period or the understandable daily onslaught and concern for the No. 1 issues of health and education and family services.

I have become accustomed to even my honourable friend the Ag critic of Her Majesty's official opposition not questioning me about agricultural issues but rising from her place and asking issues about rural health matters, the assumption being, gentlemen, that all is well in the Department of Agriculture, that you are administering it the way it ought to be administered and this little minister is representing it in the manner that it should be represented.

That is, of course, not exactly true. The fact of the matter is that I know that the fight for space time, when we capture the media's attention, is not on agriculture, it is on these other issues. I regret that because what we are seeing just a little bit this afternoon is that this should be the occasion. We have the time of this Chamber now where we should be discussing not just from that side but from this side the agricultural issues of the day. It is important that not only the minister but my senior staff here that are directly from the different regions of the country, from the Swan River Valley, from the Red River Valley, from other portions like that so that it is both supportive and constructively critical of what we do in agriculture. We do not spend enough time doing that, quite frankly.

That is always helpful, certainly always helpful to me as minister, and I know it is helpful to my deputy minister and to other senior members of staff when they hear directly about what is causing members of the Legislature who represent different farming regions of the province when they hear what they think about what is wrong with our credit policies, what is wrong with our ag rep, our extension services, what is wrong or what is right or where we should be doing things differently in our Crop Insurance Corporation. It is, I believe, extremely helpful to them to have that kind of

debate take place from time to time in this Chamber by the legislators of the province.

\* (1520)

That is why I think we ought to, and I always invite and look forward to—I know that we have kind of moved into the regime where it becomes virtually the sole prerogative of the official critic to look into the affairs of the department on a line-by-line basis, but certainly I invite my friend the honourable member for Elmwood (Mr. Maloway), who has a unique background in agriculture, coming as he does from Elmwood, my friend the critic from St. Boniface (Mr. Gaudry), who if not directly involved in agriculture but whose two brothers watch over me in St. Laurent and make sure that I feed their cattle properly after I buy their calves at inflated prices from him, at liberal prices, and I invite my friend the member from Crescentwood to join in on the debates on what is, what truly is the most important thing we do, food production.

Just think about it. There would be no lawyers, there would be no doctors, there would be no teachers, plus there would be no politicians if agriculture did not just produce food for ourselves. That is what we humans did for two millions years. It took us all day and half the night, and half the time we starved because we could not do enough of it. It is only in the last 20,000 to 30,000 years when agriculture started producing surplus foods that pyramids got built, that there was time for poets, for musicians, doctors, lawyers, teachers and universities. So agriculture is the base of everything that we do. I command some respect for that.

**Ms. Wowchuk:** Well, I am sure that the minister was waiting for a long time to get that off his chest and tell us how important agriculture was. I can assure him that I recognize how important it is too in my part of the constituency. I welcome all members, his colleague the member for Emerson (Mr. Penner) to raise important issues on the matter. It is open to all members as well.

But we do, on this side of the House, recognize how important agriculture is. Unfortunately, the government goes so far astray on so many other issues that are important to society that the food productions which we know will go on sometimes takes a back track to some



of the very important issues of the day-to-day life of people. We know we will have food to eat. We do not know whether we are going to have a health care system, an education system or many of the other services that government is responsible to provide. If this government would address some of those issues in a better manner, then we would be able to have more time for those basic, down-to-earth food production issues that are so important to this province.

Mr. Chairperson, when I gave up the floor to the member for Emerson, we were talking about whether or not consideration was being given to extending the deadlines in the different areas that could be affected by flood. I can understand the minister's answer on that. The member for Emerson talked about many of the crops that are grown but are not covered by crop insurance—there is no crop insurance available—and adjustment to boundaries. I think that as we go into this change in agriculture that we are going to see, because of the change of the Crow, a new variety of crops that will be grown throughout the province, not only in the southern part of the province. There is going to have to be serious consideration given to that whole matter on how insurances will be provided for producers across the province.

My question to the minister is: We talk about beans having been grown for some time, but coverage has not been applied to them. Can the minister indicate what time frame we look at to how long producers have to grow a crop in a particular area or when they change crops, how long it is required before Crop Insurance will consider whether it is a valid crop and whether insurance will be provided for this particular crop in another part of the province?

**Mr. Enns:** Mr. Chairman, staff certainly advises me that as long as it is an economically feasible crop and if there are sufficient producers that are prepared to grow them, we will in the Crop Insurance Corporation endeavour to provide a program to provide this very important safety net of crop insurance. I certainly want to agree with her. I think 10 years from now you are going to see a different Manitoba crop-wise, not just in some of the areas that we have been accustomed to where specialty crops have been grown. Full impact of the loss of the Crow has yet to really sink in on the

landscape. It is going to present just a tremendous challenge to this corporation.

I would seek honourable members not only on that side, but it sometimes helps if I get some help from that side, but I need it from this side as well. That also means an extra strain on their resources in order to provide an ever-larger catalogue of crop insurance coverage which brings with it some additional administrative costs for the corporation. The administrative needs of the corporation need to be addressed, certainly by myself, the first party with respect to responsibility. It needs to be understood by all of us in government that as we push and press the corporation to provide an ever greater range of coverage for different, new and exotic crops that have not perhaps not had a long track record in the province, the corporation will need the support from all of us.

**Ms. Wowchuk:** Mr. Chairman, I want to ask the minister then: Is there an ongoing review of boundaries or is there a set time—are boundaries reviewed perhaps every 10 years, or are boundaries changed with respect to the crop varieties as the demand is brought forward by producers?

Again, the member for Emerson (Mr. Penner) indicated that there were bean varieties that were not insured. Now, the minister says when there is a demand there, it would appear that there is a demand there but the insurance is not available. So how long does the demand have to be there? How many requests? Do you wait and see if there was a trial period that the crop is successful? If that is the case, does crop insurance do monitoring of crops in an area before they make a decision as to whether or not it is acceptable to allow this crop to be insured?

**Mr. Enns:** Mr. Chairman, I am advised that this is really an ongoing operation within the corporation, that is, constant monitoring of crops that are grown, not just those that we insure but those that are uninsured. That all goes into the data that the research divisions of the corporation take into account in coming to these dates, boundaries and yield figures that provide the data that feeds in to what establish eventually a premium for a particular crop, constantly meeting with different commodity organizations.

I remind the honourable member and all of us, and I congratulate, most of the crops have good, strong organizations that are in place to exclusively represent the interests of that crop, whether it is a Corn Growers Association—we do not have much corn acreage planted in the province, but we have a vibrant and alive Corn Growers Association. We have the Pulse Growers Association that look after a lot of the specialty crops, the lentil crops, just as we had a Sugar Beet Growers' Association, a very strong and vibrant group of individuals. We have the wheat growers as such represented essentially through the pool organizations in the cereal crop production organizations. In addition to that, we have strong canola associations, flax associations.

\* (1530)

All of these people are people who are often among the first to make representations to the Crop Insurance. We would be the first to go to these organizations if changes are being contemplated or if new varieties are being introduced. We want to get the data from them with respect to the testing and the yield results that they have before they have registered or introduced a new yield.

In addition to that, I have certainly encouraged and I am pleased to report that the corporation has always responded to it, held numerous public forums. Usually they do this during the winter season, both as a courtesy to the producers who are then not actively engaged in their fields. They will be held in different places throughout the province. I continue to encourage that this be a practice of the corporation where they can hear directly from producers about the concerns they have about how the corporation is being managed.

So it is an amalgam of information that constantly feeds into the corporation that the corporation listens to. It then has its own in-house, qualified professional people who take in all this information and try to translate that into insurance programs that over the period of time have proven to have stood up to the projections and, at the same time, have offered an increasing level of acceptable insurance. When I say increasing, particularly in these last few years with our enhanced program, upwards to—well, not upwards to—80 percent of the seeded acreage in the province is

in fact covered by insurance, I think that is an accomplishment that the corporation can justly be proud of.

**Ms. Wowchuk:** Mr. Chairman, we spoke about the people in the Red River Valley who had difficulty last spring and hopefully will not have difficulty this spring. In another part of the province there are people who had a different problem, and that is, although they got their crop in on time, they were not able to harvest it. There are a large number of acres that are covered by crop insurance that have not been harvested. A large number of those acres have been very heavily damaged by wildlife.

Is it the policy, or will the corporation require that each of those fields be harvested before they are able to put in their claim or will consideration be given to those in those situations where the crop is damaged to the extent where it is not salvageable that it can be disposed of in another way rather than having the farmer run through the crop adding additional expense? The minister is well aware of the high expenses the farmers are paying at this time with fuel costs. What is the policy with regard to those crops that are out there and the steps that farmers must go through in order to have their claim processed?

**Mr. Enns:** Mr. Chairman, just before I respond to the honourable member's questions just by further way of example, the member will have been aware and I think has received the indication notice about a new or reintroduction of insurance for native hay that the corporation looked at. She has maybe received the little notice from Manitoba Crop Insurance. That again is an example. That came about having discussed the problem areas with the Manitoba Cattle Producers Association visiting the areas, to listening to the different briefs and the corporation responds. It is a program that I think will be helpful, particularly some of those areas that have had some difficulties in the past few years of high water and unavailability of getting onto the land for hay production, and hopefully it will be of some help to some of those producers.

The honourable member talks about the unharvested crop. I am aware that she represents a district where probably 80 percent of the unharvested crop is in. I am

advised that it is a pretty standard procedure on the part of the corporation. They will make an assessment anytime now as to the extent of damage. Then it is up to the individual operator. If he chooses not to harvest, he will be paid out on the basis of that assessment. If he chooses to harvest, that is a choice that he has to make.

**Ms. Wowchuk:** The minister must anticipate what my next questions are, because I wanted to talk briefly about the native hay program. I want to say that I am very pleased that the minister has and the corporation has recognized the problem that faces many of the cattle producers along Lake Manitoba who suffered the most last year.

The question that went to the minister last year was whether or not the minister would consider bringing back in the freight assistance program to bring hay into the region and help those producers who really suffered very badly last year because of the high waters along the lake and had very, very little hay. The minister, I believe, made a commitment when he visited close to the Ste. Rose area talking to producers that he would be addressing that situation.

We have a native hay program that will hopefully be helpful in the upcoming year, but what steps did the minister take to address the problem that faced producers and cattlemen who were writing letters to the minister saying that without assistance they were going to be having to reduce their herds? I know in many cases that did happen because there was a shortage of hay. They were not able to get enough hay. We have a native hay program now which will hopefully be helpful for the upcoming years. What did the minister do with the commitment that he made last summer to those people in the Ste. Rose area in particular who brought it to his attention?

**Mr. Enns:** Madam Speaker, the honourable member reminds me of an actually very enjoyable day that I had along with my deputy minister meeting some of our staff in that area north of Ste. Rose, along Lake Winnipegosis, where we had the occasion to visit with some cattle producers and personally view and inspect some of the difficulties that the honourable member refers to. They certainly were serious difficulties.

I indicated to them at that time that the longer term solution would be that I would challenge the corporation to revisit the native hay program. I accepted my fair share of responsibility. The corporation did have a native hay program in place for a number of years but for different reasons it had its difficulties to the point where towards '93, '94, it became a questionable program to operate actuarially, obviously a program that was not meeting with the demands of the cattle producers in the sense that the participation rate had fallen off dramatically to the point that I made the decision to terminate that program.

I want to acknowledge, and I appreciate very much that coming back from that trip, I indicated to Crop Insurance, let us go at it again. Let us take another look at what we can do with respect to native hay; they have and spent the time over the winter and developed this program.

I am not supportive and will not provide a transportation assistance program. I have personally seen and experienced these programs in the past. Quite frankly the main benefit went to the truckers who hauled hay around from one region to another. That is maybe being a bit too harsh on it. It is building up also a kind of reliance. We had a program, as the member knows—the department at least knows—that ran for all too many years in a particular area where we had just about annual chronic flooding in the Fairford area that we kept trucking feed up to, and no incentive provided to the cattle producers to find alternative means of bringing their herds through the winter.

\* (1540)

I want to particularly note and commend staff in the northwest region who did a good job I am told under the direction of our director, Mr. Roger Chychota, I believe, working out of Dauphin area, that was there to help and assist the producers with the formulation of alternative rations, often utilizing straw that was available from not too distant areas in the Dauphin area. Dauphin area had harvested a reasonably good crop. As late as last Saturday when I was opening the sale at the Douglas, Manitoba, bull test station at Douglas, I had an opportunity of speaking with some of

the producers from that area as well as some of our livestock specialists. Mr. Norm Hemstad, who was there, I asked specifically whether or not there was any serious downsizing of cattle herds from those flood-affected areas. The response that I got was no, there had not been, that most if not all of the ranchers had—certainly there were some sold. Most or all ranchers had taken advantage of the support and advice that the department offered in providing alternative means of wintering these cattle through. I am pleased to hear that.

All in all, I am pleased to note that Manitoba is one of the few provinces, virtually the only province, jurisdiction, that has not downsized, has not gone through a serious downsizing of our beef cattle numbers during these last two or three, four pretty difficult years in the cattle industry. We have now record numbers of beef cows in Manitoba, some 660-odd-thousand and are well positioned to take advantage of what all the exports tell me, that we have probably rounded the corner in terms of poor cattle prices. Certainly the markets are beginning to reflect it and that we are looking forward to a pretty strong cycle in the beef cattle industry which would, in my opinion, encourage Manitoba producers to maximize those opportunities.

I happen to be a minister that believes we ought to be running a million cows in this province. That just about sounds like an election slogan for me. Was there not an election slogan that once went, you know, a chicken in every pot? I mean, this minister would like to run on the thing, a cow for every Manitoban. We have a million Manitobans; everyone should have a cow, to be personally identified with it. I think there is that opportunity for considerable expansion in the livestock.

See? I even got the attention of the member for Elmwood (Mr. Maloway). If all of a sudden the member for Elmwood thought that his 17,000 constituents in Elmwood would be able to graze a nice little cow in front of the front lawn instead of doing the unfriendly—[interjection] Hey?

Mr. Chairman, I am getting carried away. I apologize.

**Ms. Wowchuk:** I listened to the minister's answer with interest. The minister said that there has been no downsizing in herds. My understanding is completely different, that there has been some downsizing in herds. I have to say to the minister that I do not think that the people of this region were looking for handouts or for an ongoing program. They came to government because their situation was desperate. Because of the high water on Lake Manitoba, they could not harvest their hay. The minister says he was not prepared to move in hay. That is fine, but if he did work with the producers in another fashion to ensure that they were able to maintain their herds, well then that is what the Department of Agriculture is supposed to be doing. We want to see the cattle herds grow. We do not want to see producers have to sell off the hay because they have got into a difficult situation because of forces of which they have no control.

Nobody is looking for a long term, and I know these producers are not looking for a handout that is going to have hay delivered to them every year. That is not what they are looking for. They were looking to the minister for some help to get their herds through the winter. If that was provided then that is fine, but I would not want the minister to put on the record that these people were somehow looking for long-term assistance and wanted hay to be brought into their yards every year to maintain the herds because that is completely untrue.

These are hard working people who have worked very hard to build up their herds and had come to the department for solutions to a problem, not for handouts. If the solution was that the government worked with them to find a better way of feeding hay and working with them to feed straw, then that is what the department is supposed to be doing.

I want to ask the minister a question with regard to the new hay program. There was a native hay program that the minister indicated he ended because the participation was low. We have a new hay program now. Can the minister tell us what is different between the new hay program and the old one that makes the minister think that this will be a more successful program?

**Mr. Enns:** Mr. Chairman, I want to very quickly acknowledge that I certainly would not want to leave on

the record any other impression other than what the honourable member just indicated about the particular producers that we were just talking about. They received myself and my deputy minister and other members of staff with courtesy. They undoubtedly were facing a difficult situation. They showed us large areas of land that they simply could not get on to hay. This was in mid-August or the latter part of August and, obviously, within the weather times they were not going to be getting on much of that land, and that does not surprise me, because nobody is more resourceful than a determined cattle person who is facing winter. He will find some way of getting supplies of hay where perhaps one would think it would be next to impossible. That certainly happened. The assistance of the department certainly helped, and I am sure some downsizing did occur on some individual herds but not in a manner that you could say reflected the whole region.

Those were the particular questions that I asked, but I certainly want to associate myself with the comments that the honourable member for Swan River makes with respect to these producers. They asked for some longer term solutions, and I specifically spoke to them and they were looking forward to it that this was one response that they got as a result of that visit. They also looked and pointed out to some other very hard to solve, longer term solutions that had to do with respect to the overall lake levels. There is a lot of water up in that country. They pointed out areas where they thought channels could be dug between Lake Winnipegosis and Lake Manitoba. These are, as the honourable member appreciates, not easy solutions, even if the dollars and resources were there. But with today's environmental concerns, one does not transfer waters that easily without a great deal of thought.

The simple fact of the matter is that regrettably we are into a period of high water, high water, by the way, that is not new to that country. Over a longer period of time, there are cycles of high water. Those lakes are adjoined with very flat kind of marsh to hay land, you know, the kind of pastures that lend themselves a half a foot of water. A foot of extra elevation on those lakes covers a lot of land that in drier years in the '80s was very suitable for hay production. We looked and we examined what we could forgo, and I think we did some forgiveness of Crown rental rates with respect to

a lot of the land that was held under lease, but we were quickly told that that was really very small, not really a factor in terms of trying to resolve or help the problem. Those were the kind of things that we learned.

\* (1550)

I am hopeful that significant numbers of them will take advantage of this program. I suppose what was adding greater pressure and difficulty to the situation was that this was all coinciding with a very serious collapse in the cattle market. It is one thing to downsize when cattle market and cattle prices are strong. You do not feel quite that bad about maybe sizing down your herd by 40 or 50 cows but if you are only getting rock-bottom prices for them, that made that decision even more difficult. Fortunately, those prices are rebounding pretty satisfactorily, and I am hopeful that having come through this difficult winter that they will be looking to a better and brighter future.

Mr. Chairman, I have just about talked long enough so I forgot what her question was. When I read my answer in Hansard tomorrow, I will probably think it was a pretty good answer anyway to a question that I have forgotten.

**Mr. Chairperson:** Is it the will of the committee to take a five-minute recess? [agreed]

*The committee recessed at 3:51 p.m.*

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#### After Recess

*The committee resumed at 3:59 p.m.*

**Mr. Chairperson:** The committee will come to order.

**Ms. Wowchuk:** Can the minister indicate the difference between the native hay program that he cancelled versus the new one that he has brought in? He said that the old one the registration was too low. What has changed in this program that will make it more attractive for producers to participate in?

**Mr. Enns:** I do apologize to the honourable member for not responding directly to her question, but, you see,

I am going to be attending Gilbert and Sullivan's finest tonight at the Pantages with the rendition of *The Mikado* among whose tunes is: My brain it teems with endless schemes both good and new for Manitoba. I was carried away with my own rhetoric for a moment.

The main and fundamental difference is—and this is an important one because in my judgment this is what caused the failure, if you like, of the old program—it was regionally based. The honourable member, with a solid farm background, knows that these regionally based programs, not unlike the original support programs that were carried out by PFRA many years ago, a kind of predecessor to the crop insurance base, is that that did not ensure that—the way moisture comes—the farmer, because the region had sufficient production, the program did not pay out, and yet individual farmers could have suffered a severe drought or lack of production under that program. Over time, that was one of the factors that caused its demise.

This program, the new program, is individually based; that is the fundamental difference. I think we will find considerably greater acceptance by producers who have native hay as part of regular production for their livestock herds.

\* (1600)

**Ms. Wowchuk:** Can the minister indicate the cost of this program? What I am looking for is, what has the corporation budgeted as a cost for this program, or does the minister anticipate that it will be revenue neutral? What are you budgeting for this year?

**Mr. Enns:** Mr. Chairman, the program will be identical to the other crop insurance programs that are being offered. First, the 50 percent coverage will be relatively premium free. There will be the administrative cost of entering the program that is applicable to all contract holders with a corporation, then levels of 60, 70 and 80 percent of yield will be offered, and the projected Manitoba costs to the corporation is some \$116,000. That is our share which will be shared on a 60-40 ratio—well, give or take, that roughly the same proportion share as the other crops are insured with Ottawa.

So, to answer directly the question, the costs of the introduction of this program, our best estimate as to take-up on the program will be about \$116,000.

**Ms. Wowchuk:** Could the minister indicate, does the program follow the same registration cut-off dates as other crop insurance programs, or are there different dates for registration?

**Mr. Enns:** Obviously, there are some differences in the sense that we are talking about native hay that is not seeded annually as other crops are. Otherwise, some of the conditions are the same. The sign-up date will have to be adhered to, April 30 for the cut-off date. The evaluation date is October 1; if producers under the program feel they have a claim to make, the assessment will be made after October 1.

**Ms. Wowchuk:** I just want to revert. We talked yesterday about the wildlife and waterfowl compensation program. I know that the minister had a letter from a Marlene. Sales and Marketing about a product that is being tested in Saskatchewan, Orange TKO, that is used to deter game from coming into crops. It is being tested there, and my understanding is that, according to what I have heard, it has been successful in keeping big game away from haystacks. Of course, if we can keep big game away from haystacks, we would be saving money in compensation costs. We would be saving farmers a lot of heartache, because you know that when you have compensation, you do not ever recover what you have really lost. I am wondering if the minister has taken this product seriously, and whether or not Manitoba Crop Insurance or any other department of Agriculture has looked at it and run some tests.

My understanding is this product may also work as a deterrent of coyotes and has been experimented at Swift Current—it will be experimented, using it in Swift Current. It says that in Swift Current they tried it. It has been used to deter deer from eating shrubs. It looks like it could be a valuable product to be used and could save producers a lot of money. It could save the corporation money if it was valuable. So I am wondering whether or not there has been any testing done on this product by the department in any department, whether Crop Insurance has looked at it, because, certainly, it would be this corporation who

would benefit if there was a natural product that could be used to deter big game from coming in to hay yards and other such things.

**Mr. Enns:** Mr. Chairman, I can recall catching an item on television, whether it was on the Manitoba Farm Report that the MTN station regularly features on the weekends, or Canada Report, where I saw that product being distributed in and around farmer's hay that was stored in his yard to keep deer from coming onto that property. My experts are not giving me corresponding shakes of head one way or the other. I see my livestock director there who I would have thought would have been perhaps aware of this if this was a product that was well known. Certainly this is one of the locations where we will take the member's drawing this matter to our attention, and I know that we would be of interest. Certainly, it would be of interest to the corporation. We are paying out, I am told, upwards to \$1.3 million, \$1.4 million in claims. By the way, the 100 percent ratio is applicable to last year's crop, the '96. There is a retroactive feature to that so that it would certainly be in the interests of the corporation to examine any means that could reduce that crop. I would look to my chief, an extension, Mr. Les Baseraba, to investigate the matter. I cannot recall particularly getting the letter that the honourable member refers to, but I can recall seeing the product talked about and actually used on a Manitoba farm on one of the farm television programs just three or four weeks ago when the question of crop hay depredation, in this case, was the subject matter of this television program. So it is something that we will be looking at.

It leads me into one other item. I have asked—and we have made a kind of commitment as with all compensation programs. One of the issues, perhaps, that I had the greatest difficulty in persuading my colleagues, particularly at Treasury Board, to accept in going to the 100 percent was, well, if we are paying out 100 percent compensation for losses of this kind, what incentive is there to the farmer to better manage his feed supplies to prevent these losses? That was a bit of a difficult argument to respond to. Despite the fact that I am sure the honourable member for Swan River (Ms. Wowchuk) will quickly respond that while we speak of 100 percent, farmers do not necessarily view it as 100 percent. We put, I think realistic but nonetheless arbitrary, figures as to the value of hay or other crops,

and then say we will pay 100 percent to the value that we establish. The farmer looks at it a little differently. If his hay is chewed up and we are paying \$30 a ton to replace it, but this time of year if he has to pay \$50 to \$60 a ton to replace it, you know, that is not 100 percent to him, and I recognize it.

\* (1610)

Nonetheless, we gave an undertaking to government and to Treasury Board that the Crop Insurance Corporation would look very hard at the kind of repeat losses, year over year, that we may well insist, instead of paying out the 100 percent compensation loss the third year in a row, that some of those monies be used in fact as preventative measures. It could be fencing. It could be this product. It could be other measures of how crop is stored or under what circumstances that would help reduce this expense to the corporation, because again, we have to constantly remind ourselves that if we do not make a serious attempt at addressing these unacceptably high wildlife losses, those costs will have to be borne and will be reflected in the premium structure for all. That is not really fair either, because these losses tend to be area specific and sometimes very severe in particular locales, and some efforts have to be made by us who administer the program and by the individual farmers to see whether we cannot, in the longer haul, enact management measures, procedures that reduce the incidence of this kind of loss.

That is, of course, one of the reasons, not the driving or the principle reason but certainly one of the reasons, why when we are introducing a new program like elk farming, game farming, that we particularly targeted an area like the Swan River Valley, or areas where the combination of an abundance of these animals that are causing a depredation are there, that it seemed to be prudent and common sense to accomplish two things, to help start a new industry, namely elk farming, and at the same time reduce the liability that Crop Insurance faces, the liability that the farmers face in unacceptably high wildlife depredation costs. That was part of the thinking why perhaps with the benefit of hindsight it would have been certainly less politically charged if we, for instance, would not have entered into a capture program last year, if we would have delayed attempting to address the depredation question that these wildlife are causing in an area like Swan River and awaited the

formal passage of the bill and the setting up of the program before we attempted it. But we are not always right in all the things that we do. I do not apologize for it as we have a good group of animals to start the program with, and hopefully we can continue with more success and greater co-operation.

The mandate that I have from my cabinet, that is, to carry out a five-year capture program, and a five-year capture program is really meant to address the fact that, as the honourable member well knows, we have a significant resident herd of elk that are not going back to the parks and are not going back, they are staying right on that agricultural land. Whether it is 700, 800 or 1,000, as some people indicate, that herd has to be sizeably reduced. It can be reduced in different ways. They can be reduced simply by inviting and encouraging much heavier hunting pressure in that area. It can be reduced, as has been in the past not all that successfully, by the Department of Natural Resources' capture programs and relocating elk in different parts of the province where they do not create a problem. One of the ways of reducing that problem, particularly having made the decision to move into elk farming, was to take advantage of the situation, if you like, by reducing that herd that was causing the problem in Swan River Valley and helping us get an elk farming industry started.

**Ms. Wowchuk:** Mr. Chairman, I have to tell the minister that he says, you know, maybe hindsight is 20-20 vision, and maybe they should have done it different, and I have to say I agree with him. They should have done it different. We should have seen the legislation before the capture started.

But I have to also tell the minister that the elk that they are capturing in the Swan River Valley this year are not the problem elk. The Department of Natural Resources has hired people to set up pens that are capturing elk along the fringe of the forest. The elk that are in the valley are still in the valley. You should be saying, yes, we wanted to start elk ranching and, yes, we were going to capture them. But to say that you are solving the problem in the Swan River Valley by capturing elk is not true because those elk will still be there, and the elk that are being captured, if you talk to local people they will tell you, that these are elk that are up in the mountain, the majority of them. The minister

is right in the sense that the ones that were captured in the Thunder Hill area, the smallest percentage of them, I believe somewhere around 20 of the ones that were captured, were problem elk. The rest are elk that are being attracted out of the mountain area. Those are not the problem elk. Mind you, I did not want to get into elk ranching at this time. I thought we would do it a little later on.

What I want to talk about is this issue of crop insurance, and I will provide the minister with the information that I have on this Orange TKO, and I really believe that Crop Insurance should be looking at this. The minister tells us that there was a research branch in crop insurance, and these are the things that would be very helpful. My understanding is that people who have tried it on a very small basis have been very successful with it. We spend a lot of money on wildlife depredation costs. Farmers do not set themselves up on purpose to have the elk or the deer come into their fields. There are some farmers who may leave their bales out in the field. Those are not covered by insurance. Farmers generally want to store their hay for their cattle, because, as the minister indicates, when you collect big game damage you do not recover your costs. You are recovering, I believe, 80 percent. Although it is 100 percent, it is still not full cost. The costs that go into that hay are much higher than what you recover, and if you are buying it in the spring it is even higher than it would be in the fall when you are putting up your own hay.

So they do not do it on purpose. They want help. This would be an opportunity where we would be doing something if it would work. Certainly if it was tested by the Department of Agriculture, by Crop Insurance, then it may be something that the corporation could say, here is a product; this is part of your preventative practices; try it out. I would encourage the minister to direct his staff to, indeed, do some testing on this product and see whether it is a viable option, whether it is worthwhile. It may not be, but from what I heard there might be an opportunity here. Let us do some testing; see whether we can, indeed, save farmers some money and save the corporation some money.

**Mr. Enns:** I just repeat, I appreciate the honourable member's advice on this matter. I would ask her to either send the material that she has directly to me or



directly to the corporation. Certainly we will examine and investigate if there is a benefit that can be established. One can only establish that by putting it to test and giving a trial. The honourable member is absolutely right. When you are spending the kind of dollars that we are spending, we can certainly do some experimental testing on a product to find out whether that can appreciably prevent future damage.

I thank the honourable member for that advice and look forward to receiving that information from her.

**Ms. Wowchuk:** I will have copies of the information when we return to Estimates—tomorrow, I would assume.

Farm safety net programs are an important part of the farming community, although there are much less safety nets. Basically the safety nets we have now are Crop Insurance and NISA. I talked yesterday a little bit about my concerns about NISA, and perhaps we can address them again. My understanding is that there are ongoing discussions on safety net programs, and 1999 is the next year when we are supposed to be seeing a new round of safety net programs. Can the minister indicate what discussions have taken place so far, and what direction the provincial government is going in as we move towards the safety net discussions of 1999?

\*(1620)

**Mr. Enns:** Mr. Chairman, I am advised that at this particular time we are just putting together the kind of preliminary efforts to put together a working group, that will look towards the future with the idea that they will have something to present to us at the next annual ministers of Agriculture meeting that takes place every year in, I believe, the first week of July.

We are concerned. I am concerned that the time line for the current programs that we can offer has a '99 date attached to them. I am concerned for two reasons: if Agriculture Canada and the federal government in Ottawa—and I believe they ought to be in terms of the importance of the agriculture industry to the country as a whole—continue to be a player in support of agriculture, then our corporations, our farmers, deserve better than just a kind of a three-year approach to this very important part of providing some stability and

safety net support to our primary producers. I am concerned when I view the budget-setting process that has taken place under the current federal administration, and that has raised questions like the federal government's ongoing participation in the reinsurance question. It is a very important issue for us, the reinsurance question, and one, of course, that impacts directly on potential liability for the provincial Treasury and one that we are nervously asked about by the provincial Treasury.

So we have taken strong positions. When I say "we," particularly the western provinces, Alberta and Saskatchewan along with myself have clearly indicated to Minister Goodale that we expect and demand that a federal presence remain in the reinsurance program, and we are going to be pressing very hard as we move into the year '97, because '99 is not that long away from here. We will be wanting some assurances that we can, with confidence, certainly provide the services that we are currently providing, and one hopes that, as the fiscal situation improves, not just for our own province but nationally, for the country as a whole, agriculture will receive reasonable consideration from the federal Treasury that will enable us to offer these programs.

I am concerned, and the honourable member is quite right to flag it at this point in time. I think we have to be very sensitive to the question that one does not take things for granted. We believe that we have a very sound program right now, but it would certainly be fundamentally altered and weakened if there should be arbitrary or unilateral decisions made in Ottawa that would seriously impact on our ability and the corporation's ability to offer a program that is currently available to Manitoba producers.

So the concern is there. I seek her support and her support nationally. If I believe the news stories that I heard over the weekend that emanated from Regina, the New Democratic Party nationally had a very successful convention. They are looking forward to restoring their numbers to some of their traditional numbers that they used to have, which numbered as high as 43, need I remind you, Mr. Chairman, which is a formidable force in Ottawa. I for one would welcome the re-emergence of what I would call the more level-headed and nation-building politics that a strong New Democratic Party

presence in Ottawa, a strong national Conservative Party in Ottawa could bring to the debates in Ottawa.

It is really quite bizarre what is happening in Ottawa today. We have as a group, you know, the 50 M.P.s that name themselves, and we pay them as Her Majesty's official opposition, members who, in most other countries, would be charged with treason. We have another group that is equally large that has difficulty deciding whom and what they represent, and certainly have great difficulty in representing more than regional aspects of this country.

I do not share my honourable friend's political beliefs, but I certainly share the role that the New Democratic Party nationally has played in policy formulation on the federal scene, in farm policy, in health policy, in education policy, and, quite frankly, that is what has been missing in Ottawa. We are not debating those kinds of policies; quite frankly, right now we have, under those circumstances, a determined federal Minister of Finance who is trying to bring his house to order, and we have seen the brunt of it in agriculture. I have said that before. We focus on the reductions in the social programs, health being the principal one, but agriculture has received a massive downsizing of support from Ottawa. I take this opportunity to invite the honourable member to let that agricultural concern be heard on the national scene by the current nine members, and we have one member from Manitoba, and particularly so, if after the anticipated election her party should be sitting in the House of Commons with greater representation than they now have.

**Ms. Wowchuk:** I can assure the honourable member that, when we do have official party status in Ottawa, we will continue to raise the important issues of agriculture that have seriously been neglected by the federal government, and I have to say that there is also concern with the amount of reduction in budget that we have seen by the provincial government under this administration. We have seen agriculture funding reduced, not to the extent that it has been reduced by the federal government, but provincially we have seen a lack of commitment to agriculture by this government. So I want the minister to know that he carries some responsibility as well for the lack of support for agriculture.

But the question I was getting to the minister was with safety nets, and the safety net program that we have is the NISA program. I raised my concern yesterday as well that, although there is a substantial amount of money that goes into the NISA program, it is not being fairly distributed, and it ends up that there are many young farmers who are not participating. I have talked to these people and basically they say they have not got the money; they cannot afford the money to put into the program to attract the federal funding. So I think that what we have to look at, as this government and this Minister of Agriculture (Mr. Enns) work towards the next round of safety net programs, are ways that we can establish programs that we will ensure that young farmers are attracted to the program and have the ability to participate because that is a very serious problem that we have right now with the NISA program. The participation numbers, as I understand it, are that close to 50 percent of participants have \$2,000 or less, and they have 2.9 percent of the total funds. I made some calls this morning to a few farmers just to check and see how accurate this was, and basically they are saying we do not have the money to set aside.

\* (1630)

So what I am urging the minister to do is, as you prepare for this next round and, as the minister says, 1999 is not very far away; we have to start doing the groundwork, that we look to ensure that those programs we put in place meet the needs of the farmers who are most in need. We do not have to be putting the majority of money into the larger operations. As I understand it, only 0.3 percent of the participants have \$100,000 or more in their account. So you have a very small percentage of the farmers having a large amount of the funds put into their accounts, and a large majority of the farmers who are struggling for whatever reason—because of high input costs, because they are just getting started and they have to pay the banks so that they can stay alive or they have to feed their families, whatever—those are the ones who are not able to access the funds. So I would urge the minister to take that into consideration as the next round is being developed and ensure that whatever program is developed meets those needs because if we are not able to help those most in need, we are going to see those people leaving the farm. Whenever a person leaves the farm, that affects our rural communities, and the rural

communities are very important to the economy of this province.

I have not put a question there, but just a comment to the minister. I just want to ask: on the NISA account, there is a substantial increase, over \$3 million increased funding into the program, can the minister indicate whether there is a breakdown of—a similar question that I asked yesterday. The minister may not have it at his hands today, but if we could get a breakdown of where money is going, not by name, but percentages of accounts in Manitoba, whether we can see from those where the increase is, the additional \$3 million that is going into accounts for producers. Can we get a breakdown of whether it is, in actual fact, the majority of it, going into the very large accounts, or whether there is an increase in participation at the bottom end of the scale?

(Mr. Gerry McAlpine, Acting Chairperson, in the Chair)

**Mr. Enns:** The increase in the NISA allocation is across the board. It affects all participants in the program. A good portion of that is a result of—the 1 percent contribution rate is based on sales. The fact that the sales are higher this year has caused the increase to go from last year's contribution, some \$13.5 million, to this year's \$16.5 million, mostly because that 1 percent, when applied to the sales and the sales are higher, accounts for that increase. The other portion of the increase is based on the share of the bonus interest, which is also increased by some \$300,000, roughly speaking, in this account.

Just a little correction to the honourable member that indicated a moment ago that fully 50 percent of the participants were in the 2,000 or less category. Our information has it that that is not quite correct. That category of 2,000-and-under represents about 25 percent of the participants in the program, and from there on in it fits, you know, in the next range, from 2,000 to 50,000 takes in the bulk. The percentage terms are 19-14, 19-18. I am not all that good with math on my feet, but that represents the bulk. Mr. Chairman, 70 percent, 80 percent of the participants are under \$50,000, and from \$50,000 to the \$2,000, to the \$3,000 range.

I suppose, I think, what we ought to be doing is we should be doing a better job at providing information, a better job at education. We should be doing this more aggressively like the private-money people do this time of year with respect to selling RRSPs. We all know the story, and I am a prime example of it. I would be better off today if I would have, with my first job, meagre as the pay cheque was, if I would have put \$5 away a month or \$10 a month into an account. This is, in effect, a government-assisted RRSP program, and a good one, where both the province and the federal governments add to the contribution that you put away. Mr. Acting Chair, you would like an RRSP program that way. We are providing under this program, a program for the farmers that, if they put \$500 into the RRSP program, it is matched by the province putting \$500 in and the federal government putting \$750 in. That is a pretty nice, enriched RRSP program.

Now I understand perfectly, we are all human beings. We put off putting it in because we maintain we do not have the money—and I do not dispute that for a moment—but it is not good financial planning on the part of the very farmers that she speaks of. I asked her, we talked about maybe how we could encourage that.

We know a lot of the farmers received some extra payments that they perhaps were not expecting, payouts on the Crow for instance, acreage payments. In some cases, again, they were level in terms of the amount to whether it was a large producer or a small producer. But I know that in the case of somebody farming 3,000, 4,000, 5,000 acres he got a very sizable payout on the Crow payout, with the acreage payments of anywhere up to \$28, \$30 an acre.

But it would have been advisable, particularly for the smaller start-up producer, to take some of these monies and to put it into this program and to discipline himself to put these dollars away. People that do manage this successfully, even very modest—we have many examples of very modest Canadian wage earners that have never held down big and high-paying jobs or got into businesses that yielded big returns, but who systematically disciplined themselves to put \$5 out of every pay cheque into an RRSP or into some investment—annuity or fund—when they started, when they entered the workforce as youngsters 20, 25 or 22 years of age. They find themselves in a position now

with having reasonably good investment portfolios that can help them through difficult times and certainly help them in their retirement years.

I was the first one to put up my hand. I am not a participant in the NISA program, not that I should not be. I should be. I, particularly, should be because I am that high-risk category that my off-farm income is constantly at risk by the electors of Manitoba who are always there ready to throw me out of office. Mind you, they have not done that yet, but they could tomorrow. If that coincides with your poor cattle prices, then it is tough luck. I and other producers like myself should be the first ones to enter this program. I seek advice. What can we do?

I think our extension shop should worry about as much as this as about providing them with the best animal husbandry information or cropping information. Farmers need, our producers need, good sound financial planning advice. This is an excellent program. Our urban people would be very envious of this kind of a program being offered to them, because it is a program that, in a relatively few short years, can all of a sudden provide that individual farm family, that individual farm base, with an independent investment fund that is growing and yet which they can access under the prescribed rules. If they need it, they have fallen into a difficult year, fall into a different pricing situation for some of their price commodities, they can take those dollars to help tide the farm operation over a difficult period of time.

\* (1640)

**Ms. Wowchuk:** Mr. Chairman, I want to finish off this section under Crop Insurance before we finish the day. Rather than discuss this further, I just want to say to the minister, I have identified a problem. I hope that he will consider it, that his department will look at how we can improve this as the next round of safety nets develops. I wonder if the minister might be able to table the breakdown or provide me at another time with a breakdown of the participation, because it appears that the figures that I have and figures that the minister is referring to are different. I would like that.

There are a couple of other areas that I would like to go through quickly. We have two programs under Crop

Insurance that are ending. There is the Tripartite Sugar Beet Stabilization program, and indeed it is unfortunate that our sugar industry is going where it is. Hopefully, at another point, we can take a little bit more time to talk about the sugar industry and what role the department played in trying to work out saving the plant.

What I want to ask the minister specifically on this one—the program ended. Last year, there was \$674,000 in that program, and also in the Cattle Stabilization program, there was money of \$202,000. Can the minister indicate whether those funds were expended and how they were dispersed, or whether there is a surplus of any of those funds left?

**Mr. Enns:** Mr. Acting Chairman, I am advised that the dollars that were remaining in the cattle fund, the honourable member may recall, at the request of the cattle industry and the cattle producers, those dollars were committed to a development fund at the rate of, I think, \$150,000 a year or something. Anyway, it was staged over several years, which accounted for the dispersal of dollars remaining in that tripartite support program.

With respect to the sugar dollars, she is correct. The \$600,000-odd will be utilized. There will be a payout triggered for the '96 crop, and you will have to ask me about the dispersal of that this time next year, whether that will disperse the amounts completely or whether there will be some residue. I can indicate to her now that we have been asked by the Manitoba sugar beet growers and other parties interested in the industry that, if we are requiring some feasibility study monies to see whether we can resurrect the industry or whether we have other options, we have access to modest amounts of that money in the hope that perhaps some further thing can be done with respect to the sugar beet industry.

There are some interesting developments taking place, and on a different item, perhaps towards conclusion on my Minister's Salary, if it is not a particular line in here that would be appropriate, I would certainly welcome a brief discussion and my sharing with the committee what steps have been taken, what steps are being taken. I indicated a little while ago that there are meetings with the Manitoba sugar

people, with American Crystal tomorrow. There have been some innovative thoughts about how we can maintain some portion or part of the sugar industry, which looks very much like it will be lost to us as far as this season is concerned.

**Ms. Wowchuk:** Mr. Chairman, I would welcome that opportunity at a later time because I certainly believe that the sugar industry is very important, not only to the agricultural economy, but also to the economy of the city of Winnipeg. There were well over 100 jobs, I believe, that were lost because of the closure of that plant, and much work. It is very unfortunate that it had developed the way it did, that the producers will not be sowing sugar beets this spring. I hope that, by working together and looking for alternate solutions, that crop will be produced again and perhaps by working together we may even see them processed, although I know that there have been some efforts made in that direction but that they have not been successful. So I would raise that again with the minister under the Minister's Salary, just with respect to the cattle development fund.

Now, can the minister indicate, that is not the Manitoba Cattle Producers that would be administering that fund. Is it the Canadian Cattle Association? Does the province have any input into how that fund is spent, or does it go directly to the association and they decide on how it is spent? Does the government have any role in the decision making of that fund?

**Mr. Enns:** Mr. Acting Chairman, I am advised that this is a federal plan or set-up together with the federal government, the Canadian and provincial cattle-producing associations. We as a government have one member on that committee that is using these dollars for market development essentially, some research development, that impact directly on the cattle industry, on the beef industry.

**Ms. Wowchuk:** Who is your member?

**Mr. Enns:** A gentleman by the name of Mr. Rob McNabb, who is associated in our livestock branch, has been the departmental person involved in the stocker and feeder programs that we have operated in the province in conjunction with the Manitoba Agricultural Credit Corporation. I can also indicate that Manitoba is

represented on the committee by a Mr. Marlin Beaver, president of the Manitoba Cattle Producers Association, and as I already indicated, Mr. Robert McNabb of the Animal Industry Branch of Manitoba Agriculture.

They provide different research and information with respect to the cattle industry. It is this committee that is involved, particularly with the efforts Canada-wide at improving our export of beef to offshore markets, it is this committee that is looking at all the different technologies that are coming to the fore with respect to production of beef cattle. It was at the recommendation of the cattle industry that those residue dollars of the tripartite fund be used in this way, and that is what is occurring.

\* (1650)

**Ms. Wowchuk:** One last area that I would like to address under this line, Mr. Acting Chairperson, and that is the employees at Manitoba Crop Insurance. I understand that Manitoba Crop Insurance employees do not fall under the same pay scale or the same category as other government employees. In some cases this leads to a problem, and particularly it leads to problems when Manitoba Agriculture employees and Crop Insurance employees work in the same office.

Can the minister indicate whether he sees this as a problem or whether there is any consideration being given to address the concern that has been raised by employees of Manitoba Crop Insurance who, as I say, fall under different pay scales than other Department of Agriculture employees? It was a real problem when Agriculture employees were coming over to help with GRIP. As I say, it has been brought to my attention as being a source of contention when Crop Insurance people and Agriculture staff work in the same building. Could the minister shed some light on his views on this issue?

**Mr. Enns:** Mr. Chairman, the honourable member correctly describes the situation. For whatever reasons there were at the time, the employees of both Crown corporations, the Manitoba Agricultural Credit Corporation, I believe, and the Crop Insurance Corporation, were not brought into conformity with the pay equity provisions that had been adopted by the

government. I, for one, have asked senior staff to management to address that issue.

I am not particularly happy with that situation. The honourable member is correct, that particularly in a department like Agriculture where the association and the working together of the two Crowns often happens, and particularly happened on such specific programs that she mentioned, like the introduction and the bringing to our producers the program like the GRIP program, really kind of focused on that issue, where we would have the Department of Agriculture staff working side by side with the Crown corporation staff. There would be, in my judgment, unacceptable pay differences that often understandably did not help the morale under these circumstances.

My information from my senior management staff here is that it is an issue that is currently in front of us as part of the bargaining that is taking place. My deputy minister always gets nervous when he hears his minister say, go ahead and do it, because it costs dollars and he is under restraint by what the dollars are here. I, for one, would like very much to see that we can address this issue.

I understand, I think it is a little too complicated to try to resolve on the floor of the House, but there are some innovative recommendations coming forward from management that could address those situations. It has to do with some past practices in the corporation of payout of bonuses under certain circumstances which management now suggests—I am talking about the Crop Insurance Corporation which is perhaps really not as applicable as they once were under the way the program is now being administered—that if we could trade a little bit on some of these items, there would be sufficient resources within the corporation to resolve the pay equity situation.

At any event, the best I can do is to indicate to her that we are aware of it. I am aware of it. In both corporations I would certainly like to see it resolved, preferably sooner rather than later. It would give me some measure of satisfaction if that issue could be resolved in the next relatively short period of time. Governments across this country—most notably, I suppose, in the news today is the issue of the problem the government of Newfoundland faces.

We adopt principles of certain legislation, in this case the question of pay equity. We have managed to build that into our budgets for most of the 14,000,15,000 public servants who work in one capacity or another within the government service. But there are some anomalies that are still there, and they exist in my department, Crop Insurance and in Manitoba Agricultural Credit Corporation.

**Ms. Wowchuk:** I want to thank the minister for giving this matter his serious attention. As I said, I am prepared to pass this line, but I would perhaps like to maybe talk to some people later about what exactly this would cost, whether the department has done the work on what it would require, funds to meet this need within the corporation of Manitoba Crop Insurance. I am sure the minister has looked at that. I know it is a successful corporation. I know that the minister wants to see his staff treated fairly, so I am prepared to pass this line, but would like the opportunity to discuss this further with the corporation.

**Mr. Enns:** I want to assure the honourable member that she has asked not many but she has asked several specific questions for some greater information, distribution of where the NISA monies are. I think that there were several other questions that she asked yesterday in a similar vein. It is my practice, and I will ask that my staff make sure that this happens, that I will be providing her with responses to those questions that I was unable to answer during the discussion of this item. But we will be forwarding this information on to her.

**The Acting Chairperson (Mr. McAlpine):** Item 2. Risk Management and Income Support Programs (a) Manitoba Crop Insurance Corporation (1) Administration \$4,458,300—pass; (2) Premiums \$31,900,000—pass; (3) Wildlife/Waterfowl Damage Compensation \$1,283,000—pass.

2. (b) Net Income Stabilization Account \$18,234,000—pass; (c) Tripartite Stabilization Plans, zero—pass.

Resolution 3.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$55,875,300 for Agriculture, Risk Management and Income Support

Programs, \$55,875,300 for the fiscal year ending the 31st day of March, 1998.

Item 3. Manitoba Agricultural Credit Corporation \$7,914,600.

**Ms. Wowchuk:** Mr. Chairman, I have several questions in this area and, considering the time that it is—we only have one minute till five o'clock, if that—there is not time for the minister to get his staff into the Chamber. So I think it would be fair to say that we would start on this line tomorrow.

\* (1700)

**The Acting Chairperson (Mr. McAlpine):** The hour being 5 p.m., time for private members' hour. Committee rise. Call in the Speaker.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

**Madam Speaker:** Order, please. The hour being 5 p.m. and time for Private Members' Business.

### PROPOSED RESOLUTIONS

#### Res. 8—Hog Production - Past, Present and Future

**Mr. Ben Sveinson (La Verendrye):** Madam Speaker, I move, seconded by the honourable member for Pembina (Mr. Dyck), that

“WHEREAS Manitoba is one of the most dynamic provinces in Canada for pork production; and

“WHEREAS Manitoba has some of the most aggressive and successful pork producers in all of Canada; and

“WHEREAS more than 12,000 Manitobans are employed in the production, processing, transportation and distribution of pork products; and

“WHEREAS in 1990 there were 2,042,800 hogs marketed in Manitoba and by 1996 an estimated 3,082,000 were marketed, an increase of 50%; and

“WHEREAS with every additional 1,000 hogs that are produced and processed in Manitoba we gain six more jobs; and

“WHEREAS exports of Manitoba pork and pork by-products have nearly tripled from \$29 million in 1991 to \$82 million in 1995 with exports destined to over 30 countries worldwide; and

“WHEREAS for more than 10 years, Manitoba pork has earned the highest average rating under Canada's national carcass grading system, which measures the meat yield content of each carcass.

“THEREFORE BE IT RESOLVED that the Provincial Government continue on its present course of building the best possible environment for stable, long-term development of this industry in Manitoba and maintain a leadership role in this important value-added industry.”

#### Motion presented.

**Mr. Sveinson:** Madam Speaker, looking back over the last couple of years and knowing the things that have transpired then and now and you can see into the future, I would say that many of us, if not all of us, are somewhat envious of the Minister of Agriculture (Mr. Enns), envious for this reason, that the exciting, the very exciting things that are happening and are going to happen in agriculture are really exciting.

When we look at things like the elk ranching, agrifood industry that has been started, the entrepreneurial spirit that is happening in Manitoba in regard to agrifood industries, when we look at the hog industry and the expansion of the hog industry in Manitoba, it is really quite extraordinary. Our government believes Manitoba is ideally situated to capitalize on an expansion of the hog industry. With the end of the Crow rate, Manitoba farmers have been diversifying their operations. The Manitoba pork industry has become very aggressive over the last few years. This attitude is clearly illustrated by the leadership taken in the industry in being the first province to implement a flexible hog marketing system.

A further indication of this aggressive attitude is with the joint government and industry initiative called the

Manitoba Pork Advantage. This collaborative effort by all parties involved in this industry highlighted the achievements and the advantages of pork production in Manitoba. The Manitoba Pork Advantage also laid out clear plans for the future direction of the hog industry.

Madam Speaker, the industry infrastructure in Manitoba is of the highest quality. The infrastructure includes world-class expertise in construction, equipment manufacturing and feed company knowledge and leadership. Yes, Manitoba has seen tremendous growth in hog production over the past few years. By all indication, this trend will continue into the future. From January 1 to December 31, 1996, there was a total of 16,826 new sow places, actual and under construction. Between January 1 and December 31 of 1996, there was the construction of new grower finisher barns that would produce 207,350 new pigs. If all the weaners from the actual new sow places, assuming 20 weaners per sow, were grown out in Manitoba, in 1997 we would see an actual additional 336,520 hogs marketed.

**An Honourable Member:** That is a lot of weaners.

**Mr. Sveinson:** Yes, it certainly is. On top of this, if it were possible to keep all of the live, finished hogs in Manitoba that are presently exported to the United States, there would be an additional 690,000 hogs available. Finally, if all the weanlings that are presently exported to the United States stayed in Manitoba to be finished, another 425,000 hogs would be available.

Manitoba is indeed poised to become the Canadian leader in hog production and processing. The Manitoba Pork Advantage is a hog production and marketing program sponsored by government and industry. It highlights the natural and economic advantage of producing high quality pork in the province for the global marketplace. Its aim is to increase export sales and investments in our province's growing pork industry. Manitoba is building the best possible environment for stable, long-term development including a flexible marketing system, competitive tax regime and strong infrastructure.

Madam Speaker, higher profit potential is one of the main reasons for the rapid expansion of our pork

industry. Our province is one of the most cost-effective sites in Canada for hog production. Reasonable land costs, lower manure disposal costs, modern efficient production practices, knowledgeable producers, favourable tax environment and abundant grain supplies—all of these factors are contributing to the growth we have seen.

As I noted, Manitoba pork has earned the highest average rating under Canada's national carcass grading system which measures the meat yield content of each carcass. Our producers have shown themselves willing to develop a product geared toward consumer preferences. At both the production and processing levels the industry is continually working towards new, unique products and the colour and the carcass size favoured by today's markets.

Approximately 25 percent of all pork exports are bound for destinations outside of Canada. In fact, our high quality pork is consumed in over 30 countries worldwide. There exists a tremendous opportunity for further expansion. The Minister of Agriculture and a delegation of representatives from the pork industry, including J. M. Schneider, Manstock International Ltd., CIBC and Manitoba Pork, went to Asia last fall to further promote our products. This delegation went to areas such as Japan, South Korea, Taiwan and Hong Kong. Recent events in Taiwan since the suspension of all exports of domestically produced meat products offers Manitoba producers an excellent opportunity to move in and offer their services.

\* (1710)

Members opposite did not agree with our decision to move to a dual marketing system for hogs. They predicted dire consequences as a result, but, Madam Speaker, nothing could be farther from the truth. Manitoba Pork continues to provide leadership in market and industry development activities that benefit all producers. These activities are funded by a levy on all hogs marketed from Manitoba.

Consumer demand is an ever-changing component of any industry. Our pork industry required a greater range of marketing options. This government was the first government in Canada to meet this need by moving



to a more open and flexible marketing system. In other Canadian provinces the industry had no choice but to buy and sell through a provincial marketing board.

In Manitoba, producers and processors can enter into direct agreements and contracts, or they can buy and sell through Manitoba Pork. This flexibility allows our pork industry to respond to market forces quickly and efficiently, ensuring that Manitoba can supply the type of produce the world demands and when it demands it. This system is part of this government's commitment to pork industry growth.

Madam Speaker, a key advantage of our pork producers lies in Manitoba's strategic location. This advantage continues to be developed through initiatives such as Winnport, something my honourable colleague for Sturgeon Creek (Mr. McAlpine) so eloquently put forward during his recent resolution. Our central location in North America means that there are only approximately 300 kilometres further to Tokyo from Winnipeg than from Los Angeles. Our Central time zone is another competitive advantage for pork exporters. From our province companies can contact customers and suppliers anywhere in North America across five time zones within normal business hours.

Our province is a crucial link in a major trade corridor running from Manitoba through the Midwest United States and into Mexico. Indeed, Winnipeg is a busy hub of major air, rail and road networks and within one day's trucking of 80 million people. Winnipeg also has the only international airport between Toronto and Calgary, and one of the few on the continent operating 24 hours a day. Today there are approximately 2,000 hog operations in Manitoba. There are a good number of those in my constituency.

Yes, the pork industry generates some 12 percent of all farm income and contributes more than \$1 billion to our economy. One of our greatest assets is the vast amounts of land available for pork industry expansion. There are more than five million hectares suitable for agricultural production. Our province has sufficient land for expansion of hog facilities and environmentally sound manure disposal. Because of this large land base our manure disposal costs are low compared to other intensive hog-producing nations.

Madam Speaker, our province has set the stage for responsible, long-term expansion by taking a proactive approach to hog production issues. Government and industry have worked together to develop a practical set of guidelines, regulations and services to protect the environment and the long-term viability of the industry.

Our government's practical and proactive approach to sustainable development will ensure that Manitoba's pork industry remains competitive and growing long into the future. I believe that our government, with its progressive agricultural policies and strong leadership, is set to meet the target for annual production of four million hogs.

Members opposite, I am sure, have some comments to put on the record, but before they do I would encourage them to show their support for this resolution. The goal of this resolution is that the provincial government continue on its present course of building the best possible environment for stable, long-term development of this industry in Manitoba and maintain a leadership role in this important value-added industry.

This resolution allows members opposite to reaffirm their support of Manitoba's pork industry. Thank you.

**Ms. Rosann Wowchuk (Swan River):** Madam Speaker, I want to assure you that we do affirm our support for the Manitoba pork industry. We stood by the Manitoba pork industry when they asked the government not to change their single-desk selling component, and the government refused to listen to them. So I can assure you we are very much in support of the industry and we want to see the industry grow, but not the way this government is dictating it will grow.

Now, the member talks about wanting to see the industry double, and the minister has said that on many occasions he wants to see the industry double by the year 2000. Well, the industry doubled over the years when there was a demand; and, when the hog producers saw demand, they doubled the industry and they met the needs of the market. It does not take for a government to say we want to double the industry. It takes for the market to be there. Certainly, there is a role for the government to develop markets and ensure

that things are in place, but the government does not have to dictate that the industry will be doubled.

I want to share with you some of the comments that have been made by people in the industry, and those are the people whom we should be listening to as we work towards building the industry. In December of 1994, at Manitoba Hog Days, Ken Foster, chairman of Manitoba Pork, stated that, although the hog business is a growth industry, processors felt growth must be achieved in a responsible and planned manner. The difficulty he said, and I quote, is that none of the double-your-production figure spinners have shown how this growth will occur and what effect it will have on the independent producers, processors and industry overall. That is the concern of the producers, and that is, as I say, whom we should be listening to.

So, despite the fact that the wishes of the producers, a new marketing board regulation was introduced in 1996 and the single-desk selling component of Manitoba Pork was changed, this despite the fact that producers during the 1995 election were told that they would be consulted on any decision to change the hog marketing regulations. They would be consulted by the Minister of Agriculture, but this government and the Minister of Agriculture failed to do that. Producers are very concerned. They feel that this move will benefit big operations and that the smaller operations will be the ones that will be the losers, and there is a move towards vertical integration of the hog industry.

The member across the way talked about all the benefits and how great it was going in the hog industry. Well, I want to share with you, Madam Speaker, what the producers—and, again, as I say, this is whom we should be listening to—a dual market for slaughtered hogs has cost producers millions of dollars in lower market returns and higher levies last year according to Manitoba Pork. A widening price gap between Manitoba and U.S. markets results from the open marketing system lowering producers' returns by \$7 million in 1996. That is what Manitoba Pork is telling us what has happened as a result of this change to an open market.

The new system also forces producers who sell hogs through the board to pay a \$1 levy a hog more in levies. The figures were discussed at district meetings this

spring leading up to Manitoba Pork's annual meeting in Winnipeg. Mr. Chabidon says the price difference between Winnipeg and Omaha increased by \$4.33 per 100 kilograms in 1996. This works out to \$3.50 per hog. According to the board, Madam Speaker, the 1996 average Omaha price was \$200.58 compared to Manitoba's average price of \$180.58 per 100 kilograms. Manitoba's prices are historically lower than Omaha's, but not to this extent. The wide price gap translates to lower returns of \$7.3 million based on 2.085 million hogs sold through the board in 1996.

\* (1720)

He goes on to say that the widening price gap between the two markets was the result of Manitoba Pork's inability to negotiate better formula prices with the province's four major pork packers in 1996. The processors felt less pressure to negotiate with the board because they saw the opportunity to buy the hogs directly from the producers later in the year. This government, Madam Speaker, has stripped the hog board of its central-desk selling monopoly and replaced it with an open market system that has had a negative impact on producers.

We can hear this flowery resolution saying how great it is for producers and how we want the industry to grow, but who we should be thinking about is the producers, the people at the grassroots who are the ones who do the work, and look at what returns they are getting. As a result of changes that this government has made, producers have less money in their pockets.

**An Honourable Member:** You are wrong.

**Ms. Wowchuk:** I hear the member across the way saying I am wrong. I would invite him to go to Manitoba Pork and talk to them. I would invite him to talk to Manitoba producers and look at their bottom line and see what they have gotten. The new system is costing board customers more in levies and board maintenance. The new universal levy charges producers \$1 per hog whether the animal is sold on board or off board. The money goes to development and marketing research. In addition, Manitoba Pork charges a floating levy of over \$1 per head of administration. So, Madam Speaker, what this government has done is put additional costs

on and has taken away the ability of Manitoba Pork to bargain in the best interests of the producers.

We do want to see the pork industry grow in this province. We want to see it grow in a sustainable way. We want to see the producers get a fair return for their product. We do not want to see the producers at the mercy of the feed producers and see control shift over to other people rather than people have control of their own destiny.

As this industry grows—and it will grow in this province—we have to ensure that it is being done sustainably. We have to look at where the farms are being built, and there has to be a plan in place to ensure that when future generations come along, we do not sacrifice our environment at their expense.

In the Interlake region—and my colleague from the Interlake (Mr. Clif Evans) will speak on this, I am sure, when he has the opportunity—there is a problem with water. The same applies in many areas, so there has to be a plan in place to ensure, and the government has to have some control on this, that we do not just say—there are barns being built in sensitive water areas. We have to be sure that the process—there is a lot of waste from these—that we have a proper management of these wastes. The larger the operation becomes the bigger the problem of waste becomes. There has to be a plan in place as to how this will be addressed.

As with any industry that grows, there are challenges. That is why we have to be sure that there is long-term planning in this. I want to refer to an article that I saw in a magazine that talks about the hog industry in North Carolina. In North Carolina, where there are very large operations, very serious problems have developed with how they are managing the waste. I urge the government, as they go along this path to increase the hog industry and as the industry grows to meet the market demands, that we have in place the safeguards to ensure that we do not run into the same kind of problems that we read about happening in other parts of the country.

Certainly we are located in a geographical region that offers us the opportunity to access markets very well, and it will be a real opportunity if the industry grows and we meet those market demands and get fair return

for producers. But as I say, we have to do a lot of things. It has to be the producers who are involved. We have to ensure that it is the producers that are getting a fair return for the product. It makes no sense to put up these factory barns where hundreds of hogs are processed through there, thousands of hogs, but the people who work in those barns are working for minimum wages and the profits are being siphoned off somewhere else.

As I have said many times, to build a solid, sustainable community we have to have good wages in those communities, and people have to get a fair return for their work.

I think that the member in his resolution should have addressed some of those issues. Instead of just putting forward a flowery resolution that once again praises the government for what they are doing, what he should have been doing is encouraging his government to be sure that they address these issues, issues that will affect your community and mine. We have to ensure that there are guidelines in place, and there is a provincial plan in place that these hog barns do not just go up helter-skelter across the province without a plan. There has to be a very good plan in place as to how we are going to manage all of this waste, because the waste produced from hogs is in huge volumes.

Madam Speaker, I have to agree with the member that we do want to see the industry grow, but I would have to disagree with him on his comments that he made that his government's changes to Manitoba Pork and a move away from single-desk selling has been beneficial to producers, because it has not. It has cost them more money, and it is very clear that producers want Manitoba's pork to stay in place.

We saw this year that there was a problem with negotiating, and in fact contracts have not been negotiated with all of the processors here in the province. We do not want to see hogs flowing out of this province at the rate they are, hogs going down to the States to be processed. We could be processing them here. There is work that can be done on that. To say that we will just produce all of these hogs and we are going to have them processed here is not going to happen. We are producing them now. They are leaving the province.

There are very serious challenges facing this industry. As I say, we want to see the industry grow, but we want to see it done in a sustainable way. I have to say that we are in complete disagreement with the government when they say that what they have done is right.

The outflow of hogs from the province in the last year has hurt the packing industry. At this time last year packers were running as low as 70 percent of capacity because of heavy exports. We cannot afford to have those heavy exports going out of the country, but the province has forced these heavy exports to happen because of changing away from single-desk selling. We have moved to a system where they have the ability to negotiate price. All are not being treated fairly. When there was single-desk selling they worked together and negotiated one contract, and it was fair for producers. As I say, as a rural representative, I want to see the best possible return for producers, and I want to see a sustainable community. What this government has done has resulted in contracts not being negotiated.

Again I want to say that the industry can grow, but we cannot just say, yes, the industry is going to grow because the Minister of Agriculture has said it will grow. The industry will grow because the demands are there, and I encourage the government to look for markets, work with the industry in that aspect, but also be sure that what we are doing is sustainable and that we are not having one industry grow at the expense of other people. We do need to have cattle and livestock industries. Because of changes to the Crow, we have to look at other ways to use the grain that is growing in this country, but we have to also ensure again that it is the producers who have the benefit and that it is in the best interests of the people in the rural community. I would not want to see people having hog barns, then making a very small amount of money from the hogs that they produce and have it being that it is the feed companies who are reaping the real benefits of this. That is not what I would like to see.

\* (1730)

So certainly, we want the government to continue to build the industry and create an environment that is stable and have long-term development but also address all the other issues and also revisit their decision to move away from single-desk selling because that is not what the producers wanted.

So, Madam Speaker, with those words I must say that I want to commend the pork producers for the work they have done to build the industry in this province.

**Hon. Harry Enns (Minister of Agriculture):** Madam Speaker, some things certainly never change, and when a socialist takes up a position it is hard to move them off that position. Despite all the evidence to the contrary, my honourable friends opposite refuse to look at what is happening in the hog industry in the province of Manitoba and stick to the party line that they have so firmly wrapped themselves up with.

Madam Speaker, I will comment on some of the items that you referred to from the last Manitoba cooperators with respect to comments that were made attributed to representatives of Manitoba Pork.

Firstly, let me acknowledge and thank my colleague, my good friend and colleague from La Verendrye (Mr. Sveinson), for presenting this resolution. It is a timely resolution, one that needs to be debated in this Chamber from time to time. Too often agricultural issues do not get an opportunity to be taken seriously in this Chamber, and I am delighted to have the opportunity to add a few words to this debate.

You know, Madam Speaker, the issue that sometimes does legitimately come forward is why is it that the government has an interest in expanding hog production in the province of Manitoba? Let me agree with her 100 percent. I do not expect any hog producer to increase his hog production because I, as minister, said he ought to, or that the Department of Agriculture said he ought to, or that the government says he ought to. They should only be making that decision if the right market decisions or market signals are there, if the right conditions apply, if the right climate is there that leads them to believe that hog production is a sound investment, a sound opportunity for them to be engaged in. That is when they should be making decisions with respect to increasing hog production in the province, and that is exactly what is happening.

I know that in broad statements we have talked about the doubling of hog production, and it is happening. Since 1950, in a short 45 years, we have increased our hog production by 50 percent, and there is no abating of that expansion taking place. I am pleased to note that

it is taking place in all parts of the province, in parts of the province that heretofore there had not been that much hog production. So let us lay that to rest. It is happening. If the honourable member who speaks so eloquently on behalf of Manitoba Pork, and I have the greatest respect for Manitoba Pork—I issued them a challenge. I told them to become the marketers of choice, and they have done just that and have done it very well, and are marketing 80, 85 percent of all the hogs that are marketed in the province of Manitoba without the heavy arm of government saying to every producer you must, you shall, the penalty of the law. I mean, that is not how you build loyalty to a marketing organization. So let that be put on the record.

Secondly, if she checks her annual record, Manitoba Pork has never had more financial resources at hand than they have today, as printed in their annual report. So where is the doom? Where is the gloom? Where is the despair that was uttered by honourable members opposite six or eight or 10 or 12 months ago when some greater flexibility was introduced into the marketing of hogs in Manitoba?

Madam Speaker, I am very interested in some of the comments by Manitoba Pork. I, as the honourable member, attended a very successful annual meeting of the hog producers and the pork industry in the city here just a week ago, I believe. I must say, I appreciate that I was hospitably received, and I would expect nothing less from farmers and farming producers. They are always, even though they do not always agree with one, are always hospitable and generous in their treatment of persons who from time to time may take a position that is not always in total agreement with theirs. But I enjoyed myself very much during that evening, and I was granted the opportunity of saying a few words. The honourable member, who was in the audience, will recall that.

Interesting, I find, but she did not raise, because that has been a decade-long point of irritation between the Manitoba hog producers, the price differential between Manitoba and Toronto, Winnipeg and Toronto. That is not even referred to in that article, because there is virtually no price differential now as a result of the changes made to the market structure. The article refers, and I have to take task, I want to have a chat

with the gentleman that makes it, he compares the losses to Omaha. Well, Madam Speaker, why not to Copenhagen, Denmark? The loss probably would have been \$11 million or \$12 million. We do not ship hogs to Omaha, and that is the issue. We ship hogs to Toronto, we ship hogs to Sioux Falls; 700, 800 miles is about the outer limits that you can ship live animals to economically. So let us talk about that.

Now on the question about me having imposed a greater cost to the hog producers with the universal levy, a dollar, I am going to take that very, very seriously. I think it is too high. I think it ought to be 50 cents, and I am going to make recommendations to the Manitoba Marketing Council to reduce that to 50 cents because I do not want to, by my action, add any unnecessary administrative costs that would make our hogs less competitive anywhere in the world. Upon examination of the books, of the monies that are being collected under this fund, I happen to think that a more modest general levy is called for. After all, we are now marketing upwards to three million hogs, Madam Speaker. That is \$3 million that goes to Manitoba Pork as a result of the universal levy. They have to show me that they need those kinds of dollars or else I will strongly recommend that we reduce that levy to 50 cents. I think that is something worthwhile that I will take from the honourable member's contribution this afternoon, and certainly challenge Manitoba Pork and my department to see whether or not that is not a reasonable thing to do.

Now, I am not particularly happy that the significant number of hogs, whether they are weanlings or whether they are finished hogs, are leaving the province for processing elsewhere, but Manitoba Pork—honourable members want to be very careful how they want to pursue this. I would assume, certainly, talking to people, talking to Mr. Gary Friesen, the reason why Manitoba Pork is sending hogs to Sioux Falls is because they are getting more dollars for them. I, like her, do not expect my hog producers to get anything less per hog than the market will command. I have no quarrel with it, and I have not offered one slightest bit of criticism to Manitoba Pork for shipping live hogs that are not being processed and adding value and providing jobs in Manitoba, going to the United States, to Sioux Falls.

Madam Speaker, what does that say, though, about the 22 years, 25 years that we were operating under the single-selling desk? Does she mean to tell me that that was costing? If they are going to Sioux Falls for a \$6 or \$7 or \$8 premier hog, does it cost the Manitoba hog producers \$7, \$8 a hog for 22 years under the single-selling desk because hogs were not sent down there? The honourable member knows very well there were few of the larger, few of the bigger operators—Elite and them, they were shipping hogs to Burlington, Ontario for a premium, they were shipping hogs to the United States for a premium, but Manitoba Pork was not.

Now, Manitoba Pork is shipping hogs to Sioux Falls, South Dakota. Why? Because they get a better price. That is a challenge to our processors, and I have talked to our processors. I told the processors who were present at that meeting, roll up your sleeves. If you want to process the finest hogs on the North American continent, which we in Manitoba have, then you are going to have to buy them, you are going to have to meet the competition. That is exactly what is happening.

\* (1740)

Even more important than all of that, and that is really the issue that I wanted to speak to, because people do sometimes write me letters, often they are people from the city of Winnipeg who are concerned, as we all should be concerned, about the environmental issues involved in hog production. They are serious, but they are solvable. We are forever tightening our guidelines. We are creating circumstances. We are putting some of our research dollars into better waste management methods. Certainly, if a country like Denmark can produce 17 million hogs and do it environmentally soundly, then we in Manitoba can produce four, five, six, eight or 10 million hogs. You can take all of the country of Denmark and drop it into Lake Winnipeg, and there would still be water all around it. We are saying that we cannot produce hogs in an environmentally acceptable manner in the province of Manitoba. Of course, we can, and we will do it.

But, Madam Speaker, why is it that agriculture feels compelled to maximize our opportunities? It is because

what happens in this House day after day after day. Agriculture, despite the fact that only 3 percent of the population make an inordinate contribution to the well-being of this province—and we do not need the hogs to feed ourselves. We do not need the wheat that we grow to feed ourselves. We do not need the beef that we grow to feed ourselves, but it is an income-earner for the province. If the members and the opposition want the dollars to be there to maintain our health services, if they want them there to maintain our education services, if they want them there for all the other government services that we are called upon every day to provide, then we have to be smart enough to utilize those opportunities that we have to create that wealth, whether it is in forestry, whether it is in mining, whether it is in our small oil patch—and we hope it will be growing—but certainly in agriculture we can make that contribution.

Canada under the federal government, under Minister Goodale, we have set a target of some \$20 billion that Canada wants to earn just in the agrifood sector alone. That is so that we as Canadians can maintain our standard of living. Now, if we can do it in a sound, environmentally acceptable way, then, of course, that is what we should be doing. That is what we should be doing, and that is exactly what we can do. That is what we will do, and that is what we are doing.

Manitoba leads the country. In Saskatchewan, hog production dropped by 7 percent in the last year. For my urban friends, there is a simple explanation. Nothing beats triple-A farming: seeding in April, harvest in August, and Arizona in winter. It beats looking after cattle, looking after chickens, milking cows or anything else. When last May and April we saw that very welcome surge in wheat prices, in cereal grain prices, farmers in Saskatchewan put aside their plans to raise hogs or produce anything else other than wheat.

Thankfully, in Manitoba, we take a longer view of things. Our production is increasing in double-digit numbers. We will be surpassing Alberta in hog production this year, and with that come the opportunities, the job opportunities that the member for La Verendrye (Mr. Sveinson) referred to in his resolution. With that comes the opportunity of earning wealth for the province so that we can continue to do

those things that governments are asked to do on a daily basis in this Chamber.

Madam Speaker, I do not divide the small and the big, board supporters and nonboard supporters. All I have created is a climate where there is a greater freedom, a greater flexibility, that obviously is working well in Manitoba. Hog production did not take a hiccup with what some accused me of making a major error and was going to cause great chaos in the hog industry. That has not happened at all. I can report to you and all members in this Chamber that hog producers will continue to provide the job opportunities in this province and they will continue to provide a great future for young farm entries into the business of agriculture, and they will be different than the traditional ones. There are different formations taking place. Groups of two, three, four families are coming together, not necessarily all farmers—maybe the local pharmacist or the doctor or the implement dealer is part of that. They are putting up these modern hog barns, and they are providing year-round employment. I am told the average wage is often in the area of \$30,000 per annum, which is not shabby.

So, Madam Speaker, I regret that the honourable members opposite cannot see what is there before them as they drive through the countryside, as they read through the country papers and get on board with this exciting new industry, this exciting industry that is leading the way.

**Mr. Kevin Lamoureux (Inkster):** Madam Speaker, I, too, was wanting to put a few words on the record with respect to our party's position on the hog industry. If you take a look at the hog industry, it is comparatively doing exceptionally well as an industry, as a whole. I do not think that anyone inside the Chamber is opposing the industry in terms of potential growth that is out there. I think there is a great deal of concern in terms of some of the actions that the government has taken. The member for Swan River (Ms. Wowchuk) has pointed out the changeover from the single-desk check-off system.

I do not want to claim to know or have extensive knowledge with respect to the hog industry or a lot of the agricultural services provided by the province. For all intents and purposes, I am somewhat of an urbanite,

even though I do have a farm or two in my riding. But having said that, I recognize the importance of the agricultural industry to the province of Manitoba as a whole and therefore do have an interest, not only a personal interest but also from our party's interest in terms of the long-term viability and, hopefully, growth within an industry that does have great potential.

If you listen to the government or other members of the Chamber, and you hear about this potential growth, it really varies. I have heard the talks of having fresh pork flown out of the Winnipeg concept over to Hong Kong where there is a high demand for pork. We hear where the industry has virtually doubled in its size in the last few years. We hear great feelings in terms of potential growth within the next few years of bringing our hog production up to four million.

Madam Speaker, what I have heard through some of the hog producers—and these are hog producers that are in fact very strongly associated with all political parties and particularly the Conservative Party—that came and spoke to us as a caucus last year as we were attempting to change the system. There were a couple of things that came to mind right offhand as I was sitting listening to the NDP and the Minister of Agriculture (Mr. Enns) speak on the member for La Verendrye's (Mr. Sveinson) resolution. One of them was the concern of the hog producer, the small hog producer that has a sense of ownership, that they are the ones that in fact are more than just a tenant.

Part of the fear was that by the movement towards the dual-marketing system that we were going to see more of—and I believe it is—vertical integration of the hog industry which caused a great deal of concern in terms of what sort of an impact that that was going to have on the smaller independent—if you like—hog producer. Those are legitimate concerns because, in part, we are talking about a rural lifestyle that is indeed out there and worthy of preserving in whatever ways in which we can. So when you start talking about changing a system in which you market a product, we do not even have to talk about the hog industry, we could go to the Canadian Wheat Board. The minister is very familiar with all the arguments with respect to what has been happening with the Wheat Board.

\* (1750)

We acknowledge at times there is a need for change but when you attempt to enable or to allow for that change to occur, what one expects is that the government will, at the very least, have done some consultations. What I was surprised to have found out is that the consultations that the government did prior to the implementation of the dual checkoff was minimal at best. In fact, Madam Speaker, we had a great deal of hog producers that were very strong Conservatives that were saying that we really need as a party to take this issue and not let rural Manitobans forget about it. This is something that is going to come back to haunt the Conservatives, even if the government's predictions of prosperity are 100 percent accurate, because they felt that they were slighted, because they were not brought into the system and allowed to participate in a legitimate way to see the changes that they believed were necessary. The common thread that they have, that the Minister of Agriculture and, I would ultimately argue, all members of this Chamber have, is that they too want to see pork sales or the demand for pork increase. If the demand for pork increases, they know the long-term viability of the industry is going to be that much better well into the future.

I for one have enjoyed greatly the taste and the many different tastes of pork. Since being elected and having the opportunity to visit many different cultural events, I have been absolutely amazed with how many ways in which you can use pork. I must say I really enjoy it, and it has become a major staple of my own personal diet in particular. I have had it out of the barrel on a Hutterite colony. I have had it at Aristocrat or Bueno's and many different places, and no matter how it is cooked, it is a wonderful tasting product. I believe that not only will we see populations increase throughout the world so that there will a natural increase of demand, but what we are seeing, because of marketing from organizations such as Manitoba Pork, is the demand not only increasing because of an increase of the number of people but an increase of consumption from an individual. The taste buds, if you like, are more and more in favour of pork.

Having said those few words, because I did not want to take much—I know the member for the Interlake wanted to talk on this particular resolution, Madam Speaker, so I will leave it at that.

**Mr. Clif Evans (Interlake):** Madam Speaker, I would like to just take the opportunity to add a few comments here with respect to this resolution, a resolution that in principle I think we have said, and my honourable colleague from Swan River (Ms. Wowchuk) has indicated, that the support for the hog production industry in Manitoba is certainly there from this side of the House. Of course, we are certainly hoping that the production and the marketing of pork to other countries and other parts of Canada will increase and that we will be able to provide our producers with an economic benefit.

But, Madam Speaker, I am going to go at the production and the industry in a different manner and on this resolution. The resolution states, and the part that I sort of find strange is, "on its present course of building the best possible environment for stable, long-term development." As we are aware, as the members of this House are aware, in the last two or three years, the production and the buildup of the hog industry in my constituency have increased quite a bit. I am not even sure the percentage of the increase. Large operations: 6,000, Silver; 6,000, Washow Bay; 6,000 in Chatfield; 6,000 in Vidir; somewhere between 8,000 to 10,000 in the Fisher Branch area around Fisherton. The hog production in my area, yes, but what bothers me, what bothers the people in the Interlake and what bothers the people that live in the Interlake and producers, agriculture producers as well, is the fact that these large barns are built in very sensitive areas with no real concern for the sensitive areas.

Madam Speaker, there have been meetings. There have been meetings all over the Interlake. Every time an operation wanted to come to be, there were open public meetings. Promises were made by the producers. We will build a proper lagoon. Not so. We will, and we do have the land to spread the manure. Not so. We will not do anything that is not within the regulations. Not so.

I have no problem and the people in my constituency have no problem with the fact of supporting economic development in the hog industry and in the marketing to improve the industry for this province and for its producers. None. What problem we do have and what problem my constituents have is the fact that not only the production but the operation of some of these barns



has not been conducive to the environment and to the safety of our water and to the prevention of any kind of problems that may occur from bad spreading, bad production.

I can back all these up with pictures. I can back all this up with letters, seeing it myself, construction of the lagoons not being done properly. How can we expect to support—[interjection] That is right. [interjection] The Minister of Agriculture says, we will pull them out.

**An Honourable Member:** We will pull them out and shut them down.

**Mr. Clif Evans:** The Minister of Agriculture knows very well that people came to him to discuss the future of the hog industry in the Interlake and their concerns. The minister did not listen.

Some of the producers and some of the investors in my communities are friends. I have had many discussions with my friends in the Interlake who are investors. We know the issue is there. The people in the communities around say that we do not have a problem with hog production; we want it done properly. That is the key. Work alongside. Make it so that the hog production industry, the economic development can work alongside with the tourism industry, with the fishing industry and the people in the area.

Not once has this member ever said, not once, that I do not agree with the development of the hog marketing industry in this province. Not once. This member wants a hog marketing industry to be sustainable to the

people in the area that it is being built in. This member is concerned, and so are the people in the constituency about how it is operated. It is very disrupting to want to be able to support an industry that is so very important to Manitoba producers and yet at the same time have to go to meetings, have to go out into the areas and have people say, look at the way they are spreading.

Madam Speaker, to operate and to get outside the community and the people, do not spread a million gallons of sewage, of manure on a 60-acre field. It does not make sense. We are looking at the fact, I look at the fact that if there is going to be production in the Interlake area or in the province of Manitoba, then let us have a plan put together properly. Let us have proper regulations. Let us have the producers, the large producers that want to expand, let them be working under stricter guidelines that will co-operate with all the system, with the environment and with the people, the fishing industry.

Let us not just let these people walk in and just slap up a barn without having proper consultation and working under the regulations. I think you will see that this member and the people in the Interlake and the people of Manitoba would support the industry.

**Madam Speaker:** Order, please. When this matter is again before the House, the honourable member for Interlake (Mr. Clif Evans) will have eight minutes remaining.

The hour being 6 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

# LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, April 16, 1997

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