

LEGISLATIVE ASSEMBLY OF MANITOBA

Time — 8:00 p.m.

Tuesday, 10 June, 1986.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, M. Dolin: The Member for Charleswood is next on the speaker's list.

MR. J. ERNST: If I could, Mr. Chairman, ask the Minister about Highway No. 1, basically between Plessis Road and — well, for the sake of argument, the Perimeter Overpass east.

That section of road I don't believe is in the Maintenance budget for this year. Could the Minister advise when we might anticipate some improvements to that section of roadway? It's the principal access to the City of Winnipeg from the east. It's good on both sides; it's good on the west side of the Plessis Road Overpass and it's good from the Perimeter Overpass east, but that little section in between there is terrible, and I wonder if the Minister could advise when that might get some attention.

MR. CHAIRMAN: The Minister of Highways.

HON. J. PLOHMAN: Mr. Chairman, that section is in for Property Acquisitions this year, so that we can get the required property that's required to upgrade it and it's being proceeded with presently in this budget in the Construction — not for actual construction in the Construction Program, but for acquisition.

MR. CHAIRMAN: The Member for Charleswood. Could I just remind you to speak into the mike, please. Hansard has a tough time getting it if you don't.

MR. J. ERNST: If I could then, Mr. Chairman, ask the Minister what time frame are we anticipating seeing construction occur on that piece of roadway?

HON. J. PLOHMAN: We make decisions on each of the construction projects year by year. A certain phase can be approved one year, but that doesn't necessarily mean it will happen the next year, so I can't project at this time what projects will be approved during the next year's construction program.

However, if the acquisition is completed this year — which I cannot clearly state as to whether it will be or not — depending on the progress up to this point in time. I'd have to get a detailed report on what problems are being encountered, where it's at, at the present time, to know whether it would be physically possible to begin construction the next construction year.

I don't have that information with me at the present time in detail as to exactly what the state of that acquisition project is.

MR. CHAIRMAN: If I could just remind members that we are dealing with Operations and Maintenance; and Construction is under 8(a), which we will be dealing with under Construction, and I have no Construction.

I would appreciate if the committee would hold that and deal with Operations and Maintenance and the items relevant to that, from 2 (a) to 2 (g), in this section.

The Honourable Member for Charleswood.

MR. J. ERNST: I wasn't sure whether it is in need of maintenance now. Whether that comes as maintenance or it comes as reconstruction, I guess, is up to the engineers and so on who make that assessment.

Could the Minister answer — is there a priority system established for these and could you give me just a very brief rundown — if there is — how it works?

HON. J. PLOHMAN: First of all, just to add to what the Chairman said, we've got half the department here, the senior staff, because we are not going through the appropriations according to their numbers. We're all over the place in these discussions and I have to start asking for some cooperation in this regard, in that we have to deal with these appropriations in a proper order, otherwise we have to ask all of the staff that might come up tonight and in subsequent sittings, to be present. So that's a very important consideration and I would ask for your cooperation, Mr. Chairman, in that.

Insofar as the priorities, there are a number of considerations and we would deal with that not under maintenance, but under the construction program. I believe the member for Charleswood is asking about the priorities for the construction program.

Insofar as maintenance, it is based on need and the situation. If a road is falling apart, it will get attention. Otherwise, we have a maintenance schedule and program that has been established for provincial roads and provincial trunk highways, based on the amount of traffic and the conditions in that area. If certain subsoil conditions exist that require more gravel than in other areas of the province, then more attention is paid to that; on gravel roads, that would be another area where they don't require as much gravel.

There is a standard that is set, that was established many years ago and that is quite closely adhered to. We discussed the other day when we were dealing with this whole area, that maintenance schedule can be varied somewhat, if there are peculiar situations that develop on a particular road: severe conditions, flooding, or a lot of difficulty that occurs because of potholes and complaints from the public, and so it might get some special attention. But basically, that maintenance schedule is there.

MR. J. ERNST: Would the Minister then consider, perhaps over and above his normal maintenance schedule, or prairie rating for maintenance, the question of an image route. My concern is this, that that section happens to be in one of the three major tourist accesses to the City of Winnipeg. It is a sad note, quite frankly, that when a tourist comes in on the east side of the city and drives over that stretch of road, it is somewhat embarrassing to me to have to put tourists over that when we are trying to welcome them, embrace them to the City of Winnipeg, as it were, and encourage them to come here and spend their money.

HON. J. PLOHMAN: On the particular project, as I've indicated, the acquisition is taking place. The meetings have been held with all the landowners in the area and I'm getting back to the section that the member was asking about.

I've just been advised that the staff have met with all of the landowners in the area and, as a result of those meetings, will be revising the plans. The desire is that it will be a four-lane road with a barrier and it will require some additional right-of-way.

Insofar as scenic routes, or particular emphasis that's put on certain routes, we are attempting to keep the major routes in as good a condition as possible within the budgets that we have available to us, and they do get a lot of attention. Highway No. 1 and Highway 16, the Yellowhead route, for example, are two of the major routes in the province that are getting, over the years, a substantial amount of the budget attention given to them.

MR. J. ERNST: Could the Minister then advise us, does Tourism meet with your officials to try and work something so that those kinds of considerations are done sort of, not necessarily at great cost, but at most effect?

HON. J. PLOHMAN: We have worked out certain programs with Tourism and we have certainly consulted and worked closely with them in the development of the highways maps to ensure that it is done consistent with all of the other materials and complements the other materials that Tourism puts out across the province for information in the Tourism Information booths across the province.

We are also working on signage programs with the Department of Tourism, so there is a liaison going on at the present time; and we want to expand that and develop other types of signage for the major tourism routes in the province to assist the travelling public and make them aware of the amenities and the kinds of things we have to offer. So I believe we are doing that.

One of the rural signage programs was the Community Signage Program that was developed last year with the Department of Tourism and Highways. That is being continued this year.

MR. J. ERNST: On another matter, this afternoon, Mr. Minister, you mentioned, with respect to maintenance or an overlay or something, Highway 44, which I gather was dealt with earlier. Unfortunately, I wasn't here at the time. Could you just give me a brief response as to what's proposed for Highway 44, principally now from Rennie to West Hawk Lake?

HON. J. PLOHMAN: Again, we're dealing there with the construction program. I did not relate the current status of that highway. I just simply referred to it when discussing acquisition in terms of the — (Interjection) — yes, that's all construction program.

MR. J. ERNST: Oh, I'll bring it up under construction then. That's fine.

While I have you, Mr. Minister, with regard to PTH 307 from Seven Sisters to Rennie, is there any anticipated work to be done there? That's the . . .

HON. J. PLOHMAN: Again, Mr. Chairman, it would be getting the normal maintenance treatment and any special consideration that would be required as brought to our attention until such time as upgrading could take place. Then we're dealing with the construction budget.

MR. J. ERNST: Construction again? Okay, I'll bring it up under that.

Thank you.

MR. CHAIRMAN: The Member for Assiniboia.

MR. R. NORDMAN: Thank you, Mr. Chairman.

Earlier on this afternoon, we were talking about sealcoating and, in particular, sealcoating No. 1 Highway from the Perimeter west to Headingley. I know the Minister has travelled this road many-a-time, and will appreciate the problem that we have in the town of Headingley, in that the shoulders on the highway in through the town of Headingley are gravel.

I'm wondering, because of an earlier development this year where there has been a building put up on Portage Avenue just west of the tracks and to comply with the City of Winnipeg by-law, they have to put paved parking in there. Now what is happening, they're coming from the paved highway across a muddy, when it's raining, or a very dry dusty shoulder onto a paved parking lot. Would the Minister take under consideration and extend that sealcoating on the shoulders through the town of Headingley? Is that possible?

HON. J. PLOHMAN: Mr. Chairman, we are currently in this year's budget doing a functional study of what is required, traffic studies, on that section to determine what action should be taken on the existing alignment. Once we have completed that in this years budget, we'll be in a better position to determine what should be done with the shoulders, whether they should be paved or what should be done with them in that area. We will take that into consideration.

MR. R. NORDMAN: Mr. Chairman, I know that there are other questions leading up to that problem there of the existing road and the proposed diversion which comes under another heading, so I'll leave that. But I felt that, because we were talking about the sealcoating, this was the time to bring that portion of my question up.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina.

A MEMBER: Order, Mr. Chairman, I thought I was next . . .

MR. CHAIRMAN: No, you are after the Member for Pembina.

MR. A. KOVNATS: But from before supper, Mr. Chairman? Can we not start afresh at 8:00 p.m., Mr. Chairman?

MR. CHAIRMAN: No.

The Member for Pembina.

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

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I thought maybe my colleague was discriminating against me because I was on this side of the table.

A MEMBER: We are.

MR. D. ORCHARD: That's what I thought. I appreciate all my friends supporting on this side.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I want to pose a few questions to the Minister on the Selkirk Bridge. The Minister gave a few figures that he hopes are in the \$19 million range, the estimate is \$19.591 million, I believe he indicated this afternoon. He said that with maybe some further savings in the tender process that it would be \$19 million. What is yet to be tendered in the bridge?

HON. J. PLOHMAN: Mr. Chairman, there is a sequential tendering system that is being undertaken in this particular project, which is a major project. There has been a total of \$7,443,990 of tenders let up to this time. As a matter of fact, an additional one just last week was awarded for \$4,115,809; so that makes a total of \$11.5 million which has been awarded including the supply of sheet piling and steel, construction of the piers, supply and erection of the structural steel, supply of the structural bearings, supply of concrete piles, supply of concrete girders, and the construction of the substructure and deck. All of those have been awarded.

Still to be awarded would be some minor materials, items, miscellaneous metal and then the grading of the approaches and the road itself, and then the paving.

MR. D. ORCHARD: What figure are you using for the expropriated land values?

HON. J. PLOHMAN: Mr. Chairman, we don't have the actual right-of-way costs. Obviously, they haven't been finalized since the offers have not been finalized with all of the landowners. Therefore, there would be no final cost available at this time, but it's projected to be somewhere between \$500,000 and \$1 million total.

MR. D. ORCHARD: Mr. Chairman, that begs the question of the Minister that I believe, when the Selkirk Bridge and the four alternatives were proposed and shown to public meetings in Selkirk, that, if my memory serves me correctly, this location was to cost in the neighbourhood of \$10.3 million. Is that a correct recall of the projected cost about three years ago?

HON. J. PLOHMAN: I believe that was a 38-foot clearance and that was the cost of the bridge at that time. That was a preliminary estimate.

MR. D. ORCHARD: That's exactly the point, Mr. Chairman. That was a preliminary estimate; it was based on a 38-foot bridge which was not possible to build. It was an estimate three years old. I think anything that the Minister has said to date will tell you that a lot of the bids have come in below what the department

estimated. I know the piers did; as a matter of fact, I believe the pier and foundation contract came in somewhere in the neighbourhood of \$800,000 under what the department had estimated. So what we've got here, Mr. Chairman, is a bridge that has now almost doubled in price.

I would like to ask the Minister, since he indicated in an answer earlier this afternoon that the former Member for Lac du Bonnet had nothing to do with the decision as to where this bridge was located, would this Minister like to tell me who made the decision to put the bridge here?

HON. J. PLOHMAN: First of all, Mr. Chairman, the price of the bridge is not almost doubled. We are talking about \$10.3 million versus \$12.9 million at the present time for the bridge; so there is about a \$2.6 million increase in the estimates for the bridge. In any event — (Interjection) — well, the total project cost, and the members have to be aware, there is a difference between the price of the bridge and the total project cost. The total price is 19.5 less whatever is saved in the tendering process which has been over half a million to date.

Mr. Chairman, I should point out that the process, as I recall it, was somewhere along the way at the time that I became Minister of Highways in November, I believe, of 1983; so there were certain decisions and assumptions made as to where the bridge would go at that particular time, south versus north. There had been a lot of consideration of both routes, and it was narrowed down on the basis of the kinds of input that was received from the local communities, in particular the town of Selkirk, that a northern route would be preferable.

Also, the consideration was made at that time that the two-load limited bridge south of Selkirk at the present time, one being under federal jurisdiction, would not be able to handle fully loaded traffic as it was not able to at that time, and we were concerned about building a bridge south of Selkirk that may let the Federal Government off the hook with regard to their responsibilities on the Lockport Bridge, which is, as I said, a federal responsibility.

So considering the local input and concerns raised; considering that there would have been a much more complicated land acquisition process south of Selkirk, because there's many more landowners, a lot more residential development in that area, Lower Fort Garry, situated in the prime routes, that it was best to expedite this project to go north of Selkirk, considering that there would be substantial traffic as a result of the studies that were done on a bridge north of Selkirk, as well as south of Selkirk.

So it was a combination of all of those considerations that led to the final decision to go north of Selkirk, and then a number of other considerations to determine the exact location which I can go into.

MR. D. ORCHARD: Mr. Chairman, the Minister indicated in his answer earlier on, that certain decisions and assumptions had been made when he assumed his role as Minister of Highways and Transportation. Who made those certain decisions and assumptions up until that time?

HON. J. PLOHMAN: The department, in conjunction with the Minister at the time. The final decisions though, as to where the bridge would go, were made by Cabinet.

MR. D. ORCHARD: And when those decisions were made by Cabinet, was it your recommendation as Minister of Highways at the time, that the bridge go in the exact location that it is now?

HON. J. PLOHMAN: It was my recommendation when I assumed duties and became involved in this project that it should indeed be located north of Selkirk, and subsequently, exactly where it is located now.

MR. D. ORCHARD: Did the former Member for Lac du Bonnet absent himself from that Cabinet decision?

HON. J. PLOHMAN: I believe he did. I believe he wasn't even there at the time the decision was made.

MR. D. ORCHARD: Mr. Chairman, when the Minister made this decision and presented it to Cabinet, was it the preferred route of the department that the bridge be located north of Selkirk, rather than south of Selkirk?

HON. J. PLOHMAN: The exact route that was decided north of Selkirk was preferred by the department at that time. The decision to go north as opposed to south had been made earlier. I would say generally though that the department did not have strong preferences one way or another, but acknowledged that there was a need for a bridge in that area, either south or north. The exact location was not . . .

A MEMBER: A political decision.

HON. J. PLOHMAN: Well, a lot of projects made in Highways are political decisions. The Member for Arthur knows very well that's the case and I have no doubts that the bridge would not have been constructed anywhere near Selkirk, had the Member for Arthur been the Minister of Highways or the Conservatives been the government at that time. I can freely admit that, because no doubt, it would have been placed somewhere down in southern Manitoba, who knows where? That's not the point. The fact is, Mr. Chairman, that there were professional planning considerations inputted into the final decisions at all steps of the decisions. I believe that the Highways Department . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: A little order please. Order please.

HON. J. PLOHMAN: . . . personnel recognized a need for the bridge north of Selkirk, as well as the need to protect a corridor south of Selkirk for a subsequent replacement of one of the two bridges south of Selkirk at some future time. That is part of the subject of the Selkirk corridor study which is being undertaken at the present time.

MR. D. ORCHARD: Mr. Chairman, of the four optional bridge sites: two south and two north of the Town of Selkirk; would the Minister care to share with this

committee the preference of the department in ratings of one, two, and three as to the bridge, and four as to the bridge location. Which was the preferred location? Which was the second best? Which was the third alternative, and which was the fourth alternative, as recommended and as seen by the experts in the Minister's department, in determining the location of the new Selkirk Bridge?

HON. J. PLOHMAN: It wasn't quite that simple, Mr. Chairman. Actually there are three alternative routes in a general corridor south of Selkirk, all of which were possible as listed by the department and there were a number of additional sites north of Selkirk, at least four that were considered, so there wasn't — (Interjection) — north of Selkirk, I say, so there wasn't just two south, two north. There were a couple of corridors that were provided by the department as being the best locations generally, but not the refined final locations at that time. So they were not rated in a sequential manner, the southern possible routes and the northern possible routes. There was a general decision made, first of all, as to go south or north, and then the routes were refined further and preferences given, once that decision was made.

MR. D. ORCHARD: Mr. Chairman, I want to be patient with this Minister. When the Department of Highways and Transportation made the presentation to the citizens of Selkirk, there were four routes that were proposed to the people of Selkirk for their comment, for their input. I'm simply asking this Minister, of those four routes — which weren't corridors of general area, they were four specific bridge locations — what was the preferential rating by the Department of Highways in the planning and design area and in the Bridge Department, as to their preference — one, two, three, four — of those four finalized potential locations that were presented to the people of Selkirk?

HON. J. PLOHMAN: The information I have is that the department first did a preliminary assessment on three alternatives north of Selkirk and three alternatives south of Selkirk, so there were not four, and when it got to the open house — the public open house and I'm not sure which the Member for Pembina is referring to — at the public open house June 27, 1984, in the Selkirk Council Chambers, there were details of three routes north of Selkirk that were provided to the public.

MR. D. ORCHARD: Mr. Chairman, I realize that this Minister is having difficulty with this issue, because this Minister inherited a political boondoggle and he didn't have the intelligence and the wisdom to stop it.

Mr. Chairman, I believe if the records were to be truly shown to the people of Manitoba, it would be clearly demonstrated that the Department of Highways and Transportation — those experts that we pay substantial salaries to for the design of our highway network — preferred a bridge location south of Selkirk, which would interconnect with the — if I can find my road map here, I hate to use that one — which would connect with the interchange at 44 or Lockport, depending on the location; and furthermore, I think if the information was tabled by this Minister on the

decision-making process, you would find that the site locations of a bridge south of Selkirk had almost double the potential traffic than this site north of Selkirk has in terms of servicing the area. They would find that the amount of truck traffic that was potentially to use that bridge south of Selkirk is more than double what this site north of Selkirk is.

What we have, ladies and gentlemen, from this government is a decision to build a \$19.5 million bridge and it's going to be constructed theoretically over a two-year construction period, in which this Minister has at his entire disposal, through the Department of Highways and Transportation, less than \$170 million for construction. That works out to 12 percent, or so, of that entire budget, put into a bridge with a political decision that not even the council of the R.M. of St. Clements preferred that location, as the Premier and others have said.

There's a resolution from the St. Clements council meeting of August 14, 1984, resolved that the new Selkirk bridge should use the Clandeboye corridor, rather than the one that this Minister was foisting on the people of Selkirk.

This bridge is an entire boondoggle. The Minister tells us that it's only increased by \$2.25 million, but he skillfully forgets to add in the additional property costs because certain properties on the lower profile of the bridge were only half required. Because the bridge is higher, the approaches are higher, require more borrow, more land area, and if the Minister was honest with this committee, he would have a minimum of \$5 million.

MR. CHAIRMAN: Excuse me. You are getting very, very close to unparliamentary language.

MR. D. ORCHARD: But not unparliamentary language.

MR. CHAIRMAN: I would appreciate if you would be much more careful. You are imputing motives to the Minister. I would appreciate if you would be more careful in your language.

A MEMBER: Would you identify the unparliamentary language?

MR. CHAIRMAN: The terms used — the member is well aware of what is appropriate parliamentary terms. I would appreciate if you would be more careful in attributing motive, and being careful in the use of terminology, if you please.

MR. D. ORCHARD: Absolutely. Thank you, Mr. Chairman, for your kindly caution.

If this Minister laid the facts out on the table on the Selkirk Bridge, he will find that my figure of doubling of the cost is closer than his figure of some 25 percent higher, because of the issues I've mentioned.

There are more issues that are yet to be determined in this bridge. For instance, if the Minister would care to take a second and tell the committee what his department's recommendation is on joining, because now we've got a bridge north of Selkirk which is cutting across the Red River and will join PTH 59, which is a four-lane section of that highway. Is the Minister satisfied

that traffic safety and traffic flow can adequately be maintained on this bridge without the construction of an interchange there, an interchange, Mr. Chairman, which the department identified as being accessible to a bridge route south of Selkirk, which is one of the prime reasons why they preferred that route over the politically-imposed northern route.

Can the Minister indicate how the department plans to tie this new route and this new bridge into Highway 59 and what the cost will be there?

HON. J. PLOHMAN: Mr. Chairman, first of all, I just want to correct for the record the fact that the cost of the bridge will be spread over three budget years as opposed to two.

Secondly, the R.M. of St. Clements resolution favoured the Clandeboye route, which the Member for Pembina neglected to say was also north of Selkirk. So you have a situation where you have the R.M. of St. Andrews, the R.M. of St. Clements and the Town of Selkirk all favouring the north of Selkirk route, which is very important, as the member knows, as the former Minister of Highways, that the rural municipalities have a lot of input into the final decisions that are made as to locations and preferences, and so on, of the local people with regard to highway development in an area. Obviously, their recommendations had to be taken with some weight and some degree of importance.

Insofar as the interchange or tie-in with Highway 59, plans don't call for an interchange or any additional expense at that point. It is assumed at the present time that it will be a reasonably safe intersection there and there are no plans for an interchange.

MR. D. ORCHARD: That's very interesting for the Minister to say that, but then I suppose when you've got an average daily traffic count projected of 1,000 per day using that bridge versus a couple of thousand south, the need for an interchange diminishes quite dramatically.

Mr. Chairman, can the Minister indicate to the House at what stage the offer is are to the property owners on the west side, particularly to the Partridges on the west side of the bridge. Have they been offered a final offer from the expropriation process?

HON. J. PLOHMAN: Mr. Chairman, we did discuss the date, the point that they were supposed to be out of their premises to facilitate the construction, which was moved back to July 1.

In terms of the dollar figures, I don't know what the exact figures are that they have been offered up to this particular point in time. This is not done by myself; it is done by acquisition people from the Department of Government Services.

MR. D. ORCHARD: Who's the Minister?

HON. J. PLOHMAN: Obviously — the Member for Pembina says, "Who's the Minister?" He knows very well that he would be the first to jump up and down and scream in the House if it was the Minister of Highways and Transportation or the Minister of Government Services who was negotiating with the landowners and telling them how much money they

are going to get. There are professionals who do that work. I pointed out today that there is a system and process in place where the offer is made on the basis of 100 percent of the going market value for the property, as well as 75 percent of other costs that would be incurred. So it is a realistic offer that is made.

If the individual is not satisfied with that offer, they can accept it without prejudice to the final settlement and they can apply to the Land Value Appraisal Commission for them to set a value. If they are still not satisfied with that, they can then appeal to the courts, and all their legal expenses are paid. It is at the point now, I believe, that they have received an offer and if they are not satisfied — I couldn't say at this time whether they have appealed to the Land Value Appraisal Commission or not.

MR. D. ORCHARD: Can the Minister indicate whether at one stage his land acquisition people, acting on behalf of his Department of Highways, wished to purchase the house and the yard of the Partridges on the west side of — I don't know the PR number but I believe it's 508 — and were going to leave them in possession of a strip of land by the river, which the bridge went over top of, because it wasn't required by the department?

HON. J. PLOHMAN: I don't know, Mr. Chairman, the exact details that would have been worked out, but they would have been negotiating, identifying specifically, first of all by the legal plan, what land was precisely needed for this particular project. Then the matter of whether certain chunks of land or parcels were not viable or useful in the future would have to be taken into consideration as additional considerations in the final settlement. Quite often, when that happens, where there are unusable parcels, the department would purchase the total amount.

It may be the case that that's what is happening there now. I couldn't say for sure. It could quite possibly be that the initial offer was made on the basis of the legal plan and what precisely was required for the construction.

MR. D. ORCHARD: Mr. Chairman, this Minister should know the problems that went on with the Partridges. Not only is he Minister of Highways that's undertaken the construction, he's Minister of Government Services that's responsible for land acquisition. He's the Minister the Partridges contacted on a constant basis, because at one stage of the game, the department came to those people and said, we only need your house and your yard; we don't need the acre or whatever the parcel of land was against the river. We'll leave you with that, but unfortunately you can't do anything with it because we're building a bridge over top of it.

What has happened to the Partridges and to some other landowners there is that this bridge has gotten so expensive for the Department of Highways and for the Government of Manitoba, that they've had to resort to chiselling the landowners out of their rightful value of their property to try to make gains on the cost of the bridge at the landowners' expense, at ordinary Manitobans' expense. And that is ongoing, as late as six weeks ago, because I talked to Mrs. Partridge at

that time and she's practically in tears about the treatment she's received from this government.

Mr. Chairman, it was almost obscene what they were proposing to her for an offer, an initial offer. She could not even buy land for the amount of money that was being offered to her for her house, her entire property, with the exception of that little parcel of land by the river, landscaped, fruit trees, garden, a whole home. The offer was ridiculously low.

It was a political decision, as my colleague says, to locate the bridge there. Once they made the political decision, it turned into the biggest boondoggle that's hit the Department of Highways in years, because after they made the decision to locate it there, lo and behold, they found out that downstream, on the north side of Selkirk, this very same New Democratic Party government had put funds into a yacht-docking facility, and navigable waters forced the height of that bridge to go from 38 feet to 60 feet.

That's where the boondoggle started. Once the bridge went higher, they needed more property, and instead of just taking half of the Partridge property and some others, they had to take it all. Instead of treating Lippoways with a small slice of the land, they had to take it all.

Mr. Chairman, that is why the bridge has turned out to be so expensive; and it is this Minister who has ferreted this thing through, this political decision. It is a boondoggle of immense proportions; it has implications on the upstream yacht docking. The Minister himself said that at some time in the future, yachts with higher masts will be around. What's the Minister going to do then, because he can't obstruct a navigable waterway.

You see, Mr. Chairman, that is why the department was insistent on a bridge location south of Selkirk. No. 1, it met more traffic needs; it met more heavy truck traffic needs. It didn't run into the problem of the yacht docking and having to sink that bridge 60 feet above mean water level. The foundation in the two areas that were picked and preferred by the department, the limestone foundation was not fractured limestone, it was solid. It didn't require the extensive pilings that are needed in this particular location; the water was shallower at the southern route, versus this route.

The costs of this bridge have escalated enormously because of a political decision, and the sad part about it is that landowners were being asked, up until a few weeks ago, to carry the cost savings of this ludicrous waste of taxpayer money on the construction of this bridge at this location.

When they come in and they make an offer on a family's home and yard and residence that isn't even the replacement value of the house, I say that those people are treated shoddily by this province, by this New Democratic Party government.

This Minister has to carry the responsibility for it both ways because he's the Minister that admitted earlier tonight that he decided the location and recommended it to Cabinet. He's the Minister of Government Services, responsible for the land acquisition, and he cannot plead ignorance as to the plight of the Partridges, the Lippoways, the Skrypnys and others. They contacted him; they contacted the Premier's office; they tried every available political route to get this government to recognize what they were

doing to ordinary Manitobans, in pillaging their land holdings for this ill-fated and ill-decided bridge.

Mr. Chairman, at a time when we hear requests from our side and from your side, of extra hospital beds, of personal care home beds, of more funding for the universities, of day care spaces, of other highway construction elsewhere in the province, we've got this Minister making a decision that's costing us well over five million additional dollars that we don't have.

If you think that is responsible government and a competent Minister, then I think that stretches anyone's imagination and anybody's power to believe that this Minister has acted responsibly and has made a proper decision.

As I've said before and I'll say again tonight, there's only one person that's probably happy about this bridge location and he's no longer in this Legislative Assembly, and he isn't running into the land acquisition problems that the Partridges, the Lippoways and the Skrypnys are. This Minister's office has been contacted constantly. If it hasn't been his Highways office, it's been his Government Services office and they've gotten the runaround on the property acquisition, a runaround constantly. If the Minister shakes his head, I'll simply have Mrs. Partridge document the phone calls and the non-returned phone calls, both from this Minister as Highways Minister and as Government Services Minister and from the Premier's office, where they were put off and put off.

Finally, miraculously, just before a sod turning or something, they get contacted, not to attend the opening, like everybody else who was invited who had the right political party card. No, they weren't invited to that, but they were just told about and found about it in the coffee shop. The property owners, the Partridges, weren't even invited to this Minister's sod turning where he had his very best hair design on for a windy day so his hair didn't blow around while he's turning the sod for the bridge.

Mr. Chairman, this Minister is totally irresponsible in this bridge fiasco. He has cost the taxpayers untold dollars; he has given us a second-class location for the bridge, which the department recommended otherwise. He is quoted in the Free Press — and he may wish to correct this — "Transport Minister John Plohman said, 'A bridge south of Selkirk is planned, but a bridge also is needed north of town.'" So here we've got the situation where we need bridges across the Assiniboine south of Brandon, where this Minister is now contemplating not one but two bridges in Selkirk, for the Premier's constituents.

Mr. Chairman, the Minister smiles, but there aren't very many people in the Province of Manitoba, when they understand what he has done and what this New Democratic Party has done in the Highways budget and the waste of taxpayer dollars, they're not smiling. They're not smiling like this Minister is.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I appreciate the opportunity to speak. I'm surprised that the Minister didn't have any rebuttal to my colleague from Pembina, because there were some pretty accurate facts put on the record which are pretty incriminating against the

Minister and the government which he represents. Not to respond leaves it pretty much fact that . . .

HON. J. PLOHMAN: It's all a matter of strategy, Jim.

MR. J. DOWNEY: . . . the accusations made are actual . . . He finds it somewhat funny, Mr. Chairman.

HON. J. PLOHMAN: I always find what the Member for Pembina says funny.

MR. J. DOWNEY: We have a Minister of Highways who regained his election by soliciting business through a blackmail system within the construction field . . .

MR. CHAIRMAN: I would caution the member on his use of language.

MR. J. DOWNEY: Call me to order and kick me out, Mr. Chairman.

MR. CHAIRMAN: I am calling you to order.

MR. J. DOWNEY: I'll proceed to put my remarks on the record.

We have a Minister of Highways who fired a Deputy Returning Officer because she wouldn't shake hands with him, Mr. Chairman. What more could one expect from an arrogant individual who we have as a Minister of Highways?

That's what we have, Mr. Chairman, someone who doesn't give a darn about the taxpayers and makes the political decisions to put bridges where he wants as a political party, not in the best interests of the people of Manitoba. That's really where we're at, Mr. Chairman, and it's a disgrace to the parliamentary system. I fully endorse my colleague from Pembina who put the truth on the record.

Mr. Chairman, there was reference made to bridge-building, and I know that we're in that particular section. I ask the Minister to respond as to what stage the Treesbank Bridge is on Highway 340. You may have been asked that question. I know that there has been some long-term pressure to build that bridge, and I would ask him if that will be proceeding this year.

We have a highway north of Waskada that has carried the majority of the oil revenue over the past few years to the pipeline dumping station at Cromer, which is now in deplorable condition as is 256 which has not had any money spent on either repair or upgrading. It is almost impassable if there's any amount of traffic at all, dangerous. We have a situation which I think is years past acknowledging and repair work. I would hope that the Minister would be able to indicate that there are plans in his department to upgrade those particular roads.

I have a couple of other questions dealing with the amount of cutback that he has. He has to be the weakest Minister that this province has ever seen as a Minister of Highways, because traditionally the Minister of Highways had a fair amount of authority to spend money because it was job-creating. It was infrastructure upgrading and building, and had long-term benefits for the province to carry the commerce that takes place, whether it be for the grains farmers, whether it be for

the livestock producers, whether it be for the mining industry or whether it be for the petrochemical industry, that it was all infrastructure for them to use and to generate revenue. I would hope that the Minister would be able to respond.

But in view of the cutbacks that he has seen in his department and the funds, is he prepared to introduce a policy that has been recently introduced in P.E.I., where the employees of his department would be able to take some time off this summer because they'll have nothing to do within the department but hide from public view, take time off for no pay to help reduce the expenditures or else give them some funds to do other things with? It was recently introduced in P.E.I. where they've introduced a summer layoff program where people can take two or three months of summer holiday — (Interjection) — well, Mr. Chairman, the question is being put in a serious way.

Is he prepared to give them some time off for no pay, because they haven't got money to spend? He hasn't been able to go to Cabinet and get money for his department. I ask him those questions.

I have another one that he can respond to in his response. Is he considering upgrading, improving or increasing the speedometer or the speed limits on some of our major highways to 100 straight through the province, where we have got some major major roads that are now sitting with 90, and we've got the Yellowhead route that's at 100? We've got No. 1 at 100, and there are other roads in Manitoba that are equally as good as the Yellowhead route. I use 83 for an example. It's a long unrestricted route that could quite handle 100 kilometres an hour. Is he prepared to increase that speed limit?

There are a series of questions, Mr. Chairman. If the Minister has the ability to answer, I will let him do it.

MR. CHAIRMAN: Could I just remind the honourable member and other members that there are other sections of the Estimates dealing with some of the items the member has brought up? We are presently dealing with Operations and Maintenance. We will be dealing with Traffic Operations, etc., which is an item that you've just brought up. So, you know, I would appreciate it if you held it for that item.

MR. J. DOWNEY: Okay, Mr. Chairman.

I ask the Minister then: is he going to be building the Treesbank Bridge this year, and is he going to be upgrading the highway north of Waskada that's carried a lot of the oil revenue out of this country? Is he going to give them a black-topped road as they deserve?

HON. J. PLOHMAN: Mr. Chairman, those are equally out of order. On the first one, I just answered the questions on the Treesbank Ferry in detail to the Member for Gladstone and what we seem — (Interjection) — yeah. What we have, Mr. Chairman, is a case where we've been trying to be flexible because the members wanted to be able to ask the kind of questions they have that are concerning them at their leisure pretty well, because there are Agricultural Estimates going on in the other committee. But when you have the same questions being asked, then we run into some problems.

Insofar as the other question about the highway near Waskada, that obviously is something that should be discussed under the construction program, under 8.(a).

I wanted to just briefly not let the remarks made by the Member for Pembina, who is just wandering out, go completely unchallenged, just to let him know that I thought they tended to be of the typical nature for the remarks of the Member for Pembina which bore little resemblance to the truth. They are fabrications that have been cooked up by the Member for Pembina in his imagination.

I want to put on the record, Mr. Chairman, one thing clearly.

MR. D. ORCHARD: On a point of order.

MR. CHAIRMAN: On a point of order, the Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, if the Minister is so intent on insisting my remarks are cooked up and don't reflect the truth, would he like to table the traffic counts on the bridge south? Would he like to table the bridge . . . Would he like to tell us the truth in committee as his department moves on?

MR. CHAIRMAN: That is not a point of order. Order.

The Member for Pembina, that is not a point of order. I think the Minister has . . .

MR. D. ORCHARD: Well, then the Minister better not accuse me of not telling the truth when he does.

MR. CHAIRMAN: I have cautioned the Minister on his use of language. I do not think the Minister will repeat it unless he wants to incur the ire of the Chair.

The Honourable Minister of Highways.

HON. J. PLOHMAN: Mr. Chairman, the fact is that the Member for Pembina does intersperse his remarks with some facts that bear some resemblance to the truth. Therefore, he does point out, when he selectively desires to do so, those portions of his statements that do have some validity.

The fact is that it is absolutely incorrect that the government has given any direction to any staff that they should not negotiate in good faith and give landowners what they are deserving insofar as their property is concerned, as they would in any other expropriation proceedings that might take place in the province. Under no circumstances is anyone that I have discussed this with in any way, shape or form, certainly not me or any of my colleagues, ever given any direction to the contrary. That was one of the statements made by the Member for Pembina, that we were now attempting to cut corners in the area of land acquisition to make up for the other costs. That is totally false, wrong.

Secondly, there were not details of the routes that were ever selected in a preliminary way for a bridge south of Selkirk as to the subsoil conditions, rock conditions. That was not a criteria. There never was a specific recommendation made as to site. Therefore, that kind of testing could not have been done to that extent. It was only preliminary general corridors as to

selections at that point in time that the member is referring to.

MR. D. ORCHARD: I hope you didn't get that from your deputy.

HON. J. PLOHMAN: Another point, Mr. Chairman, is that the federal dredge, the fact that there's a dredging program on that river in that area had a great deal to do with the fact that the bridge had to be constructed higher than originally was envisaged.

The fact is, through a public hearing process, there were other concerns brought to the attention of the department and myself. That is why the bridge was altered in terms of its construction. But it wasn't solely based on the sailboats in that area and the requirement to ensure that they could navigate. It was primarily based on the federal dredge.

We cannot obstruct navigable waters, because the Navigable Waters Board has made a decision that the bridge will not be an obstruction. Therefore, there will not be any consequences to bear in the future, yet the Member for Pembina left the impression that, somehow, at some time in the future, if somebody built a structure higher than 60 feet, that somehow we'd be legally responsible for the fact that they couldn't sail it down the river. It's totally ridiculous. There are bridges across navigable waters all across this province and there isn't any liability by the Department of Highways or the province.

Those are some of the examples of the kinds of distortions and inaccuracies that the Member for Pembina put on the record. I could go on with a number of others. It just points to the fact that he does not care about facts when he comes to provide his annual scolding.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I would go a lot further on the comments, the facts that the Member of Pembina has than the Minister who just spoke.

I have a question. Would the bridge, south of Selkirk, have had to be the same height, 60 feet high, as the one north of Selkirk is having to be built?

HON. J. PLOHMAN: There was no plans developed to that extent to determine exactly the height. If plans were an imminent construction of a bridge south of Selkirk, then we would be able to answer all of those questions.

Obviously, when I was making reference to a bridge required south of Selkirk, there is a need to protect right-of-ways for some bridge in the future. It could be 15, 20, 25 years, who knows. The fact is that at some point in the future, we'll need to have replacement for the load limited bridges that are there, south of Selkirk — the Selkirk Bridge and the Lockport Bridge.

But that would entail extensive negotiations with the Federal Government with regard to taking them off the hook on the responsibilities with regard to the Lockport Bridge. There would be all kinds of difficulties associated with acquisition and location selection south of Selkirk because it's more densely populated and many more residential areas affected.

So each particular location has its own peculiar problems associated with it, and we can't ignore that there would be substantial difficulties in finalizing a route south of Selkirk. It may take quite an extensive amount of time and be very costly as well.

MR. J. DOWNEY: Mr. Chairman, I did ask the question dealing with employee time off, and it's under District Offices, and that's under part of this whole business that we're in, I understand. I ask the Minister, is he considering giving time off without pay to save his department some money for those individuals throughout Manitoba who are going to have to keep themselves out of the view of the public because they don't have any meaningful work to do because of lack of funds because of his lack of ability to get funds to do meaningful work? Is he prepared to look at a policy that will them time off without pay so that they can give themselves probably something else to do and also save the taxpayer some money? Is he interested in a policy like that?

HON. J. PLOHMAN: Well, I'm always interested in policies that are applicable under the circumstances. However, the Member for Arthur is very aware, I believe, that the construction program is basically carried out by the private sector, by the construction industry. So most of the employment impact, if there is going to be any, and I outlined earlier on that there would not be a substantial employment impact in the construction industry based on last year's construction program in comparison to this year's.

However, insofar as the seasonal employees, they are brought on and laid off each year after the peak of the work is completed. This year, the Maintenance Program is extensive as it has been in the past and expanded somewhat in some areas; so there certainly will not be any slack in that area insofar as employees. That's where most of our employees are concentrated, in the maintenance area. I don't think that the suggestion is particularly applicable.

MR. J. DOWNEY: Mr. Chairman, with the major reduction in the amount of money he has to spend, how does the Minister justify, if you go to the district offices, the salaries and wages. He's had an increase from \$7,034,100 to this year of \$7,568,700.00. He's increased his district offices with no work. With less work to do, Mr. Chairman, he's increased by some \$500,000 the amount of money that is going to be spent in district offices. Does he have an explanation for that?

HON. J. PLOHMAN: Mr. Chairman, in Hansard, last Thursday night, I dealt specifically with that. That was one of the difficulties in doing this whole Section 2 and not passing it, and then leaving it all open to go back again the following year. Did you wash your hands there, Mr. Chairman?

The fact is that we're dealing with the increase. Part of it is, of course, back pay increase that went to the organization of professional engineers who form a substantial number of employees in the district offices. They went without a contract for a number of years, and there were negotiations that took place over a

protracted period of time, I believe some 10 percent for that total period of time. So that's reflected in the half a million dollars on the 7 million. As well, all of the other employees would have had, I believe, a 3 percent increase as well as merit increases and reclassifications and so on that are normal procedures. So that would add up to the half a million dollars.

MR. J. DOWNEY: Just to comment, Mr. Chairman, again I reiterate the comments I made earlier, we've got a weak Minister who is not looking after the constituency which he is supposed to look after because he's looking after his political priorities and I think the Minister should resign.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman.

Under this section, it comes under Operations and Maintenance, and I know that the Department of Highways has some associations with Industry and Tourism. I would just like to bring to the Minister's attention, under Maintenance — and I'm sure that it comes under this particular department — I happened to be spending my last weekend out at my farm at Menisino, planting my garden and things of that nature. After the weekend was over, there was some garbage and things of that nature, and we know to leave the site in nice clean circumstances. On the way back from our location, with the garbage in the trunk, and we were looking for a location to get rid of the garbage, we saw a location about 5 miles — and I think this location is approximate — east of Pansy Road and No. 12 Highway. I'm sure the Minister knows his highway system quite well and knows the location of which I'm speaking.

We stopped at this location; it was a comfort station. It had signs on the highway that there were toilet facilities and banquet facilities and places to have a picnic. It was a long ride home and we needed the comfort of a location like that. We did stop at this location.

If the Minister can just visualize this location. There are two little buildings on the location, one for men and one for women. There's a pump for pumping water and there is a barbecue type of situation there. I'm sure the Minister knows exactly of what I'm speaking. You know, this is the impression that tourists receive when they are coming down our great highways, and this is one of the first places they stop because we are only about, oh, I would think 30 miles from the Canadian-American border here. So we stopped and the garbage facilities were absolutely full, there was just no room to place this little bag of garbage that we had. We understood that, because you can't be there all the time, but the washroom facilities, the toilet facilities, I think the best you could say about them was that they were atrocious because . . .

MR. A. DRIEDGER: In my constituency, eh?

MR. A. KOVNATS: That's right; it was in the constituency of the honourable member that lives in Grunthal. But the toilet facilities there were atrocious. It's not that somebody had just been there and had messed it up; it was absolutely awful.

We are talking about maintenance where we can keep a facility in good condition so that people, when they come to Canada, will have a first impression: Isn't this great! We'll use these facilities and we'll come back again. But I'll tell you, nobody could get close to these facilities.

Can the Honourable Minister advise? Does he have a system of maintaining this type of facility not only in association with highways but in association with the tourist industry? What system is set up so that these facilities are properly cared for, that the water through the Department of Environment, Workplace Safety and Health is checked on a periodic basis so that we know that people aren't going to be contaminated by the water supply? It's one of these old fashioned pumps; it doesn't need priming, it just pumps. You know, we just wanted to check them out. The barbecue facilities were not atrocious but almost next to it. Nobody had cleaned them up for quite some time. What is being done for this type of facility?

HON. J. PLOHMAN: Mr. Chairman, the member points quite correctly, probably, in this particular case, to a very deplorable situation that existed when he stopped at this wayside park. I believe it's a wayside park, and I have to point out, making no excuse about the condition, that it is the responsibility of the Parks Branch of Natural Resources to maintain these wayside parks. The fact that they have not been maintained in some instances to the degree that they should be to make them desirable for use by tourists means that we have a problem there and one that we should be addressing not only from the point of view of Natural Resources but from the point of view, I would think, and concern of the Highways Minister as well as the Business Development and Tourism Minister.

I am going to be meeting with the senior people of Business Development and Tourism and the Minister in the near future to discuss some new signage programs and will raise this particular issue, and also with my colleague, the Minister of Natural Resources, so that we do get some coordination and some priority and emphasis placed on keeping these parks the way that they should be kept for tourism use. But, without making any excuses, the Highways Department is not the primary caretaker of these facilities.

MR. A. KOVNATS: Thank you, and I appreciate the remarks that the Honourable Minister has made. I am sure that he can't shirk the responsibilities because it is right next to the highways, and I don't think the Minister is trying to shirk those responsibilities. I do agree that he must discuss this with Natural Resources and Tourism; we do have to coordinate all of these things.

I would hope that some time in the future — we haven't had too much of that coordination in the last four-and-a-half years of the New Democratic Party Government — but I think that maybe in the future, now that we have had the suggestion, that the New Democratic Party Government will pick up its socks and look after this regardless of saying that it's somebody else's responsibility.

It reminds me of the story of the patron sitting at a table in a restaurant and the table is on fire. They are

yelling to the waitress, you know, waitress, please, a glass of water, let's put out the fire. She says I'm sorry, that's not my table.

But I think that we do have to accept these responsibilities, Mr. Minister. You just can't say that it's not my responsibility and turn it over to somebody else.

I do appreciate the Honourable Minister's remarks, and I hate to think that us putting garbage from our weekend at this location helped to improve the location because our garbage was nice and neat and it did help to improve the location. I would be awfully, awfully disappointed from when we go out there, and it won't be this next weekend — we won't be going out there this next weekend because we are going out to Russell for a big celebration with the honouring of Harry Graham and Wally McKenzie this next weekend, and we won't be able to get out there to have a look to see whether this location has been improved. But I would be awfully, awfully disappointed if the facilities weren't at least cleaned up a little bit.

At least I can manage a little bit better as we are going through rather than the ladies because if the men's facility is left the same way I can manage because we don't really have to go into the building, but the ladies' facility must be improved, Mr. Minister. It just must be improved; otherwise, we are going to lose all kinds of tourism and things like that coming into the province.

I would hope the Minister would take this at heart, and I would hope the Honourable Minister would give us a commitment to see that this particular location and any other location similar will be looked after in the Province of Manitoba.

HON. J. PLOHMAN: I appreciate the environment critic raising these environmental issues, and I will give my commitment that the Deputy Minister is going to see to it immediately that the women's washroom is cleaned up.

A MEMBER: Personally.

HON. J. PLOHMAN: No, he is going to be raising — and I say this — we are raising this with the Department of Natural Resources and the Deputy Minister to do a review of the current situation with regard to wayside parks and the condition of them with a view to improving them.

MR. A. KOVNATS: Also, I did make a thorough investigation of the location, Mr. Minister. I am not just talking from what people have told me; this was an on-site location. I would hope that the water supply that comes from the pipe, the pumps, are certainly tested through the Department of the Environment, which I would think that if the Highways Department is going through to check, they could take a water supply and check it out because we have some problems there.

But just outside there was a large hole in the ground. I don't think it was from a gopher; I would think it must have been from a badger or something of that . . .

MR. CHAIRMAN: I interject from the Chair. Order please. I think we have allowed a certain amount of

leeway to the member; however, he is on somebody else's Estimates. We are certainly not dealing with Item 2 on Operations and Maintenance under the Department of Highways here. We have allowed a certain amount of leeway to the member to explain his position through the Minister of Highways, but if the member wishes to deal with section 2, Operations and Maintenance, that would be in order.

MR. A. KOVNATS: I am sorry, Mr. Chairman. I would have thought that under Maintenance, particularly with these buildings and the maintenance of these buildings and the cleaning up . . .

HON. J. PLOHMAN: No, no, but I explained that it's Natural Resources.

MR. CHAIRMAN: We are under the Department of Highways Estimates. The Minister, I think, explained this is Department of Natural Resources.

MR. A. KOVNATS: I don't mean to get into any debate with this, Mr. Chairman, but you know I was travelling on a highway when I got to this location.

MR. CHAIRMAN: I am going to rule the member out of order.

The Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Mr. Chairman.

A question to the Highways Minister with respect to Highway 366 north and east of Inglis, east of the little location known as Petlura. I just travelled that highway on Sunday, as a matter of fact, when the Minister and I met at Grandview for an opening of a restaurant and it is deplorable, the condition of that particular highway in terms of, not only the maintenance, but in terms of the condition of the road because it lacks rebuilding. A part of it has been rebuilt but about 20 miles of it has not been touched for a long, long time. Not only is the maintenance of the road in dire straits, but also the ditches have now grown into trees and for a provincial road, that particular stretch of road is in a deplorable state. I'm wondering whether there's any intention on the part of the Department of Highways to at least pay some attention to that stretch of road.

HON. J. PLOHMAN: We've gone through the maintenance specifications that are applied a number of times of dragging per month, based on the classification of the road; the amount of gravel that's allocated, based on the classification; and the various other criteria that are applied for the maintenance of existing PR's and PTH's throughout the province and those standards have been maintained. If the member is talking about reconstruction of this particular road, then we're dealing with a construction appropriation question here.

MR. L. DERKACH: Mr. Chairman, to the Minister, I can address the rebuilding of it at the appropriate time. Specifically dealing with the maintenance though, there are portions on that road at the present time which are actually dangerous to the traffic, because not only are they lacking signs — I don't know what they are

— but they're just heaves in the road and they're quite close together, especially up some slopes that are actually dangerous to the motoring public. I've been over that stretch of road several times and there hasn't really been anything done with respect to those. I'm wondering whether there is any intent to deal with that situation.

HON. J. PLOHMAN: I didn't get the exact location, but again, we'd be dealing with the construction program. We do have a number of plans for 366 in the program for over the next three-year period and we'll be considering some additional projects. I think there's one or two in the program this year, maybe not in the same location. But in terms of maintenance, those kinds of concerns specifically are responded to by myself, or my office or the deputy's office, when we get those raised by the public or by the MLA or by the municipalities, whatever the case may be. So if the member has specific concerns about the condition of a particular piece of road that needs immediate attention as opposed to the long-range upgrading requirements, I would appreciate hearing about those specifically.

In this particular case, we'll ensure that the district is made aware and have them take whatever steps are possible to remedy the situation to the extent possible for the shorter term until reconstruction can take place on the road.

MR. L. DERKACH: A different area now, Highway 16 — and I don't know whether this topic has been raised with the Minister in the Estimates at this point or not, but I'll raise it and maybe he can clarify it for me — Highway 16, west of Gladstone has a stretch in it and I happen to travel that on a weekly basis. There is a portion of that highway that is really dangerous to the motoring public. It is one that was under construction last year and I think there was a seal coat put on which is broken up terribly at the present time and there's been some patchwork done on it, but certainly not to the extent that should be done in order to make that road safe. I think there has to be some attention paid to that because if there isn't, there's going to be an accident — a very serious accident on that stretch of road. I'm wondering whether or not the Minister has been made aware of this and whether there is a procedure in place to deal with that immediately.

HON. J. PLOHMAN: Mr. Chairman, just to clarify the honourable member's question, is he referring to the section of 16 west of Neepawa that was under construction last year, and, if that is the case, it seems to be . . .

MR. L. DERKACH: Oh yes, it's west of Neepawa.

HON. J. PLOHMAN: . . . west of Neepawa, as opposed to west of Gladstone.

MR. L. DERKACH: Yes, I'm sorry, west of Neepawa.

HON. J. PLOHMAN: Yes, that was subjected to an asphalt surface treatment as a temporary measure over the winter, until such time as the bituminous pavement

could take place. The pre-tender program provided for the pavement of that section. The contract has been awarded and it should begin at anytime with the repaving of that road. The condition that it was in over the winter was just simply temporary, after the construction phase.

MR. L. DERKACH: But depending on when the paving is going to take place, there are places in that road that have serious breaks and holes in it right at the present time, which could at any time trigger a very serious accident. The Department of Highways must have within their capability the expertise to repair that to a state where it's at least safe for the public. At the present time, there are concerns and if there is going to be an accident, there are going to be some fingers pointed — absolutely — because of the fact that it's been brought to the department's attention as to the condition of this road.

HON. J. PLOHMAN: If there are some major holes in that road that are dangerous, then we will have those looked at immediately. My concerns were to have the pavement done by the end of June, before the major summer traffic was moving to Expo or whatever other attractions they might be moving, and there was a lot of concern about getting that done as soon as possible. I don't know whether that will be the case. It depends on the contractor's timetable, but he is certainly aware that is a high priority to have that done as soon as possible.

MR. L. DERKACH: Highway 45, west of Rosburn, has been slated for some repaving. I don't know whether it comes under new construction or maintenance.

HON. J. PLOHMAN: Mr. Chairman, that is under the construction program. The member probably noticed that in the green program that was handed out and that is the construction program.

MR. L. DERKACH: Okay, I'll deal with it then in the appropriate place.

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. L. DERKACH: I'm sorry, thank you, Mr. Chairman. Provincial Road 254, the westerly extremity of that particular provincial road at the junction of Highway 83, there are six miles that have been under construction since last summer and there's a bridge that has been constructed on that particular stretch of road just at the Cracknell siding. That bridge was constructed through the winter months. I'm wondering whether the Department of Highways has the figure of the cost of that bridge.

HON. J. PLOHMAN: Well I can certainly get the figure for the cost. I don't have it right here, I'll ask the staff to get that, and we should have it by the time we deal with the construction program.

MR. L. DERKACH: Could that figure be tabled then?

HON. J. PLOHMAN: I will provide that figure to the committee as soon as I receive it.

Tuesday, 10 June, 1986

MR. L. DERKACH: I notice that, in Section 2, this also deals with the bridge maintenance. Does it also deal with bridge construction?

MR. CHAIRMAN: 8.(a) deals with construction.

MR. L. DERKACH: 8.(a), okay, I'll talk about bridge construction in that particular section then.

Okay, the access roads to the Lake of the Prairies, I'd like to know from the Minister of Highways whether these access roads that lead into the Lake of the Prairies, which are not under the jurisdiction of the municipality because the roads go through Crown land, are they under the jurisdiction of the Minister of Highways or are they under the jurisdiction of the Minister of Natural Resources?

HON. J. PLOHMAN: Mr. Chairman, we have a responsibility on 482 in that vicinity, and No. 83, and No. 5, but that's it. So if there are unnumbered highways in that area, they would not be the responsibility of the Department of Highways. If they're not the responsibility of the municipalities, they're quite likely the responsibility of the Department of Natural Resources.

It depends on what section and area the member is asking about as well. If it's Assessippi Park, within the park, obviously those are Parks Branch responsibility, but I don't think that's what the member was talking about. In any event, if they're not part of the ones that I mentioned, they're not the responsibility of the Highways Department.

MR. L. DERKACH: Mr. Chairman, it was our understanding, or the understanding of the municipalities, and also of the people in the area, that when the dam was constructed that the access roads leading into the Lake of the Prairies — and there isn't just one road, there are many, because the lake itself stretches for some 80 miles — were to be the responsibility of the government. Now, to date, no department has claimed responsibility for these roads, and they are certainly in dire need of repair and maintenance.

I am wondering, because the Minister of Highways does have responsibility for roads within the province which are under the jurisdiction of the government, whether these roads are in fact the responsibility of the Department of Highways or are they the responsibility of the Department of Natural Resources.

HON. J. PLOHMAN: I cannot say definitively. The Department of Natural Resources does have some responsibility for roads, parks and forestry roads so there is another department that is responsible for some roads, other than the Highways Department insofar as the Provincial Government is concerned. But we can look into that and find out who has been providing the maintenance on those particular roads for the member, but I can't say definitively and the staff that is with me is not able to as well. I think that, as I said earlier, they're not the responsibility of the Highways Department, but we will find out who is responsible.

MR. L. DERKACH: Mr. Chairman, I'm wondering if the Minister of Highways would see to it that this information

is sought very soon, because this is the time of year when those roads are being used. They are in dire need of maintenance. They do lead to some cottages that have been constructed along the Lake of the Prairies, and they are roads which are used quite extensively by tourists, not just within the area, but from outside of Manitoba and throughout the province. So I'm wondering if there could be some urgency put on looking into this matter so that those roads can receive the attention that they require.

Up until this point, the roads have been maintained by the R.M. of Shellmouth, who had done it without billing the government at all. But they have found that they can't do that any longer, because their revenues do not provide for them maintaining these kinds of roads.

As I indicated in my reply to the Budget Address, some of the tourists and people in the area have put together funds to maintain these roads, but I don't think it's their responsibility to do this either. So I would appreciate an early response.

HON. J. PLOHMAN: Mr. Chairman, we will endeavour to have that information for tomorrow's sitting. In terms of whether these roads are to be turned over to the province, the member said that the municipality has been undertaking the maintenance over the last number of years. If they were to stop that process and to ask for the province to take them over, obviously officials would have to go back to the original agreements and determine who is properly responsible for them. But we will find out if there is any department at the present time accepting responsibility for them.

MR. L. DERKACH: I appreciate that and I thank the Minister.

MR. CHAIRMAN: The Member for Pembina.

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

It might be appropriate to discuss a couple of things under maintenance right now. First of all, I know the Minister has been questioned on a number of occasions about the maintenance budget and whether it's adequate. He indicated earlier this evening that the standards will be maintained as they were in the past, at least the past several years. Is the Minister satisfied that those standards are keeping the provincial road system in a reasonably usable condition?

HON. J. PLOHMAN: I would say, Mr. Chairman, that generally I am satisfied. However, there have been a number of concerns, as I imagine there always are, by the public as to the condition of particular roads. I am satisfied as well that there's enough flexibility within that system to ensure that additional attention is given to those roads that require it within the standards that have been established when problems arise.

If I come to the conclusion, after receiving reports on individual roads, that the repairs and maintenance cannot be done within the existing standards and budgets, then I would want to look at that further. But at the present time, I think we are generally meeting the needs of the road system with the present standards that are in place.

MR. D. ORCHARD: Now the Minister indicates there is some flexibility in the system. Would the Minister indicate whether that flexibility that allows the transfer of maintenance funds between district offices — the reason I pose this question, Mr. Chairman, is that last fall, and with inordinate rains in some parts of the province and the same situation in the spring with the break-up that was severe, that when citizens in the area of the Carman District Office phoned the district office to complain about the road conditions, they were told they didn't have any more maintenance money, which seems to fly in the face — that's parliamentary — of what the Minister has just indicated, that there is flexibility within the system.

I just want to tell the Minister that he may be satisfied with the standards of maintenance, but I think you would probably find — and I'm guessing — a minimum of 50 percent, probably closer to 60 percent, 70 percent, 80 percent of the municipal councils throughout this province would say to this Minister, upon hearing that statement, that he's wrong, and that they would appreciate additional grading and additional gravel on their PR road system and that the standards that are currently being maintained are not sufficient to keep those roads in useable condition.

Now the question I pose to the Minister is, I presume, that the trend line in cost of gravel is still on the decline. It isn't a commodity which is increasing in price. I pose the question to the Minister: Would he not consider it prudent and a reasonable expenditure of additional monies to put some extra gravel on the PR's this summer because, in a lot of cases, they've taken an inordinate amount of punishment from excessive rains and traffic last fall and this spring? Could the Minister find that flexibility in the budget to provide that extra maintenance gravel?

HON. J. PLOHMAN: First of all, I want to just deal with the matter of the issue of whether the standards are sufficient as they've been established over the years. The fact is that the standards have been maintained. But the reason I said there is enough flexibility, that I'm satisfied there is flexibility in the system, is because the senior maintenance engineer, who is now Barry Rowley, can react centrally to particular situations that develop by providing more funding assistance to a district that may be encountering some peculiar problems that have developed. That would be above and beyond the normal maintenance standards that are applied in that particular district.

If I found that the lack of dollars was being used as a reason why a particular road cannot be put in a reasonably satisfactory condition, then I would be immediately reacting to Treasury Board to ensure that we did have sufficient funding to do that, because I think that would be a rather severe circumstance and situation and not tolerable.

But at the present time, I am advised that the department is able to react. We do not go and look at the strict dollars and say we cannot put a road back into passable condition. For example, when the flooding occurred this spring, we immediately instructed that 240 by Portage would get the attention it needed. Of course, that was because of the severe water conditions and it took some time before it could be repaired. But

that's the kind of thing that we are able to react to, I feel, within the current budget. There is enough flexibility to do that.

If there are concerns being raised by the district engineers on an ongoing basis over a period of time or by the MLA's or by the municipalities with regard to maintenance standards, then I will ask to have those reviewed and increased. I don't feel that we're at that stage at the present time, although I am not saying that everything is just fine out there.

I think that answers the question put by the member with regard to additional gravel this year. I think that, if additional gravel is needed in certain areas, it will be provided.

I should mention that the extraordinary maintenance budget, which does have the flexibility, is about 15.5 percent of the total maintenance budget.

MR. D. ORCHARD: I sincerely hope that the Minister has communicated the information that he's just given to this committee tonight to his district engineers, so that the district offices and the sub-offices don't use the excuse to people who phone about needed maintenance that they don't have money. That's very encouraging to have the Minister indicate that is not a useable excuse.

HON. J. PLOHMAN: Just on a clarification, I'm not saying that should never be used but, in circumstances where it is warranted, obviously that should not be the final line. In many cases, no matter what you do, it will not be satisfactory. I'm not saying that a district engineer should never say that there aren't sufficient funds just to throw out as much as the person or individuals might be asking for.

MR. D. ORCHARD: I won't pursue that any further, because we'd just get into an argument with the Minister as to what is acceptable in terms of road standard. But I can assure you, slogging through ruts and mud was not considered acceptable by many Manitobans this spring.

Can I ask the Minister — and this is branching out in a slightly different area, but it involves maintenance. I want to make a proposal to the Minister tonight. We've got two things that are impacting upon the Department of Highways and the highway system. First of all, there's increasing truck traffic and an increasing amount of that truck traffic during the spring season when restrictions are on. In the last five years, the highways construction budget has been on a serious decline; it is on an even more serious decline this year. That translates into fewer reconstructed roads. Generally, reconstructed roads are not restricted in the spring. So what we're faced with in southern Manitoba particularly, but in other areas of agricultural rural Manitoba, is most of our asphalt roads restricted in the spring, either to 350 pounds per inch of width or to 250.

Now with increasing truck traffic, what that has meant to the municipalities is that they bear the brunt of that truck traffic in the spring as it by-passes restricted provincial trunk highways and asphalt paved provincial roads.

I've talked to the Minister about this in the past and he has made the suggestion that if municipalities don't

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like that, they have the ability to pass restrictions. But unfortunately, those municipal councillors understand agriculture better than this Minister does, because they realize they can't restrict those roads because that shuts down the commercial traffic of fertilizer, fuels, chemicals, to them as farmers and to their ratepayers. So it's not an acceptable option, as the Minister has suggested in the past, that the municipalities simply ban those trucks.

I make the suggestion to the Minister. Given the fact that he does not have the ability to glean from his Cabinet colleagues sufficient dollars to upgrade the provincial trunk highway system to bring it up to an unrestricted standard in the spring and even if he poured a bunch of money out, it would be several years before that was possible; in view of the fact that truck traffic is increasing, restrictions are getting more severe because of lack of upgrading of the roads, would the Minister not give consideration to sitting down with the UMM as the overseeing body or the overview body for the municipalities in the Province of Manitoba, and working out an agreement with those municipalities which are affected by road restrictions in the spring, whereby the municipality will dedicate a given municipal road as the by-pass road for the Minister's restricted highways, and strike a deal with them where they pay so many dollars per mile of maintenance to the municipalities, so the municipalities themselves would not have to bear those additional costs through the inadequate funding of the Highways Department by the government?

I think, if the Minister were to broach this topic with the UMM executive and with the councils throughout the province, he would find them extremely receptive, because currently their ratepayers are paying for the restrictions that this Minister has imposed. Would he give consideration to that kind of a program, and make it part of his new-found flexibility in the maintenance department to undertake that during spring restriction?

HON. J. PLOHMAN: I agree, Mr. Chairman, that there are a lot of problems and concerns raised during the spring restrictions and, of course, this is an ongoing problem. It has become more severe in certain areas of the province where rail line abandonments and other circumstances have led to increased traffic on certain roads during this spring period. Sometimes it's not possible for farmers or others to make arrangements to haul their heavy loads before or after the restrictions, and so it does place a hardship on them. The department tries to be as flexible as possible in enforcing these restrictions when certain circumstances develop that require some leniency. I'm sure that these are taken into consideration.

But we have been reviewing the circumstances surrounding restrictions and attempting to take some steps to alleviate the problem in the most severe areas. We will do more in that in the next number of years, if we are successful this past year, and the member is aware of a major resurfacing project in his particular constituency on 245, I believe, near Carman and Graysville area, as well as another one in the Roblin-Russell constituency on Highway No. 45. Two examples where an overlay will be placed on an AST surface, that is restricted. It's basically the asphalt surface

treatment surfaces that are severely restricted. The 250 restriction under the old system or 40 kilograms is the severe restriction that causes problems - 45, I guess it is - for people using the roads during that period of time.

What we're attempting to do — and we're kind of overlapping into the construction area here because those projects are under the construction program but they relate to the maintenance problems and relate to the restrictions that the member was asking about — is placing a 2-inch overlay, rather than going through an expensive process of adding additional base and then a 2-inch overlay to bring these roads up to full highway loadings that are not subject to restrictions.

What we're experimenting this year with a couple of major projects to have a 2-inch overlay placed immediately on top of the asphalt surface treatment, and then to apply a maximum of a 350 restriction to those roads, no more, in the spring period, and to see whether they stand up for a period of time.

Our intent would be to expand that program in the most severe areas where the restrictions are causing the greatest problems, and over a number of years to alleviate those severe spring restrictions on those particular routes without incurring the major expense of adding the additional base and then the 4-inch bituminous overlay which would be many times more expensive than the projects that are included in this year's program. So that's an effort to alleviate that problem and do it in a cost-efficient manner.

MR. D. ORCHARD: Mr. Chairman, I think the department is very wise in attempting to do that, instead of the major reconstruction to do the overlay, and try that, because the Americans have been doing that for a number of years and appear to have done it with some success.

Mr. Chairman, the Minister, I'd like him to comment once again, if he would, on the proposal I made to him about approaching the UMM to work out an agreement. I don't believe it would cost a great deal of money to undertake that kind of an agreement with the municipalities and it would give this government a lot of good will with the municipalities, something that I shouldn't propose for them to get; because, politically, it would be one of the shrewdest moves this Minister could make, to assist the municipalities in the spring with a cost-sharing agreement on municipal roads during restriction time.

But the real reason why I'm making it is that, you know, this government seems to thrive on the argument that the Federal Government is to blame for every budgetary problem they have; that the Federal Government is passing through cost to the province and therefore the province is hard done by. I want to assure you, Mr. Chairman, that in the Department of Highways, they have been offloading their cost to the municipalities each and every spring, including when I was Minister of Highways. The difference being then that we had a much more active construction program than this Minister has been able to put forward, and circumstances have changed severely in the five years since we've been government in that there is more truck traffic, much more concentrated fertilizer traffic in the spring and field traffic in the spring.

I believe that the Minister would serve his department and his office very, very well if he undertook discussions with the UMM, with the target of the spring of 1987, to bring in this kind of a program, whereby you sit down with the municipalities, you designate a 20-mile stretch of road or whatever it takes as a diversion road for spring restrictions and you assist the municipality with the maintenance costs and you do not allow them, the ratepayers, the landowners and the farmers in those municipalities to pick up the costs of poor highways. You wouldn't be offloading your costs to the municipal ratepayers.

Does the Minister consider that to be a valid proposal?

HON. J. PLOHMAN: Mr. Chairman, I certainly believe that municipalities are faced with a squeeze insofar as their budgetary limits are currently placing them. I know they are having difficulties, the same as the Province of Manitoba and the Federal Government and all other provincial governments in meeting the requirements of maintaining their infrastructure, their bridges and roads. We have taken some action in assisting them in their planning process in the municipalities. There has been a committee set up with input from Municipal Affairs, Highways and Natural Resources to look at the prioritization of roads, of a basic municipal road system in the municipalities. So there would be some planning put into the road system on a municipal basis just as there is on a provincial basis with regard to standards and priorities.

I think there are a number of municipalities who have expressed interest in that development of a planning process, and that will lead to, I think, a relief of some of the pressures placed on municipalities to maintain and upgrade all of their roads and bridges.

We have introduced the Manitoba Community Assets Program in the last number of years that has assisted a number of municipalities with bridges in their municipalities and ford crossings on a 50-50 basis. So that has helped with their infrastructure, and we are currently looking at a rural development fund program in which we have hired a consultant, Andy Anstett, to review the requirements. It is quite possible that the former MLA for Springfield, in his capacity as the consultant dealing with the development of this program, rural development, that he will be consulting with municipalities throughout the province to determine what their priorities are for a rural development program, for an infrastructure program. I will certainly refer this suggestion from the Member for Pembina to him and ask him to consider that in the development of his program. It's possible that that is an area that he could consider, but I don't think it is advisable for the Department of Highways specifically to get into another large major infrastructure expenditure program that has not been traditional. We have 12,000 miles of road in the province, extensive responsibilities that obviously the member has said we have difficulty in meeting with the existing budgetary limitations. I think it would be wrong for us to get into another whole area of funding to municipalities at this time. It may be an area that could be considered under some program such as the Rural Development Fund.

MR. D. ORCHARD: Mr. Chairman, I regret the Minister isn't maybe a little more enthusiastic about the

suggestion. After all, this one didn't cost you \$55,000 to get and it's probably the best suggestion you will get out of Mr. Anstett.

If you discuss it with the municipalities, and I'm not talking about reconstruction, I'm talking about using part of your maintenance budget, with this flexibility that you say you have, I think you would find the municipalities most receptive and most conscientious in providing you with adequate . . .

HON. J. PLOHMAN: I'm certain they would be.

MR. D. ORCHARD: Mr. Chairman, I have another question on Maintenance in general. There are a number of ditches along provincial roads that are no longer carrying water flows; the fields are carrying them now because the ditches have filled in. When landowners have asked the department if they will clean out the ditch, the answer of late has been well, we don't have money to do that.

Would the Minister allow farmers to clean out ditches on provincial roads, at their own cost, since his department doesn't have the money to do it, as they should be doing?

HON. J. PLOHMAN: Mr. Chairman, I think it is quite clear that we do respond to concerns that are raised by individuals and municipalities with regard to areas where our ditches are not allowing a proper flow of water. I would appreciate hearing from the Member for Pembina the specific locations and problems that he has identified, or that have been brought to his attention. We will ask the department to respond to those concerns and if they are unable to respond, then I will look at some other innovative ways of getting the work done. Certainly I think it is premature to state in a general way that we would want to have individuals across the province cleaning out the ditches.

We have to consider the impact that that would have perhaps in some areas, depending on what kind of work was done on the environment, on drainage patterns, on siltation of lakes. I think of Lake Dauphin, for example, offhand. There are certainly other implications to having that done in a rather haphazard way so I would like to hear from the member the specific situations and then attempt to deal with those and if we are unable to, then to look at other ways of getting it done.

MR. D. ORCHARD: PR 240, two miles north of the junction of 23 highway, west side of the road, a quarter of a mile, is one.

Mr. Chairman, I know the Minister's answer will be widely circulated and no doubt a number of requests will be made for ditch cleaning.

Mr. Chairman, can I ask the Minister whether a bridge survey, which I believe was commenced about 1981, and this bridge survey was a survey of the major bridges owned and maintained and built by municipalities because they were on municipal roads over various streams and creeks. A survey of those bridges was to be done with the objective being developing a cost-sharing program with the municipalities on major bridge replacement.

Was that survey ever completed between the Department of Highways and the Department of Natural Resources?

MR. DEPUTY CHAIRMAN, J. McRae: The Honourable Minister.

HON. J. PLOHMAN: I'm sorry, I missed the final point on there. I just wanted to point out, and it may be applicable to the beginning of the statements made by the Member for Pembina, that as a result of that bridge survey, the Department of Natural Resources, and this was the committee I referred to earlier, and Municipal Affairs, and the Department of Highways have put together a committee to work with municipalities. There are a couple of municipalities who have indicated an interest in prioritizing their roads and bridges for repair purposes in their municipalities.

As I indicated earlier, that is part of a planning process that would be put in place so that municipalities who now see in many cases that it is an impossibility to replace all bridges that were in place over the years, that they can now undertake a prioritization program and justify it, then, to their ratepayers on the basis of the plan that is accepted and put in place.

So Natural Resources, Highways, and Municipal Affairs are working with municipalities in developing this plan that would be similar to the development plans that are now undertaken for many municipalities, would be undertaken for the transportation network, for the road network in a municipality, and the bridge network.

I believe there will be some good come out of that survey that was done. It is also possible that the Rural Development Fund could deal with that area because certainly there is an increasing burden being placed on municipalities to replace their bridges. I think, in combining the two, a planning process so that those bridges that are highest priority would get the immediate attention, and combining that with a bridge program of assistance for municipalities, we would have something that would be widely accepted and appreciated by municipalities throughout the province.

MR. D. ORCHARD: That's good that that bridge survey has been completed, as it was initiated in 1981.

Can the Minister indicate whether he is aware of any discussions with the R.M. of Whitehead? They had, on several occasions, I know — they were even meeting with me back in 1981, and that's one of the reasons why we stimulated that joint project between Highways and Natural Resources, to get an inventory of bridges to see what kind of costs there would be to a joint replacement program.

Has the R.M. of Whitehead been able to avail themselves of any assistance from the department in terms of some fairly major bridge replacements that they had to undertake?

HON. J. PLOHMAN: I haven't been aware that there are any major bridges that were undertaken by the province. I assume the member is talking about the municipal bridges and, of course, he is aware that we do not have an assistance program. The Department of Highways does not have an assistance program for municipal bridges.

What we did have in place was the MCAP program, which did assist some municipalities. We believe that there is a need to provide a program at some time to assist municipalities because there is a growing problem

out there with regard to the bridge infrastructure. So that is why I stated that I felt this is one possibility that could be considered for the rural development fund; certainly, we have attempted to take some small steps in that regard with regard to the MCAP program but more has to be done. Of course, the Department of Highways does not fund municipal bridges.

MR. D. ORCHARD: Mr. Chairman, that's exactly why I am raising the issue and that is exactly why we undertook that study of the bridges in '81, municipal bridges, to get an inventory of their size, their condition, the need for replacement, to set up a criterion that maybe a bridge that was longer than 75 feet would be assisted in some way through the Department of Highways. Of course, the objective at that time was to utilize bridge engineering capacity that was available in the Department of Highways and even go so far as to combine the two bridge departments, Natural Resources and Highways, because I believe both of them were underutilized.

Mr. Chairman, I realize the department has no formal program. That was a direction that the study was leading to in 1981 but elections interfered with that. I think it is of sufficient importance to the municipalities that a formalized program should well be put in place. The MCAP that the Minister mentions is much too spotty, much too inflexible a program to provide any consistency to municipalities to know whether they're in or out. Of course, it was on the basis of the MCAP program that I'm aware that some bridges were jointly funded by the province and the municipality through MCAP, and that's what stimulated the question as to whether the R.M. of Whitehead had availed themselves of any assistance under that program.

HON. J. PLOHMAN: Mr. Chairman, I am not aware of the complete list of the MCAP approvals, so I cannot answer definitively whether they availed themselves of the program. But I should just point out again for the Member for Pembina that that survey was not in vain and that, as a result of that, we are now going further forward to determine which of those bridges was indeed necessary to be replaced because that survey did not determine priorities, it didn't determine whether those bridges that were deteriorating indeed had to be replaced, from an overall planning point of view, and in what priority and in what order they should be replaced. That is the kind of thing that is now being developed with the departmental committee through Natural Resources. The view, of course, is that we would then be considering a program. I agree with the Member for Pembina; there is a need to assist municipalities in that area.

MR. D. ORCHARD: Mr. Chairman, just one final comment. The Minister in his last remarks is, in a condescending way, presuming that a municipality is going to waste their taxpayers' dollars replacing a bridge that isn't needed and that, therefore, some super bureaucrat has to determine through a master plan which bridge should be replaced and which shouldn't. Surely, elected councillors who are directly responsible to their ratepayers aren't going to request replacement of a bridge that isn't needed. I mean that takes away

from the natural intelligence that elected councillors in rural Manitoba have.

HON. J. PLOHMAN: Mr. Chairman, I'm surprised at the remarks by the Member for Pembina because it seems to indicate that he does not have an appreciation for a formal planning process put in place. Many municipalities and councillors are indeed asking for this assistance because they are being inundated with requests to replace bridges all over the place, and they have no way of justifying to their ratepayers that it may not be as high a priority as another bridge in another area of the municipality. This planning process is a serious process that the municipalities in the Union of Manitoba Municipalities has endorsed. So I am very surprised to hear that the Member for Pembina would think that this is not a worthwhile kind of exercise.

MR. DEPUTY CHAIRMAN: The hour is now 10:06 p.m. I have two speakers left on the list. Is it the wish of the committee to continue or what is your will?

MR. D. BLAKE: We may be able to, without too many more questions — I only have three or four clean-up questions. I don't know who the other speaker is but . . .

MR. DEPUTY CHAIRMAN: I have Minnedosa and Niakwa.

MR. D. BLAKE: If we can spend a few more minutes, we may be able to clean up this section.

MR. DEPUTY CHAIRMAN: Is that agreeable?

MR. A. KOVNATS: Agreed, Mr. Chairman. Mine won't take too long.

MR. DEPUTY CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Well, Mr. Chairman, I just have one or two clean-up questions here. I wonder what made this program the Minister has undertaken on Highway 9 from Winnipeg north to Selkirk — 9 or 9A — I guess it's 9. There has been some calls in for the condition of that road being pretty potholed and dangerous to traffic. Has there been any major maintenance program there?

HON. J. PLOHMAN: Just to clarify, is the member asking for the reply on a section of No. 9 between Selkirk and Winnipeg?

MR. D. BLAKE: Yes . . .

HON. J. PLOHMAN: Well, it is in a deteriorating situation. We know that it has to be rebuilt; and that is the subject of the major Selkirk corridor study that is being undertaken at the present time to determine the best way to do that, whether a median should be put in place because it's very restricted, there are a lot of residences on both sides, and it's difficult to get additional right-of-way.

MR. D. BLAKE: But you can't leave it in the state that it's in until that study is done and until you rebuild it.

HON. J. PLOHMAN: In the meantime, of course, heavy patching is being done to attempt to keep it in as good a condition as possible until that work takes place.

MR. D. BLAKE: Okay. How many roads were lost in the Portage diversion area, the flooding that took place this spring? How many roads were lost there and what is the situation, what is being done to rebuild them?

HON. J. PLOHMAN: Well, I know that when the situation on 240 was brought to my attention, I immediately asked that priority attention be given to getting it back into a usable condition. Obviously, with the water it wasn't possible to accomplish all of that as quickly as we would have liked, but that was the major road that was affected. It's back in use now and my understanding is that was the primary road that was affected and there were seven or eight miles of it that were affected.

MR. D. BLAKE: Is it back in service now?

HON. J. PLOHMAN: Yes.

MR. D. BLAKE: The traffic is moving freely through there.

HON. J. PLOHMAN: That's my understanding, yes.

MR. D. BLAKE: The shrubs on No. 1 Highway, say, between here and Elie, or Portage, what maintenance program is carried out on them? I noticed lately they have had the little machine around doing the weeds but the stinkweed is going to seed there. Is there any maintenance where they go in with a hand tiller or hand sprayer and spray those weeds? There are dead trees that should be taken out and replaced. I just wonder what program is in place for maintenance of that.

HON. J. PLOHMAN: Well, because of the wet conditions in many areas, the department is a little bit behind on its maintenance program, but the weeds are taken out. Rototilling takes place in there on a regular basis. There is a standard allocation of dollars to do that to look after those shrubs.

MR. D. BLAKE: But the little riding machine doesn't get in close enough to the trees. You need a hand tiller to get in there closer or else to spray them to get those weeds away. There's a section around the base of each tree that's in an unsightly condition. That's a beautiful corridor when those shrubs are out and in full leaf. There must be lots of unemployed around who would love a job to go out there in the nice sunshine and get a tan and work away with a hoe, if they had to. Maybe the prisoners from Headingley would love to take that project on.

HON. J. PLOHMAN: Well, we are looking at innovation in some of these areas. I'm informed that the section between Elie and Winnipeg is particularly difficult to keep trees.

MR. D. BLAKE: It's been very wet.

HON. J. PLOHMAN: Yeah, wind conditions there, salt, I don't know. There seem to be a number of problems there and it's difficult to keep up the shrubbery, but there will be some replacements being put in there this coming year. I mention innovations; for example, we were undertaking to have the 4-H Clubs clean up a lot of miles of road with the 4-H Clean-Up Program which is one way to use volunteers and to give them a little bit to make some money for their club at the same time. It's possible that we could find other innovative programs and ways to utilize other services to assist us in some of these maintenance programs, to beautify our highways. I would certainly be receptive to those kinds of ideas.

MR. D. BLAKE: What is the position with the maintenance of roads on reserves? Is there cost-sharing with the Federal Government? Is the band responsible for maintaining the road on the reserve? What is the policy?

HON. J. PLOHMAN: We are in the process of developing a program for standardization of roads leading to reserves, passing through reserves, insofar as cost-sharing on the construction and maintenance program, because we found that there are all kinds of anomalies across the province insofar as how they are treated. But, generally speaking, the maintenance on a PR is the responsibility of the province and the province undertakes that, the Highways Department. I believe with main market roads, the same situation.

But there is some ambiguity insofar as construction, reconstruction of roads in reserves and we've developed a proposal that we are going to discuss with the Federal Department of Indian Affairs and see if we can get their agreement, so that we have a blanket policy dealing with all of them.

MR. D. BLAKE: Main market road was a new one on me. Main market roads are maintained by the province? What criteria do you have to be under to get a main market road?

HON. J. PLOHMAN: Main market roads are major routes in LGD's.

MR. D. BLAKE: Would there be one on a reserve?

HON. J. PLOHMAN: If the reserve is located in the vicinity of an LGD, it's possible.

MR. D. BLAKE: No, I'm looking at the Birdtail Reserve. They have a problem there, off 355. They're negotiating to buy a municipal road, so they can maintain it themselves, so they have some access to the west. It's a very restricted little area, Birdtail Creek. They have access to the east; they have no access west or south. They have access north and east. It's a municipal road, but they won't be able to buy it, of course, because the municipality wouldn't let their road go, but they maintain the portion that's on the reserve. They were talking main market road which was a new one to me. If the municipality could get that road qualified out to the PR, it would be out to 83, about three miles. If that was declared a main market road, the province then might provide some assistance, is that right?

HON. J. PLOHMAN: Well, Mr. Chairman, the main market roads only apply in LGD's, so that's a municipality in there. They would not qualify for main market road status. It would either be a provincial road or a municipal road leading to it and we have a request and we're going to consider it, once we have finalized this policy.

MR. D. BLAKE: There's a Highway 355 Association that I've attended meetings on for some years now, and of course, they want to continue 355 right through to McAuley or to the Saskatchewan border and it goes right through the reserve. That would provide that access, but also there's a river crossing there which adds an expensive bridge so it hasn't been undertaken. Okay, Mr. Chairman, those are the questions that I had.

MR. DEPUTY CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Mr. Chairman, I still have some questions to ask, but I think the Honourable Member for Pembina wants to carry on with a question that was previously asked.

MR. DEPUTY CHAIRMAN: Okay, the Member for Pembina.

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

Did I hear the Minister correctly? Did he say that he's currently working on a program whereby they would standardize access roads and roads on reserve property, and formulate a program whereby the province would enter into shared cost agreements for construction of those roads?

HON. J. PLOHMAN: At the present time, we already foot the bill for construction of roads leading to reserves in many situations; and in others we don't have a responsibility and we want to standardize that so that they're all treated the same.

MR. D. ORCHARD: Now, Mr. Chairman, there's a difference between roads leading to a reserve and roads on a reserve. Does this program include roads within the boundaries of the reserve as well?

HON. J. PLOHMAN: Not the roads that distribute traffic throughout the reserve. Just a major road if it passes right through the reserve to serve other communities or a provincial resort or something of that nature; then that would be subject to this policy, but we're not talking about the distribution of roads on the reserve.

MR. D. ORCHARD: Mr. Chairman, surely there are not too many roads that do as the Minister just indicated in his last answer that are not already provincial roads, provincial trunk highways, or LGD main market roads where the province already has responsibility.

My question to the Minister is, if he is expanding this survey or this study with the intent of coming up with an agreement to cost-share construction of roads on reserves, I think that's quite an interesting proposition when the Minister just half an hour ago rejected a proposal I made about cost-sharing with municipalities on simple maintenance during spring restriction time.

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If I'm misinterpreting what the Minister is saying, then fine. But if the Minister is saying that it's not PR's, PTH's, or main market roads that go through reserves but indeed, say, an access road to the band office or something where the province doesn't currently have any responsibility, then the Minister is bringing in certainly a new area of funding.

HON. J. PLOHMAN: This whole area has been ad hoc over the years. The province has many times put up the money when I thought, in looking over the situation and certain examples, that the Federal Government should have participated. What we want to do is formalize that federal participation to ensure that there is federal participation in all circumstances, and that the province doesn't end up having to foot the bill for the construction of roads, either passing through a reserve or in situations where a main market road leads to the border of a reserve, and then what happens with that major road on the reserve. It's been up in the air in the past, haggling back and forth, and there is no agreement as to who is responsible. That's the purpose of this proposal. So there is a standard procedure and the Federal Government will indeed be responsible, as we feel they should be, with both the maintenance and the construction of the roads.

MR. D. ORCHARDS: So then the Minister is telling me that there is no intention of the province putting up dollars for maintenance or construction, but rather, presumably to undertake that construction with federal dollars?

HON. J. PLOHMAN: Depending on the circumstances involved in the particular reserve, whether a road passes through and serves other communities. There are circumstances like that at the present time. For example, on Buffalo Point, where the road was constructed by the Indian band to the reserve — I think there were some special circumstances for a tourist resort that was developed there, but it was not a main market road and then the road on the reserve itself is maintained by the Indian band, but it also serves a marina and a development on the other side of the reserve. So there has to be public access development. So there has to be some consideration there it seems to me for some provincial involvement to service that public resort area. That's one example where it's just uncertain at the present time of who is responsible and who should be responsible.

There's the matter of the Birdtail Reserve that was mentioned by the Member for Minnedosa, and there are several other situations, Dog Lake Reserve where there has been haggling over who is going to pay for the road portion on the reserve. We want to just establish a pattern or a policy and at the same time ensure that the province isn't getting stuck with more liabilities than it has had in the past.

MR. D. ORCHARD: Mr. Chairman, that last comment by the Minister is a very interesting one in terms of access to presumably a private or a provincial boat launch at the Buffalo Point area. His concern there certainly should add a great deal of confidence and hope to the proposition put to the Minister by my

colleague, the MLA for Roblin-Russell, about getting those access roads to the Lake of the Prairies undertaken because we're talking the identical same circumstances with the Provincial Government not picking up any of the maintenance costs to access the Lake of the Prairies. That's very encouraging for the Member for Roblin-Russell. I thank the Minister.

MR. DEPUTY CHAIRMAN: Item 2.(a) — the Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman. I can't take too long, the hour is getting late, and I know that you want to proceed and finish this particular section, so only a couple of very short questions.

MR. DEPUTY CHAIRMAN: Speak into the mike, please.

MR. A. KOVNATS: First of all, I would like to announce that Menisino, Manitoba, is the blueberry capital of the world and followed very closely by Piney, Manitoba. Now, as you enter Menisino on Highway 201 from the west side of the town, there is a sign that says M E, which is ME and I think that's short for Menisino. Last summer, somebody had destroyed the sign, either intentionally or an accident because that was all that was left of the sign and it was in that manner for approximately three months during last summer and late fall. I haven't had a chance to look at it over the winter and the early spring. What do we do to maintain signs on the provincial highways to identify the town so that people going to the blueberry capital particularly, would know when they were there?

HON. J. PLOHMAN: I thank the member for bringing that one to our attention. He could have done that either privately or through this process, and we will endeavour to see that the sign is changed. The foremen in each of the districts are responsible for determining which signs need replacement and they are supposed to bring them forward and make sure that the signs are ordered.

MR. A. KOVNATS: Mr. Minister, I really didn't want to be critical of anybody of that regard, but I had seen it and I just thought that there has to be a process in place that would bring this to somebody's attention, rather than somebody driving by and noticing that the sign was down and phoning.

I would just like to talk about winter roads just for a second now, particularly since the first encounter that I had ever had with winter roads of any concern was with my friend, the Honourable Member for Rupertsland when he was living at Red Sucker. I can recall a phone call in the middle of winter requesting some information and some help in the building of the winter road into Red Sucker Lake. I would wonder whether the Honourable Minister is taking advantage of the expertise of his Minister of Native Affairs, Native Northern Affairs, I'm not sure of his correct title, but has he taken advantage of the expertise of his colleague, the Member for Rupertsland?

HON. J. PLOHMAN: Mr. Chairman, certainly the Minister responsible for Native Affairs has been very

instrumental in bringing together the various interests involved in winter roads and other northern development, particularly as it applies to highways insofar as I have been concerned. We've been involved in a number of meetings and discussions on the requirements and needs of the reserves in northern Manitoba.

MR. A. KOVNATS: One last question, Mr. Chairman. The Honourable Minister had made some remarks, it's about time that somebody asked some questions on the Port of Churchill, and he seemed to be quite disturbed that the Opposition had taken so long in asking any questions concerning the Port of Churchill. I would like the Honourable Minister to know that it wasn't because of a lack of interest in Churchill, because probably there are more people on the Conservative side of the Legislature that are interested in developing Churchill than there are on the government side, at least in this particular case there is. I just want that brought to the Minister's attention.

MR. DEPUTY CHAIRMAN: The Member is entirely out of order, but on the record.

MR. A. KOVNATS: I don't think remarks concerning Churchill were appropriate, or his remarks concerning Churchill were appropriate. Now that I've mentioned Churchill, with the great entrance of the New Democratic Party Government, are there any plans to maintain the road, if there is a road to Churchill — That's how I worked out the maintenance in this, Mr. Minister. Is there any possibility that the Minister or the government is going to maintain the road to Churchill or in fact build a road to Churchill with their great interest?

HON. J. PLOHMAN: I just want to thank the member for his encouraging remarks on the Port of Churchill, and since there is no road to maintain at the present time, I really can't comment further.

MR. A. KOVNATS: Is there any possibility that the plans — we are putting in power into Churchill because of our interest. Are there any plans to put in a road to Churchill?

HON. J. PLOHMAN: Not at the present time, but we can discuss that during the construction program.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Item 2.(b)(1) — the Member for Turtle Mountain.

MR. D. ROCAN: Mr. Chairman, . . . 2.(e)(1).

A MEMBER: We're not there yet.

MR. DEPUTY CHAIRMAN: We're on 2.(b)(1)—pass; 2.(b)(2)—pass; 2.(c)(1)—pass; 2.(c)(2)—pass; 2.(d)(1)—pass; 2.(d)(2)—pass; 2.(d)(3)—pass.

2.(e)(1) — the Member for Turtle Mountain.

MR. D. ROCAN: I would just like to inquire, what is the policy for the traffic inspectors taking their holidays? Would that fit under the Salaries and Wages in 2.(e)(1)? Are they being forced right now to split their holidays?

HON. J. PLOHMAN: If the member has a specific question, I can give him an undertaking to respond tomorrow to them and he should put them on the record. I can't really get into that kind of detail as to whether they are splitting their holidays. I may have the answers here, but I don't know.

MR. D. ROCAN: Are we hiring any summer students to work as traffic inspectors?

HON. J. PLOHMAN: No.

MR. D. ROCAN: Some traffic inspectors have been forced to work from 4 o'clock Saturday afternoon until 7 o'clock Sunday morning, which seems like an extremely long shift.

HON. J. PLOHMAN: Lots of overtime, too.

MR. D. ROCAN: Sundays they are paid double time. But why is it, in times of restraint when we've got our budget which is slashed like you wouldn't believe, that the supervisor, the highest paid member, has to take on the job of working on a Sunday?

HON. J. PLOHMAN: We've got the question. The question is, why are people working on Sundays when you get double time, and why is the supervisor getting that time. You had better give us some specifics where you are concerned about this, so that I can respond to it for you. If you want to ask me that privately or if you want to do it on the record here, that's up to you.

MR. D. ROCAN: There are some that are working from 4 to 12, and then they've got to return and go back to work from 8 to 4. That's only an eight hour at home type of deal.

MR. DEPUTY CHAIRMAN: 2.(e)(1)—pass; 2.(e)(2)—pass; 2.(f)(1)—pass; 2.(f)(2)—pass; 2.(g)(1)—pass; 2.(g)(2)—pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$67,966,600 for Highways and Transportation, Resolution 91, Operations and Maintenance—pass.

Committee rise.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, C. Santos: Committee, please come to order. We are at the Manitoba Crop Insurance Corporation, Item 2(a) Administration.

The Member for Virden.

MR. G. FINDLAY: Thank you, Mr. Chairman.

In previous comments, the Minister mentioned there were about 4,000 contract holders and 52 percent of the cow herd. There is quite a variety of levels of coverage that could be had in that program. If I'm not mistaken, they run from \$60 to \$220 per cow. Could you give us some idea of what the distribution of coverage is that has been chosen?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

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HON. B. URUSKI: Mr. Chairman, the bulk of the contracts, in fact, I would say 99 percent of the contracts would range from a low of \$106 per animal coverage, to \$188 per animal coverage. The largest proportion of the contracts would be at \$169 per cow coverage. That's about 3,400 of the contracts would be at that range.

MR. G. FINDLAY: The coverage level to be determined will be done by municipality, as I understand the program, and I would like maybe just a brief explanation as to how that municipal coverage level will be arrived at during the course of 1986.

HON. B. URUSKI: Mr. Chairman, the maximum coverage available is \$220 per cow, regardless of which municipality it is in. The average coverage, and I gave the member average coverage as ranging — the average, for example, on beef cows is \$169 per cow. Some of those contracts would be below that and, of course, some would be at the maximum range. Regardless of which municipality a farmer is in, he is eligible to purchase up to the maximum of \$220 per cow.

MR. G. FINDLAY: I guess what I am really trying to get at is, how do you determine what level the 70 percent is at, or what is the level of production in each municipality?

HON. B. URUSKI: Mr. Chairman, the Crop Insurance Corporation goes on historic yields. Annually, we actually go from municipality to municipality measuring actual yields and taking the average, calculating both native hay and tame hay production based on the weather conditions in that area.

There are at least 10 producers in each R.M. who are selected for the test in terms of the measurements in terms of production.

MR. G. FINDLAY: The 10 producers, as you mentioned, or whatever number it is, is a small sampling of the total, if I'm not mistaken, in each municipality. It's mentioned somewhere about an eight-year average, and we're just starting into the program now. I'm wondering about the reliability of measuring at the beginning of the program, and I'm thinking particularly of native hay, I guess, which is the forage that is in primary use in my area. Two years ago, we probably had very little hay because of drought. Last year, we had a fairly good crop because we had the right amount of rainfall. Right now, it looks like we're in a severe flood condition for getting native hay. So we go from one extreme to the other, and I'm wondering just how accurate the measurements can be with all these variables in place.

HON. B. URUSKI: Mr. Chairman, I'm advised that the least accurate and available data is, of course, on native hay. We are not using those measurements in every R.M. We are using and measuring on an annual basis data wherever there is significant native hay in an area, and trying to incorporate it. But until we build up the data base, in terms of native hay, that will be an ongoing difficulty.

To give the honourable member an example, last year as I understand it, we only used native hay calculations into the production base where, in fact, it assisted producers in receiving a payout. Where it may not have assisted producers in getting a payout or been a negative influence on the payout factor, it was not calculated, because we just weren't sure. We're doing it on an annual basis and doing as much monitoring as we can. But I admit that is an area that we have the least reliable data in the program.

MR. G. FINDLAY: Is it the intention to stay with the same producers over a period of years and to be using the same native hay factoring in calculating the production in the municipality, or are all these things subject to change?

HON. B. URUSKI: Our preference would be to keep the same producers for consistency's sake, but it may not always be possible. If a producer either goes out of cattle or in fact does not wish to be monitored, those are factors that we would have to consider. But for longer-term reliable data, our preference would be to use the same producers.

MR. G. FINDLAY: Just as a final comment, I would say that, because of all the variables I see as a producer and comments have been made to me in our local area, there are possible problems down the road unless there is very careful monitoring done as to changing conditions.

My next question is — there has to be a point in time in the summer when you decide what the value or level of yield is for hay in the municipalities — is there any target date so that a producer who is maybe having trouble getting hay for drought or too much water, or whatever, knows whether he will be covered, that he can then go out and purchase hay from someplace that he can find it? What's the target date for that determination?

HON. B. URUSKI: Mr. Chairman, I'm advised that the corporation attempts to judge the situation when all the hay to be harvested in an area is actually taken off. There are some areas that have one cut and some areas that may be able to take off two cuts of hay, and until all the hay is harvested, at that point in time the calculations start beginning and the testing starts beginning to be able to arrive at a calculation, whether or not a payout is to be made in that year. But to be able to tell someone, say at the end of July, that there won't be enough hay, we would not be able to do that. It's generally when hay harvest is completed.

MR. G. FINDLAY: Is there a quality factor used in this calculation?

HON. B. URUSKI: Yes, Mr. Chairman, we do take the TDN content and test it through the feed lab, and on that basis, that is used as the monitoring for quality.

MR. G. FINDLAY: I notice there's one other aspect to the program and that is the collection of rain data. How is that going to be incorporated into the calculations?

HON. B. URUSKI: Mr. Chairman, we're using that data — and other provinces are using that data — to supplement or replace on-farm measuring. At the present time, we're not replacing on-farm measurement, but if we can correlate the information on rainfall data with the actual on-farm measurements, over a number of years experience, one may eventually be able to say with this kind of precipitation, here was the yield in five out of the ten years — or whatever measurements that we have taken in a ten-year period — and try and get some reliability into guesstimates, without actual on-farm measurements and that's the data that is being collected. But at this point in time, we are not replacing the rain data for on-farm measuring.

MR. G. FINDLAY: I guess I'd like the Minister to comment on how the money is collected, how the funding of this program is presently set up, between the Federal Government, Provincial Government and the producer.

HON. B. URUSKI: Mr. Chairman, the formula under the Feed Security Program is identical at present to the regular Crop Insurance Program. The province pays for all the administrative costs in the program, with the exception that we received somewhere in the neighbourhood of \$125,000 as a federal contribution toward the initial detailed work in the start-up of the plan, but the ongoing administrative cost adjusting and all that are covered by the province and the premium rates are shared 50 percent by Ottawa and 50 percent by the farmer.

MR. G. FINDLAY: Did I get you correct in saying that the Federal Government is contributing \$125,000 of the administration cost? What percentage would that be of your total?

HON. B. URUSKI: The \$125,000 that I referred to is into the developmental cost that I spoke about, the dollars that we were able to negotiate . . .

MR. G. FINDLAY: From last year.

HON. B. URUSKI: . . . in replacement for any financial assistance for drought. We were able to negotiate that from the Federal Government on that area. That is the one-time cost. There is no ongoing costs of administration.

MR. G. FINDLAY: One year?

HON. B. URUSKI: One time.

MR. G. FINDLAY: Thank you. I guess we haven't really discussed what the staffing is of the Crop Insurance Corporation yet. I would like some idea as to what the staff component is and further to that, I would like some idea as to why the budget for crop insurance has increased so substantially, looking back to 1981 when the budget was \$2.18 million and has now increased to some \$4.67 million, more than doubling in a period of six years.

Can you correlate the staff component with that increase in administration cost?

HON. B. URUSKI: Mr. Chairman, the staffing request for the crop insurance, in terms of full-time staff, there are 85 staff years in the Crop Insurance Corporation, although we do hire adjusters on a part-time basis and I don't — maybe the general manager will provide that for me if he has that available. About 170 adjusters on call throughout the province in the various regions, that would be on, I think, a per diem, hourly basis. There is some ratio payment there.

I can tell my honourable friend that the budget increase in crop insurance is strictly in terms of the expansion of the program over the last number of years, the whole area into forages. I think I covered that question.

As a matter of fact, if the member checks Hansard — I believe the Member for River Heights, in questions the other night, raised why there was such a major increase in the budget of Crop Insurance. I believe that's who raised the question. I provided a fairly detailed answer in terms of the crop expansion into the vegetable area, into honey, into forage crops. Feed security is a major undertaking in terms of program.

So there are costs in terms of field costs. Generally, in terms of administration, our staffing has not changed very much in the central administration area. We have been able to, as I have said — there has been no more permanent staff in the corporation, although the additional costs are, of course, the part-time per diem staff in adjusting and in doing the testing and monitoring of the programs on an ongoing basis. That's where the actual service to farmers and the data base that is needed to make sure that we are as accurate as we can be in the provision of the services to the farmers, that's where the bulk of the additional costs have been.

These would be related, of course, to travelling expenses and as well, to per diem fees to our adjusters and field staff.

MR. G. FINDLAY: Have the number of adjusters increased markedly over the last two or three years and are the same adjusters used for all components of the program, like measuring fields, hail adjusting, and measuring feed, are the same adjusters used?

HON. B. URUSKI: Mr. Chairman, the overall number of adjusters is roughly the same as it was over the last number of years. However, the question of availability in terms of many of whom are active farmers, some of whom we use for marketing feed security, some that we would use into the monitoring program. Most adjusters would, in fact, be able to adjust all aspects of the program, their annual training programs and updating in terms of procedures and methods that we are using. So staff are brought in for upgrading. But as to who is used on a regular basis, a lot of it will depend on availability in relationship to their own farming operation and their own availability. There are some people who may have cut back in their farming operation or passed their farm on to one of their children or have partly sold out. They, of course, would be available more than other people, and it'll be a question of availability more than anything.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: Mr. Chairman, could the Minister give us some idea of what the number is now in the research division?

HON. B. URUSKI: . . .

MR. G. CUMMINGS: Yes.

HON. B. URUSKI: Mr. Chairman, I'm advised that there are three professional people in the research division and three clerical people in that portion of Crop Insurance.

MR. CHAIRMAN: 2.(a)—pass.
2.(b) Canada-Manitoba Waterfowl Damage, Compensation Agreement — the Member for Virden.

MR. G. FINDLAY: We certainly have heard a lot of comments about this area in the last year or two, and I'm going to speak more particularly from what we've experienced in the western part of the province over the last few years.

Ducks Unlimited came into the area with some money, built some nesting areas; in other words, improved the habitat for ducks and geese. Snow geese have decided to migrate through that area by the thousands and thousands, and last fall, when the crop was out fairly late because of climatic conditions, there was a very serious degree of waterfowl damage on crops when crops were in the swath. The level of coverage that a person can be protected for is about \$75 an acre and we all know that the cost and the value of that crop is substantially above that, and there was also the delay factor in getting paid. It took, I think, March was the month, or April, maybe when the money finally came through.

But the major concern that people have is that the waterfowl habitat has been improved in the area. The farmer is feeding them. He is not being adequately compensated and maybe the farmer should be protected by money from Ducks Unlimited or some other area coming into the program to cover him to a more reasonable level in the future. Can the Minister comment on what's ahead in that area?

HON. B. URUSKI: Mr. Chairman, the program that the member speaks of is, of course, a federal-provincial agreement in terms of shared 50-50 between the Government of Canada and the Province of Manitoba in the payment for losses as sustained by two crops as a result of waterfowl damage.

Every year there is an upgrading of the amount of dollars per acre provided to the farm community, and I think the member is correct in saying it's \$75 per acre for this year. There is no doubt that the amount of money per acre does not equate to the actual crop loss. The program that is in place basically covers some of the costs in addition to what the farmer would receive in crop insurance. It has not replaced the actual out-of-pocket losses that farmers have sustained.

I have, in fact, taken the position over the last number of years that we should at least, if we are not prepared to substantially increase the per acre dollar amount available to this program in terms of losses — and I should explain. The \$75 acre maximum is for a 100 percent crop loss. If, in fact, the loss of the crop may be 50 percent, that amount would be reduced by one-half.

We have tried the approach to see whether or not we could say that in fact the loss on the crop would

be, say, \$75 an acre, and that represented maybe 30 percent of the crop, that value, that \$75 should be paid. We have never been able to reach an agreement on that basis between the two levels of government. We continue to agree to this type of funded program.

Generally, it's been the position, and I'm not sure in my own mind whether it's been the right position, that because of the agreement between Canada, and I think it's Mexico and the United States, in the Migratory Bird Conventions Act, that the responsibility for the protection of migratory birds has rested with the Federal Government. Generally, they have in fact not put the onus on the private conservation groups such as Ducks Unlimited to share in the costs of compensation for migratory birds.

I guess, generally, the argument that has been made is that the group is of course a group that is attempting to preserve migratory bird habitat and at least maintain the populations of migratory birds as much as they can in the Canadian heartland and to continue that work, but it really is the responsibility of governments to provide the offsetting cost.

I imagine, and I assume, that part of the argument as well is that the Government of Canada and the Province of Manitoba do contribute substantially to the Crop Insurance Program in terms of subsidies and try and encourage the vast majority of producers to take that program, and coupled with the \$75 acre maximum on this program combined would give the producer who suffered damage generally an improved level of coverage, albeit not enough.

But frankly, the agreement that's in place is no different in Manitoba than it is in Saskatchewan or in Alberta. We move up annually by about \$5 per acre in terms of the program. But in terms of the delay in payment that the member commented about, I wish to advise him that, because the actual damages adjusted by the corporation exceeded the annual budget — and I believe it was 300,000 or 600,000 cumulative, and in fact this year it was just over \$1 million — we did advise the Federal Government, I believe it was in the latter part of December, that this is what the calculations came up and that they would have to amend the agreement to make this payment. It does take, in the federal bureaucracy, a considerable time before those documents can be in place but, until we have that agreement, we are not in a position to make those payments because they are shared 50-50 between Ottawa and Manitoba.

MR. G. FINDLAY: You mention that the extra cost of the program this summer caused a delay, and that it was some time in December when you got the figures together. Well, the person who adjusted in our area, and I had a discussion with him — that was in early October — and he said then we wouldn't get our payout until on into seeding next year. He told me that then; he knew it then, and that was early October.

HON. B. URUSKI: Mr. Chairman, there have been delays in the past. I should point out to the honourable member that there was a split responsibility for this program between the Department of Natural Resources and the Department of Agriculture years ago. In fact, what was happening is that the Department of

Agriculture, through the Crop Insurance Corporation, did the adjustments and then forwarded the paperwork to Natural Resources so there was an overlap of administration.

We have, in fact, done away with that. This year, the payments would have been made, I would say, at the end of the calendar year. Had all the authorities been in place, there would have been no difficulty making them in that period of time had it been within the budgetary amount that is allocated. There is a statutory amount that is agreed to annually in the program, because there are some years that the amount is less and, of course as it was in last year, substantially more than was budgeted, in fact almost twice as much. So that does delay the process.

MR. G. CUMMINGS: Did I understand the Minister to say that part of the holdup was the agreement with the Federal Government in the 50 percent payment and the fact that it was over budget? It seems to me that, if this were a school division, for example, the bills would be paid and then they would apply through the normal channels to be reimbursed for the expenditure. Given the long delays that seem to habitually occur in this area, is there not more flexibility on the part of the Provincial Government to address these problems?

It's a small amount of money in terms of the total agricultural budget and in terms of the MACC budget for that matter. It happens, however, that the farmers who will be involved with needing reimbursement for these funds, it can be quite a substantial amount. It seems to me rather unfair that, in this particular case, they're expected to wait beyond what I would think would be a normal period of time, given that there is a program in place for reimbursement if they have damage from waterfowl.

HON. B. URUSKI: Mr. Chairman, what the honourable member is suggesting is that, in the agreement, if we make payments prior to having approval, we would only be able to receive 85 percent of the payment from the Federal Government. They could have, in fact, said, look, you paid it without our approval. We're only paying you 85 percent or your portion of the 85 percent. We had not done that.

The budgeting amount in the program is basically taking a long-term average of the payouts. There are years where we've been below and, of course, there are years when we've been above. Normally speaking, this would not occur if the total amount of claims would be under the \$600,000 amount. The payments would be made automatically because the agreement is in place.

We have streamlined the procedures, as I said earlier, in terms of the payouts. Barring claims that exceed the budgeted amount, those can be made as soon as all the calculations and adjustments are made at the field level and are forwarded into the corporation to be paid. There is no changing of hands between departments, as was in the past.

MR. CHAIRMAN: The Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Chairman.

I just wondered, to follow this up a little bit under the aspect of waterfowl damage, the Minister has indicated there is an agreement in place between the Federal and Provincial Governments in terms up to a limit of 600,000 and, after that, new negotiations that have to take place after that. I want the Minister to maybe, for the benefit of everybody, clarify how does this work, because we have a portion under here, under Agriculture, which says Canada-Manitoba Waterfowl Damage and that is cost-shared 50-50 with the Federal Government. Under the Department of Natural Resources, we have Canada-Manitoba Waterfowl Damage Prevention Agreement.

Is this the same type of agreement that is affecting the Department of Natural Resources and the Department of Agriculture, or are there two separate agreements? If there are two separate agreements, could the Minister outline exactly the effect, what is prevention and what is damage so that everybody has an understanding of what happens, because many of our — see, the people who are affected, basically it's a smaller percentage but the people who are affected, to them, it's dramatic what's happening. The waterfowl move in at certain times of the year when the crop's there, create a lot of damage. How is this working between the Department of Natural Resources and the Department of Agriculture in terms of prevention and the actual damage that is created by that? I wonder if the Minister could clarify that, and then maybe I'll have a few more questions.

HON. B. URUSKI: Mr. Chairman, I won't even attempt to clarify the other agreement. I think the honourable member will have an opportunity . . .

MR. A. DRIEDGER: Is it two agreements?

HON. B. URUSKI: They're two separate agreements. Mr. Chairman, one might be a subsidiary of another, but I believe they are actually separate agreements. The agreement that we're speaking about now is actually a compensation package which is totally separate from the question of prevention and lieu of crops and the provision of lessening of potential damages by waterfowl. They are separate agreements.

This agreement that we have in place on compensation covers basically all three prairie provinces and, in fact, if there is less damage in one province than there is in another, the Federal Government has authority to move funds in their appropriation from one province to another. There was enough damage across Western Canada this year that there were not sufficient funds in order to cover off one against the other without having to renegotiate and ask for additional funds. As I indicated to the Honourable Member for Virden, this was the reason that it took some time.

That's the reason that these agreements, they are five-year agreements, and part of a five-year agreement, but it's separate from the other one. The honourable member can in fact discuss this at length when the Minister of Natural Resources Estimates arrive.

MR. A. DRIEDGER: I intend to pursue that prevention aspect of it with the Minister of Natural Resources. What bothers me a little bit is that when the Minister

puts \$300,000 into here and he says it's a five-year agreement is that agreement based on a five-year average that this \$300,000 comes in there — because you have a year like last year where it exceeds that and this could vary at any time — is the Minister locked into an agreement that basically this is a five-year average and anything above the five-year average has to be renegotiated.

My concern, basically, that I want to express to the Minister is that we have people out there that invariably have agricultural land close to the areas where our waterfowl comes in and feed and stuff like that, and we understand that. That varies from year to year. Certainly we don't use a plateau. For example, last year, with the excessive rains in the fall, it is going to exceed that in one year.

Is the Minister saying the agreement is such that it is locked in at a certain level and that in an extreme year like last year, that there is no provision, that the whole thing has to be backed off and it takes a lot of time to renegotiate?

I want to just illustrate to the Minister that a lot of — you know, it is a small percentage, but the people that are affected by this kind of damage get very nervous because they know there's a program in place, they make the application and before you know it, it gets dragged and dragged and dragged, and these people get pretty hostile. These are the people that basically, to some degree, and this maybe fits into the Department of Natural Resources to some degree, but these are the people that are actually providing a service to Ducks Unlimited and to the waterfowl industry.

Now, we are starting to draw lines and putting thin lines along here. Which side do you fit on? That is the frustration, because the farmer out there, that has got his crop out there and it rains, and the geese come down, and the ducks come down — the Minister must know. He lives in that area; he knows what it's like.

What I am trying to get him to clarify is he says we have a five-year agreement; we are locked into this kind of a thing. Certainly he knows that you can't just use an average in there. There has to be provision in there and I would hope that he would maybe be able to work out an agreement somewhere along the line that regardless of what happens, even if the province has to pick up the additional funds at this stage of the game, to compensate the people that have suffered the damage, then go back and negotiate with the Federal Government. But don't let the farmer that is already out of his pocket a substantial amount, and the previous Minister of Finance wouldn't know what that's about, you know, because he's never been farming. But, you know, to make that at least the farmers, let's keep them happy. These are the people that are putting it out in front.

I am just wondering if the Minister could maybe clarify some of these arrangements.

HON. B. URUSKI: Mr. Chairman, I didn't think that I would be put in the position of defending the Federal Government in this House and, in fact, of trying to explain their accounting procedures and the method of the agreement that we have in place.

For the honourable member's information, last year we underspent, I believe, by — and I go from memory — about one-half of what was budgeted.

MR. A. DRIEDGER: You underspent?

HON. B. URUSKI: We underspent.

MR. A. DRIEDGER: Last year?

HON. B. URUSKI: Last year, 1984.

MR. A. DRIEDGER: So what took so long?

HON. B. URUSKI: It would be last year, in 1984. We are talking about 1985 right now; we're not talking about '86. The crop is still in the ground.

Mr. Chairman, the agreement that we have with the Federal Government, for the three Prairie Provinces, is a global amount. That global amount per annum, over a five-year period, can be used at the discretion of the Federal Government. Their portion can be moved from province to province.

In fact, what has happened and cannot be deviated from — in fact what has happened is that in their own agreement, they have had to seek authority for their portion of the funding, to get authority from their own Treasury Board, or whatever system they use in Ottawa, to advance monies from future years' potential payments, to make the payments for 1985.

As much as the honourable member would like to say, hey, it is your difficulty in this matter — we do share some of the responsibility; I don't shirk away from it at all. There are complications and there have been problems of adjusting and people who had part of their crop adjusted and then wanted to do other things with it and we couldn't meet those deadlines, according to some people, so there are those kind of difficulties, which are our administrative responsibilities. I don't put them on anyone.

But in terms of the funding, we do not and cannot make advance payments without prior authority on the global amount that has been — if it exceeds the budgeted amount, on an amount greater than what was budgeted, we have to have that authority.

As I mentioned, it does take considerable time in terms of the federal process. I think the honourable member knows that.

MR. A. DRIEDGER: I just want to clarify that. Is the Minister telling me that there is so much money set aside in the three Prairie Provinces for the damage, and if any damage exceeds the amount budgeted, then you have to renegotiate and it takes more time?

Is the Minister also telling me that anything within that budget, that the province has the authority and jurisdiction to deal with that? Then why is it taking so much time to get some of these claims dealt with. That is what I'm basically saying.

The farmers are prepared to accept a certain amount of damage out of their own pockets and stuff like that, but the delay in terms of actual settlements, I think that is the responsibility of the provinces; it cannot be the Federal Government.

So that onus is on this Minister and this program that he is under, that it should move a little faster. What is the problem in that respect?

HON. B. URUSKI: Mr. Chairman, there is no problem. I can tell my honourable friend that given the current

set of procedures that we have put into place, with Crop Insurance administering the total program, bearing in mind that we are within the budget guidelines that are budgeted for, there is no problem area that we can foresee, that we have to renegotiate anything. By the end of January of the year following the crop year, payment should be made unless there are, of course, disputes or other measures with specific claims.

Normally speaking, from now on, claims should all be settled by the end of January of the year following the crop year.

MR. A. DRIEDGER: Then I just want to indicate to the Minister, I think there was maybe a misconception in the farmers' eyes, the ones that suffer damage to some degree — not all, because some probably have gone through this on a year-to-year basis. Maybe it should be illustrated to them through — you know, this government likes to promote all their ideas and they have media coverage like you wouldn't believe, and news releases.

It might be an idea if they get out there and indicate to the farmers in certain areas, for example, the Interlake, certain areas that are more prone to waterfowl damage, that they illustrate to the farmers that they can't get settlements until the end of January, or the first of January. Many of them believe that somewhere along the line — the damage has been done in September, October; they expect some kind of compensation. They have made their applications and then it gets dragged and dragged and dragged.

I think that if they knew what they could expect, that it would be a lot easier for them and they wouldn't be that upset with these things. That is where the problem comes in, this delay aspect of it. Let's tell the people exactly what they can expect. If you have damage from ducks and geese in September or October and you can't get your crop, you have damage. It will be assessed and you won't get paid until after January 1st.

With all the promotion that you are doing, why can't you get that message across?

HON. B. URUSKI: Mr. Chairman, I appreciate the honourable member's comment. I have to tell my honourable friend while from time to time there are difficulties in terms of producers being unaware of the program, the corporation does and has used and does use newsletters and radio information clips to advise the farming population.

Quite frankly, Mr. Chairman, and the member talked about my area being susceptible to damage, we have had damage and we have had difficulties. In the main, over the last number of years in terms of the number of complaints that I have received over and above other matters that an MLA deals with, I have to tell my honourable friend that the number of complaints dealing with settlement of claims has actually diminished.

MR. A. DRIEDGER: There aren't that many guys that get affected by it.

HON. B. URUSKI: But I do get complaints.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Chairman.

I just enter very briefly into the debate at this time because most of my comments will be reserved for the Estimates of my colleague, the Minister of Natural Resources, on this matter. I can't help but just add a few words raised by my colleague, the Member for Virten, on the question, and I'm a little disturbed that the Minister of Agriculture is in doubt even as to who the signatories are of the International Migratory Game Birds Act which has for so many years governed the regime of these birds.

I simply want to put on the record, Mr. Chairman, that it was my privilege in 1980 to be a principal speaker at an international symposium held in New Orleans which pulled together the three countries involved, Mexico, United States and Canada and all other interested people like Ducks Unlimited. I was joined by my colleagues from Saskatchewan and Alberta. Mr. Chairman, the truth of the matter is that this is a question of trade. In this case, we are not getting our fair share and it should be put on the table of the trade deal that's now being negotiated.

Mr. Chairman, for reasons that I can explain, but biology has put a clock into ducks and geese that have them moved into Canada and particularly into Western Canada to breed. We are the duck factory of North American wildfowl, geese and ducks. As my colleague from Virten quite correctly points out, all too often it's the western farmer who has to pay for some of the feeding while we are raising these large numbers of ducks and geese in the Prairies.

Mr. Chairman, the Minister of Agriculture, in concert with the Minister of Natural Resources, ought to be pressing a lot harder on the two other signatories to this international agreement to help pay and offset the costs that we incur in raising the ducks here. It's not quite good enough. I don't want to impose on the Manitoba taxpayer greater monies to pay for greater compensation; it's a joint responsibility. Americans harvest 80 percent of the ducks that we raise and some species, 90 percent of the ducks that we raise and that we feed. It's not fair to ask our taxpayers to pay for the crop damage that these ducks do.

Mr. Chairman, the Americans were listening to what I had to say in New Orleans some five or six years ago. They understand that. Organizations such as Ducks Unlimited understand. That's not good enough just simply to put money in here as they have been doing in helping to provide better habitat and helping to provide better conditions for our wildlife.

But the whole question of compensation for crop damage should be brought up to this level, international level, if we are expected to continue — and I make no charge that we should stop.

I think all of us, whether we are hunters, whether we harvest geese or ducks or not, enjoy the wildlife that flies over our skies in the spring as they move to the north or back to the south in the fall. I'm particularly pleased that I happen to be located in a staging area for ducks and geese and have thousands of them on my own property, on my own farm, in the Shoal Lake area and the South Interlake area.

I want to see that continued. I want to see that heritage passed down to my children and their grandchildren, but I want this government, this Minister, along with the Minister of Natural Resources to make

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some effort at making sure that we get a fair portion of recovering the costs from those who enjoy the benefits.

HON. B. URUSKI: Mr. Chairman, I appreciate the honourable member's comments, but let's just set the record straight. The ultimate responsibility in this country, notwithstanding my honourable friend's speech at a symposium in the Carolinas, rests with the Government of Canada. I think the honourable member would be one who would say, here we are, here we are. That's not to say that we should not be continuing to press for a better international agreement.

I don't disagree with my friend at all. Don't get me wrong, but I think the honourable member knows, he's been around a long time in this public field that he, for one Minister, would not want to circumvent and subvert the authority of the national government in terms of international agreements. We have always taken the position that that whole area, whether it be in the Boundary Treaties Water Agreement, whether it be on migratory birds, while we play an intimate role in terms of the jurisdiction and the enforcement and the delegation of powers between Ottawa and the provinces, clearly the responsibility still lies — as much as I would like to say, yes, it is good to make a speech to our American neighbours to say, "Look, you've got to do more. You're harvesting the bulk of our ducks and it is a matter of tradeoff and we should be doing more for conservation and amelioration of damage and consider our position."

I don't disagree with it at all. I think it probably was a fine move, and I haven't read his remarks or anything, but the honourable member did that. But clearly, in terms of responsibility, I don't mind. I take his suggestion seriously that we maybe should be looking at that opportunity to express those views at other international forums, and I take that. But I don't want to leave the impression that we're prepared to now say, okay, we're prepared to take the lead in this, and Federal Government, it's okay whether you do. I don't think they would allow us, quite frankly, and I wouldn't blame them if they wouldn't in this whole area.

MR. H. ENNS: Mr. Chairman, I don't wish to pursue the debate but I must confess on this point to the Minister. I mean, Mr. Chairman, does the Minister have so little knowledge of the geography of Canada? The ducks and geese don't breed in Nova Scotia, or New Brunswick, or Newfoundland. — (Interjection) — They do, but not to the extent, and they do not have 20 millions of acres of wheat and barley to eat in those provinces. For anybody to suggest otherwise, just denotes some more ignorance of this country. This is a western problem, and for the Minister to advance that argument, then I charge him: why did you say one word about the Crow Rate Agreement, which is also federal agreement. Why did you worry about movement of grain? Oh, ho. That is so much nonsense. I'm rather disappointed in the Minister.

HON. B. URUSKI: Mr. Chairman, the honourable member should not try to compare apples and oranges. The Crow Rate Agreement is the Canadian agreement within our own country that impacts directly . . .

MR. CHAIRMAN: Arguments are not won by the volume of the voice, just won by persuasion.
The Member for Virden.

MR. G. FINDLAY: A final question to 2. Can the farmer in Western Manitoba or anywhere in Manitoba look forward to a better level of coverage in the coming crop year for wildlife damage?

MR. A. DRIEDGER: Not with this guy.

MR. CHAIRMAN: Is that the answer, Albert?
The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the level of coverage will be the same. It will be at \$75.00. There is no agreement for change for this year.

MR. G. FINDLAY: Does the producer have to be a contract holder for crop insurance in order to qualify for any compensation?

HON. B. URUSKI: No, Mr. Chairman. The producer does not have to be a contract holder of crop insurance. There is the application fee for adjustment, I believe, is \$25 per farm, which is refundable upon the claim being established after the adjustment and settlement have been made. That amount of money is refunded, but you don't have to be a contract holder.

MR. G. FINDLAY: Is that \$25 fee charged to both contract holders and non-contract holders?

HON. B. URUSKI: Yes.

MR. G. FINDLAY: What's the purpose of the fee?

HON. B. URUSKI: Mr. Chairman, generally, it was established that there really is a concern and a legitimate claim established by a farmer in terms of this program because there is no premium to be paid, and if there is a serious concern and damage then there should be no difficulty of putting up the fee. We've had occasions, not many, where people have — pardon me?

A MEMBER: Not too many concerns?

HON. B. URUSKI: Not too many, no, I admit, not too many, but we've had occasions where people have attempted to say come and check, and that's the reason that that fee was originally established.

MR. G. FINDLAY: Is there a minimum level of damage that's coverable and a maximum?

HON. B. URUSKI: The maximum total compensation to a producer shall be \$13,000.00.

MR. G. FINDLAY: What about the minimum?

HON. B. URUSKI: I don't think there is a minimum claim. If there is 10 percent damage, if there is 10 percent damage there's a \$1, it's on a percentage basis

to a maximum of 100 percent or, this past year, of \$75 an acre.

The pamphlet, the brief information we have here, was of the program two years ago which was at \$70 per acre. The eligible crops, and I should tell the honourable member, for example, Red Spring Wheat, Durum, utility barley, oats, rapeseed, grain corn, buckwheat, triticale, mixed grain, rye, flaxseed, tame mustard, field peas, canary seed, grass and legume lentils, faba beans and field beans were the crops that were eligible. "Compensation will not be paid for volunteer crops, late seeded crops, crops seeded on land considered unsuitable for crop production." Oh yes — "No compensation shall be made when damage per quarter section is \$100 or less." There is a minimum. "Acreage assessed at less than 10 percent damage to the crop will not be eligible for compensation." So if the damage is less than 10 percent there will be no eligibility.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

I may have missed this, but could the Minister tell me, the claims for waterfowl damage, are they treated the same way as the wildlife? Does the farmer have to go through the conservation officer who verifies damage and then the crop adjuster comes and looks at it?

HON. B. URUSKI: No, Mr. Chairman, not for waterfowl at all. The system is generally an application to Crop Insurance and Crop Insurance will investigate. We do, however, as I think we spoke about earlier in the debate, try to put off the final adjustment till just prior to harvest to determine the actual amount of damage, but the procedure is different under this program.

MRS. C. OLESON: Thank you.

MR. CHAIRMAN: 2.(b)—pass.

Resolution No. 7: Resolved that there be granted to Her Majesty a sum not exceeding \$4,670,900 for Agriculture, Manitoba Crop Insurance Corporation, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 3., Manitoba Agricultural Credit Corporation — the Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, just a brief overview for the honourable members' information, I wish to highlight some of the activities of MACC for the fiscal year 1985-86.

The activities of the corporation in loans and assistance to Manitoba farmers for the fiscal year totalled \$65.7 million. This was \$8 million lower than the unprecedented level of \$73.7 million attained in 1984-85. Comparing the 1985-86 fiscal year to 1984-85 fiscal year, there was a \$7.5 million decrease in the guaranteed operating loans approved, and a \$2.5 million decrease in the interest rate relief payments. There was an increase of \$2 million in fixed rate loans approved.

During the fiscal year, 775 fixed rate loans were approved for \$32.3 million; 550 farmers received guaranteed operating loans for \$32.2 million; and 206

farmers received \$1.2 million in assistance under the Manitoba Interest Rate Relief Program.

For that fiscal year, 3,429 MACC clients had their interest rates and their loans reduced to 8 percent for a total cost of just over \$6,029,993; 2,474 MACC clients received refunds totalling \$3.7 million; and 955 clients had a total of \$2.33 million credited to their accounts; \$2.2 million was returned to farmers under the Young Farmer Rebate Program.

MACC administers the Commercial Fishermen's Loan Program on behalf of the Minister of Natural Resources. In the 1985-86 fiscal year, 88 new loans and 924 supplemental loans were approved for a total of \$2.3 million; 50 percent of the approximately 2,500 commercial fishermen currently have loans with MACC.

For the information of my honourable friends, I would like to introduce at this time the general manager of the corporation, Neil Potter, who has been with the corporation since 1981. Since 1981 he has been the general manager of our corporation.

MR. G. FINDLAY: Is it possible for the Minister to give us a copy of what he just read. It's got a lot of figures in there and a lot of information.

HON. B. URUSKI: Mr. Chairman, yes, we'll send the copy over for my honourable friend.

MR. G. FINDLAY: I guess the first thing I would like to get at is how much land is presently under mortgage by MACC; how much land is presently held by MACC; how much is in arrears; and how much is in a state of foreclosure?

HON. B. URUSKI: Mr. Chairman, we do not keep a precise acreage of land in terms of mortgage, but I can tell my honourable friend that, out of the total land and chattel mortgage, we estimate that about \$185 million would be attributable to land mortgages in the hands of the corporation. There are approximately 65,000 acres under lease-back to farmers, either through the Land Lease Program or a lease-back provision to other producers of parcels of land or parts of holdings which were considered surplus and were not sold under the tender basis, because we do on a regular basis auction what we would call surplus parcels to the corporation.

They would not be entire farm units. They may be a quarter or a half-section of land that may have come back, either through default, quit claim. In terms of foreclosures, only one foreclosure in 1985-86; and the one foreclosure which the corporation did take action on, and five cases of declared bankruptcy as clients of the corporation. There were 19 quit claims in the fiscal year of last year.

The acreage amount, Mr. Chairman, of the total of all three groups that I gave, the bankrupt, forced and quit claims, 8,500 acres approximately.

MR. G. FINDLAY: 8,500?

HON. B. URUSKI: 8,500.

MR. G. FINDLAY: That's the 19, 5 and 1?

HON. B. URUSKI: 19, 5 and 1, yes.

MR. G. FINDLAY: On the lease-back, you mentioned 65,000 acres. Is that land that has been repossessed over what period of time by MACC?

HON. B. URUSKI: Since 1980.

MR. G. FINDLAY: Could you give us a breakdown then, year by year, as to the acres involved in that repossession?

HON. B. URUSKI: Mr. Chairman, we'll endeavour to get that. We do not have that information, but that will be something that we'll endeavour to get as soon as we can.

MR. G. FINDLAY: Of the people applying for loans under MACC, what's been the experience in this last six months, or in the last year — however you want to approach it — in terms of the rate of turndown of applicants and the major reasons why they've been turned down? I guess the question following that one would naturally be: what difference from a year ago?

HON. B. URUSKI: Mr. Chairman, in terms of the decline rate, approximately 50 percent of the applications this year are declined. Last year it would be in the 25 to 30 percent range of applications that would be declined. The major reason for declining an application would, of course, be viability in terms of being able to repay the debt load on the basis of cash flow and interest rates payable.

There are instances in which insufficient security would be a reason as well for declining, but that would be minor, one of the lesser reasons. It would primarily be viability to repay that debt load in terms of the current operations.

MR. G. FINDLAY: You say the viability and cash flow is the major reason this year and the decline rate this year has increased. What has been the major change of events that has caused this to happen?

HON. B. URUSKI: Mr. Chairman, the obvious one — the price of grain.

MR. G. FINDLAY: I understand that if a producer comes in, he must budget to determine his cash flow. I would like the Minister to divulge what figures are being used for wheat and barley and rape for the cash flow, the dollars per bushel.

HON. B. URUSKI: Mr. Chairman, major prospective prices for this year in terms of the calculations: we're looking at wheat No. 2 and No. 3 at \$3.25 a bushel; Durum at \$3.50 a bushel; barley \$1.60 a bushel; multi-barley at \$3.30; oats at \$1.10; flax at \$6.30; canola at \$5.80 is generally the calculations that are used by the corporation.

MR. G. FINDLAY: Just to look at the wheat figure for a few minutes. In my own operation, I would say that \$3.25 a bushel for No. 2 Red Spring Wheat would be what the farmer will receive at the elevator in the fall from the initial price, as announced. Has the corporation not taken into account that that income will be further

supplemented by the fact that he may be in grain stabilization, and final payments will be paid, and the two-price wheat policy may well be in effect; all of which will supplement the value of that bushel to a fair degree. I would like to know what consideration is being given in those areas.

HON. B. URUSKI: Mr. Chairman, the corporation does take into consideration a final payment in terms of what might be expected in terms of wheat prices. I am advised they do not take into calculation any payment that might be forthcoming from Western Grain.

MR. G. FINDLAY: What about two-price wheat? What about the increased domestic value of wheat, or the domestic price of wheat?

HON. B. URUSKI: Mr. Chairman, we won't know that until it is in fact announced.

MR. G. FINDLAY: In light of the fact that you're turning down substantially more applicants this year than last, and in light of the fact that your government and ourselves feel that the young farm community needs every opportunity it can to survive and stay viable, is it fair to be using the bottom line figure for value of wheat instead of the realistic value of wheat which may turn out to be, with all these supplements I've added in?

HON. B. URUSKI: Mr. Chairman, I should point out to my honourable friend, more realistic would have been, quite frankly, as the Australian Wheat Board had done, to barely change the initial price for wheat. They reduced their initial price for wheat only by 3 percent in terms of the world decline — well, world decline, basically government-induced decline of the Chicago Board of Trade in terms of grain prices. It was not a market price decline; it was a government induced price decline and the Americans make no bones about that.

Our initial proposition early in the year 1986 to the Federal Government was to say we think that you could have at least maintained wheat prices. It would have been a confidence in terms of the western economy without the Western Grain Stabilization Act and maintain the prices. That would have held confidence into the grain market.

In fact, Mr. Chairman, as I indicated to the honourable member before, about 30 percent of our applicants in the last number of months have been from Farm Credit Corporation clients. There is a fairly major difference at the present time in interest rates between the Farm Credit Corporation and MACC. It's anywhere between, I think .75 percent to as much as 1.5 percent difference that MACC is, in fact, lower than the Federal Farm Credit Corporation. Quite frankly, farmers recognize it very well and they're coming over in a major way in terms of seeking refinancing. A percent-and-a-half on a \$50,000 or \$100,000 loan is nothing to sneeze at in terms of the difference even in annual costs.

To suggest that somehow our corporation should be doing far more in terms of hanging in there and doing some other calculations, Mr. Chairman, in light of comments that were made by your own colleagues here just the other night, why do you need the money when

maybe the province won't be able to borrow any money on the market and, in fact, we are sinking ourselves down the hole and borrowing ourselves to death, statements made by your colleague here, sitting in the House tonight, the Member for Fort Garry?

MR. G. FINDLAY: I am quite disappointed that the Minister of Agriculture has indicated he has lost confidence in the ability of our young producers to be viable in the farm community.

If we look at the areas that I just mentioned, you're starting at \$3.25 for the initial value of a bushel of wheat, and if he's a member of Grain Stabilization, you can add 30 cents, based on the payout of last year, this year, and the projected one for next year. If you look at the two-priced wheat concept, another 30 cents a bushel can be added onto every bushel of wheat that's sold. If you look at the final payments, it really hasn't been under 50 cents a bushel for quite a period of time.

If we even add another 30 cents for the final payment, we can add on 90 cents to the value of a bushel of wheat. At a start of \$3.25 and you add 90 cents, you're up to \$4.15. Four dollars and 15 cents is the value of a bushel of wheat.

Might I remind the Minister, we just finished Crop Insurance, where you're prepared to insure the wheat at \$4.08 a bushel, so what's it really worth, Mr. Minister? Is it \$3.25 when you want to borrow money but when you are in Crop Insurance, it's \$4.08. Let's get realistic and support the farmers.

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that the average age of our clients is 28 years of age. Talk about supporting the young farmer. There is no institution in this province, none, that has gone out as far on the limb, quite frankly, as this corporation in terms of extending credit guarantees and assisting the farm community than this corporation.

Mr. Chairman, I want to tell my honourable friend, and let's compare — let's make some reasonable comparisons in terms of relationships to the farm community as it relates to MACC, which has vastly expanded its budget over the last number of years and provided the credit needs of farmers, and compare that to a national agency which, in 1983-84, provided just under 500, 497 loans were approved; in 1984-85, that same corporation went down to 188 loans; in 1985-86, not a complete year, it was 15 days short of a complete year, down to 120 loans a year.

Mr. Chairman, they've totally retrenched. They have totally retrenched in their farm credit field. Here we are having Conservative members saying what's the price of wheat? Mr. Chairman, we would have liked nothing better than to have the Federal Government say we are committed to sustaining the incomes of Western Canadian farmers because eventually we will have to pay it out. The question is we don't know when. Is it going to come next spring and if it does, the calculations for next year's loans will reflect that.

But now, to say, and I can just hear my honourable friends, here they are taking a \$5.00 a bushel wheat in their calculations and saying what the heck are you doing, when wheat prices are \$3.00. Isn't this a stupid

government; they are now calculating wheat prices at \$5.00 a bushel, \$5.00 a bushel for the farmers, and they're providing the loans and they're digging the farmers deeper into debt by the very calculations. I can just see the reverse argument coming from my honourable friend, and he would make it, and he wants to get it right, Mr. Chairman.

He would be right in terms of what is the realistic expectation of farmers in this province. Farmers know that the market price has been set — basically, the initial price, and it is an initial price, by the Federal Government. If the honourable member is saying that we should make all those calculations, he should really be saying to the Federal Government, maintain your initial price where it was; take some chance in the marketplace because you will then not have to pay it out the following year out of Western Grain. Clearly that could have been a choice for the Federal Government. The member shakes his head and says no, it wasn't. Why wasn't it?

I want my honourable friend to say why wasn't that a realistic choice when, in fact, the marketplace was not dictated or not set by the market. It was set by a government program south of the border. It was the U.S. Government saying this shall be the market price, and the Chicago Board of Trade said oh, yes, you've now maintained your target price; we have reduced the loan rate and there is the new trend in terms of the marketplace.

Mr. Chairman, I'm advised as well that in terms of U.S. pricing and the setting of markets, and I want to quote from a provincial market analysis from our sister province, and I quote: "The USDA is expected to set the 1987 wheat acreage reduction program at a maximum of 27.5 percent. There is still some concern within the USDA that the 1986 loan rate of \$2.40 per bushel may still not be low enough to make U.S. prices competitive. Many industry analysts expect the Secretary of Agriculture to set the 1987 loan rate at \$2.28 a bushel."

Mr. Chairman, there is what the thinking in the industry is. When the honourable member talked about the Crop Insurance Corporation setting a different level, he knows very well that the Crop Insurance Corporation set that amount a year ago and we attempted to be as realistic as possible in terms of our consultations with the Federal Government. It was the Federal Government — this is a negotiated program; let's just remember we don't set the amounts of coverage unilaterally because they pay 50 percent of the bill, and it's on that basis and our those decisions are made in that way. But quite frankly in some crops, Mr. Chairman, it may be as was suggested by the Honourable Member for Pembina the other day, that it may prove with some difficulty.

Mr. Chairman, I want to give my honourable friend some other information that he should be aware of. The Honourable Member for Virden should be aware that last year the Farm Credit Corporation, in fact, took out \$50 million more from the farm economy in Manitoba than it put back in terms of credit. The credit advanced last year was, I think, something like between \$15 and \$20 million and then, in fact, farmers made payments of \$50 million in excess of the credit arrangements that were allowed. When you look at the record of our corporation, when we came into

government, we just started turning the clock, we were at \$27.5 million in 1982-83. In 1983-84, we went to \$71.2 million. In 1984-85, we went to \$74.3 million. Last year there was a slight reduction to \$66 million in terms of our total activity.

Talk about commitment and hanging in there with the farm community, Mr. Chairman, I totally reject any suggestion that this corporation and this government in terms of the availability of capital and working with farmers to sustain them, we take a back seat to no one in terms of the provision and sustenance of the farm community in Manitoba.

MR. CHAIRMAN: Will the member yield?

MRS. S. CARSTAIRS: I'll yield.

MR. G. FINDLAY: When we get in a line of questioning, it's best to stay on it until we get it completed.

The initial price of grain turns out to be around 320, 325 when it was announced in March. When does the corporation decide on the value of wheat for budgeting?

MR. CHAIRMAN: Will the member please repeat the question?

MR. G. FINDLAY: When does the corporation decide on the value of wheat for budgeting?

HON. B. URUSKI: Mr. Chairman, generally we follow the announcements of initial prices and monitor what is happening. If, in fact, there are changes in the situation in terms of wheat pricing throughout the year, that somehow reflects differently than what we are using today, we will make those adjustments accordingly.

But, of course, recognizing what everyone else is saying the projections that are being made as to how long will the situation last and try and make as realistic an appraisal of the application and the ability of that farm unit to repay that, or at least make those payments on the current adjusted figures in terms of the debt load that they are carrying. Primary viability is really the question that the corporation is concerned about. Can that farm unit make and repay the debt load on an ongoing basis?

MR. G. FINDLAY: If a person made application in February, do you mean to tell me you've withheld his application until initial prices came out for this crop year to determine what you could budget in that? If that is the case, he's obviously got a 20-year mortgage, what are budgeting wheat for for the next 19 years? Is he being declined because of a momentary drop in the price of wheat which is unrealistically low based on what you yourself value it at in crop insurance?

HON. B. URUSKI: It certainly would be a factor. But one of the major factors would be whether or not that farm unit can in fact cash flow those payments based on the new projected prices, that would be a consideration.

The honourable member is saying, well, now that you've made the loan for 20 years, are you going to back out of it? No, we're not going to back out of it, or we're going to make some different calculations.

But we certainly would be foolish not to start reflecting the new reality as the advice comes in and still make some projections. We try to cushion ourselves for what we might see happening, but the honourable member obviously doesn't suggest that perhaps he has some great advice that he wishes to impart.

MR. G. FINDLAY: Well, I think we've already gone over the figures in terms of what is a realistic support level to look after the young farmers who are applying, which is primarily what you're dealing with.

Could you give us some idea as to how the 20- to 30-year-old farmer was treated in this period of time as opposed to the 30- to 40-year-old farmer was a turndown rate, even higher than 50 percent in the 20- to 30-year old farmer?

HON. B. URUSKI: Mr. Chairman, I don't believe that we can break out those kinds of statistics. We could probably try to, but we wouldn't have that information whether or not a 10-year period in terms of age of client would have a higher turndown rate than another group. We'd have to try and get that information. We don't have that available.

MR. G. FINDLAY: Is there any minimum equity required to be granted a loan under MACC in addition to the cash flow?

HON. B. URUSKI: Mr. Chairman, we do have individual limits on livestock and on land. We don't go above providing credit over and above 80 percent of the value of the assets. But when one takes the entire farm unit into consideration, there is no minimum equity that is in percentage terms.

There is an equity ratio of 20 percent on the Loan Guarantee Program that we require — a minimum equity of 20 percent on the loan guarantee.

MR. G. FINDLAY: Are there any contingency plans to increase the value of grain in the budgets where farmers are presently being turned down; any contingency plans to increase the value that you're budgeting grain for in light of the possible developments in the next few months? I'm thinking particularly of those that have been turned down, that have been close to qualifying, that a year ago would have qualified, but this year won't. I guess, most particularly, I'm thinking of the father-son relationships.

HON. B. URUSKI: Mr. Chairman, generally speaking those would be the majority and practically the only kind of transactions that we would be involved in, is the type that the member is speaking of for land purchases.

MR. G. FINDLAY: But the question I started out on, are you going to make any accommodations in what you're budgeting those cash-flow projections at in light of the changing value of wheat with these other areas that I mentioned before, especially the two-price wheat and the final payment area?

HON. B. URUSKI: Mr. Chairman, we have taken into account final payments that might be available. We

have not taken into account the projections that I said earlier. The possible two-price system, the increase in the domestic price of wheat are not in our calculations at the present time. What the honourable member is asking is whether we are making provision. Once that announcement is made, that certainly would be an additional factor that we would consider. We are already having a consideration in terms of a possible final payment and that's the extent to which we are going at the present time.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

I find that a figure of \$5 million for administration costs — particularly when it's 16.2 percent higher than it was last year, and when the grand total for the years in this government's term of office is 62 percent — a little sparse on details. Can we have some details as to what these major administrative increases and costs are going to be?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that in terms of administrative costs, the corporation's staff has increased by one to 54 — we were at 53 — and the administration costs are \$2.526 million this year and that is up from \$2.3 million last year.

Mr. Chairman, I will give the honourable member the entire breakdown of the \$14,106,800; and that's made up of \$2,526,500 on administrative costs, net interest costs of \$13,000, Young Farmer Rebates of \$2.567 million — I am giving just the global figures — loan guarantees of \$2.5 million and special farm assistance of \$6.5 million for a total of \$14,106,800 for the total breakdown of the budget. That's what it's broken down into.

MRS. S. CARSTAIRS: Well, either my arithmetic isn't very good or your arithmetic isn't very good, but I don't see how you get \$5 million out of that. You tell me your administrative costs are \$2.526 but your administration costs on Page 11 are \$5 million?

HON. B. URUSKI: Mr. Chairman, to give a more precise figure of administration is salary costs of \$1.77 million, other administration costs, may as well say are \$756,000, net interest costs of \$13,000, Young Farmer Rebate of \$2.567 million should total up to the \$5,026,500 administrative costs.

MRS. S. CARSTAIRS: Mr. Chairman, I think part of this, of course, is the fact that we get such very little detail when we get our presentation of Estimates. But what is the difference between the \$13,000 net interest costs and the allotment of net interest costs at \$2.5 million? Shouldn't they be lumped together?

HON. B. URUSKI: Mr. Chairman, the interest costs that are shown there at \$2.580 million would be the amount of claims that we would have on our Loan Guarantee Program that is shown as basically costs to operate that program.

MRS. S. CARSTAIRS: I don't want to be difficult — maybe it's because I taught mathematics — but we

have, according to your figures, 2.56 for administration which is divided 1.77 for salary and .756 for other expenditures; we have 13,000 — did you say? — for net interest, and what is the amount we have for young farmers?

HON. B. URUSKI: \$2,567.3 million.

MRS. S. CARSTAIRS: Why has it been necessitated that if your farm loans in fact went from a high of \$74 million down to \$66 million — presumably, this year they will go up somewhat — to increase the budget of that overall figure of \$5 million by 16.2? Where is the 16.2 percent going? It isn't obviously going for just one salaried employee because otherwise that salaried employee is making a great deal of money.

HON. B. URUSKI: Mr. Chairman, I think I gave the — when I say the wrong figures — I put them into the wrong column for the Member for River Heights. To make up the \$5,026,500 figure in Administration was the salary costs of 1,770.6, 755.9 and the Loan Guarantee Program of \$2.5 million, should be a total, I believe, of \$5,026,500.00.

How does that square with the 4.209 million the member asked? The administrative costs last year were 1,513.5 million in salaries. We did have an increase in terms of assistance in the field staff during the year and that's where our budget went up from 1.513 — we added overall staff to the corporation — administrative costs last year were at 696.2 thousand; the Loan Guarantee Program I believe of \$2 million — that should total the \$4.2 million.

MRS. S. CARSTAIRS: So, in fact, your major increase in this budget is going to go to loan guarantees?

HON. B. URUSKI: Transfers in that line were — (Interjection) — made.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Mr. Chairman. I'm going to ask some general questions in the direction that MACC is moving at this juncture and I would wonder if the problem that we're having, squaring some of the increase in applications and some of the increases were at least perceived from the questions that we were being asked, the numbers of turndowns that have shown up on MACC desks in the last couple or three months do not have something to do with the fact that MACC has become involved in the Interest Rate Relief Program.

They have become involved in a program where the benefits of the program went to the MACC clients only and not into the general farm economy in terms of assistance that the government was directing towards rural Manitoba.

There's an expectation out there, I would suggest, of people who are feeling that they have been by-passed in some of the government programs that have been implemented, particularly the Interest Rate Relief Program, because they were in fact not clients of MACC.

If I can go back to when I was trying to get into agriculture, it seemed to me that the corporations of

this nature were set up to help the beginning operator get started — the one who had not accumulated assets. There was a government's role at that point to get into loaning of capital funds, and in some cases, livestock funds and machinery funds, so these farmers could in fact get going and their portfolio could be built up so they could attempt to carry on their business from that point forward, using the normal financial institutions for their resources.

What is the general thrust of MACC now in terms of its participation in the agricultural economy of the province? Is MACC destined to be a major ongoing financier to all age groups and all levels of the farmers, or is it going to be used, as I indicated in some cases, as a vehicle to deliver aid to the farm economy which I think creates unreal expectations out there? I would like to get into a discussion in that area with the Minister.

HON. B. URUSKI: Mr. Chairman, I guess I can indicate to the honourable friend in as brief a way as I can. Our original mandate as I would see it, would have been to complement the Farm Credit Corporation in a provincial agency providing long-term stable credit to the younger and beginning farmers, generally, but some older — but generally smaller and mid-sized farmers in terms of the amount of capital that we made available through our lending programs. Some are given and have argued from time to time that our limits aren't high enough, that we should expand our limits, but generally we've basically attempted to, as I would say, saw off the market and generally left FCC to the larger farmers of the province in terms of needing larger amounts of capital and MACC playing a developmental role, as I would indicate, to the younger and beginning farmers of our province.

But I want to say to my honourable friend, I would be the first to admit that in terms of what we attempted to do and he should be aware of it — he may have attended some of my meetings I don't know, in the last two or three years because I have held meetings with the farm community over the last three years discussing farm issues with them — and, of course, some of those issues were quite specific in terms of what kind of dialogue we wanted to have, and of course they led into other discussions.

But on the whole question of interest rates, Mr. Chairman, clearly, we of the government believe that the monetary policy of the Federal Government — and I say it in the most strongest words — was nothing short of being insane. It caused the greatest dislocation throughout the Canadian economy that we have seen, along with the whole energy pricing — the world energy pricing mechanisms and the high interest rates — caused some of the greatest dislocation. The farm community certainly is suffering for it because of the nature of the large amount of capital required to finance a farming operation and the snowballing effect of high interest rates having on many farm operators. We did, quite frankly — and I've said this at public meetings before in our meetings — attempt to embarrass your colleagues of the Federal Government to change their approach away from the high interest rate policy to say let's deal with the problem because we could see what the ripple effect would be down the road of those 18 and 20 percent interest rates in the early 80's what the outcome was and would be.

We are seeing it now, Mr. Chairman. We're seeing what that outcome is now in the huge stress of families having to be forced off the farm and in the kind of difficulties that they've been placed. Primarily, Mr. Chairman, it's been as a result of the huge accumulation of debt load as a result of those insane high interest rates. Clearly, that has caused some of the major problems of the farm community. In fact, Mr. Chairman, if we could do anything, it is to say let us wipe out that accumulated interest rate, not the principal, because I believe that most farmers say I borrowed the money, I'm going to pay it back. It has been that accumulated interest amount on that original capital that has basically put many of those of our farm community behind the eight ball in that, had the interest rates remained low — when I say low, between 1 and 2 percentage points above the rate of inflation as the monetary policy of this country — I venture to say you would have not even half the problem that we are faced with, even less, Mr. Chairman.

Mr. Chairman, here we have the Member for Arthur indicating where would inflation have gone had we not raised interest rates to where they were? I know, they supposed the federal policy on this whole area. There was an opportunity for the Federal Government to use a different approach in controlling inflation. Mr. Chairman, there was a different approach that they could have used in controlling inflation.

They could have said that the huge profits that were there, we could have taxed off those profits out of the economy, taken that out of the economy, we — (Interjection) — Mr. Chairman, we could have done that. We still would have had unemployment because there would have been a slow down in economy, but we could have taxed away those profits and used that money to put people to work and we would not have had the huge deficit that we have today in this country because had those interest rates been at 2 percentage points above the rate of inflation, we would not have a \$30 billion deficit. Our deficit would have been in half or less than half, just by the very nature of our monetary policy in this country.

Now, the argument would have been, quite frankly, as there would have been a fleeing of capital from this country. Capital was fleeing. We in Canada can't do anything on our own. Mr. Chairman, that argument was advanced during the war years, and my honourable friends can argue that and I expect some debate in this whole area. Clearly, there was an option to the Federal Government. I do not accept the proposition that the only way to control inflation was to raise interest rates to the insane level that they did.

MR. G. CUMMINGS: Mr. Chairman, I hadn't noticed the soap box over there.

My question was directed to the Minister in terms of the direction of the Manitoba Agricultural Credit Corporation. In the Interest Rate Relief Program, there were a lot of people out there who now have expectations that they should be part of the MACC Program if they hope to be part of any future government relief. Now, is that a mandate that is going to be handled through MACC from now on, that farm programs other than the original mandate, as I believe the Minister and I agree, to handle programs for

beginning and cash short — (Interjection) — well, I have to be nice to him once in awhile — beginning farmers? Would he not agree that the Interest Rate Relief Program possibly exceeds that original mandate?

HON. B. URUSKI: Mr. Chairman, the Interest Rate Relief Program, I don't know if he's talking about the one that we made a commitment in 1981. It was that an election commitment; we followed through on it. If he's talking about the interest rate write down that we had for two years running — that's the one you're talking about?

Madam Chairman, I fully expected that the Federal Government, with its mandate in terms of monetary policy, would be prepared to carry through and would be able to force all the lenders in this country to say, reduce your rates to 8 percent; we're going to follow through in this whole area. That was my expectation. I said to you before, we were attempting to place enough pressure on our national government on their monetary policy to allow that kind of a benefit to accrue to all the borrowers in this country, primarily the farming community that I was interested in, but we would have liked to have seen low interest rates for everyone in our economy and that was the move that we had made to try and deal with that.

I don't believe, and although this matter was raised at some of the meetings that I had by a number of people saying, well you know I'm not a MACC client, what are you going to come up with me? I took the position, I think the general impression of the farm community, and I have to say that I've talked to in the last two years to maybe 3,000 farmers in terms of meetings directly who came to the meetings. The vast majority of farmers believed and indicated, yes, there was a responsibility on our national government to deal with interest rates and interest rates were too high.

Quite frankly, we expected them — (Interjection) — Mr. Chairman, if he wants me to get into that one I will tell him; they kept the interest rates up in order to protect the Canadian dollar. Wasn't that one of the reasons? We wanted to protect the value of the Canadian dollar. Where did our Canadian dollar go, Mr. Chairman? It remained the same. In fact, dropped and, yet, we were able to lower our interest rates by four points? I mean talk about the con that was put on the Canadian public, that somehow we had to protect our Canadian dollar and raise those interest rates up high to protect it. Now, the Canadian dollar is at an all-time low. In fact, dropped about two points in that year's time frame and we dropped into straight four points. Now, talk about a con on the Canadian public as being a policy in terms of monetary policy and lowering interest rates. It's baloney, Mr. Chairman. It is a con game on the Canadian public that we had to do that in terms of monetary policy.

We expected — in a direct answer to my honourable friend from Ste. Rose — the Federal Government to force all the lenders and basically put up, as we have done, in this whole exercise. I think most of the farm community realize that.

MR. G. CUMMINGS: I think the record should show that the high interest rate period that we were talking about was not within the last year-and-a-half, Mr.

Chairman. The misrepresented oil program that the Minister was talking about began some half dozen years ago also.

The question still begs to be answered, I believe, by the Minister when we're looking in the numbers of turn downs or anticipated refusals that we will see on the part of MACC, as was touched on in the debate earlier. The problem would appear to me to be that there are people out there who have, by most standards, very viable operations that are saying they are being discriminated against because, at this point, they're the only answer. Even though they may have well in excess of 50 percent equity, the only answer that they can get from MACC at this point is that their cash flow is not appropriate. I think the reasons that were outlined by the Member for Virден a few minutes ago indicate that there is some restructuring of that assessment of loans that should take place.

I still would ask the Minister if it's the mandate and we look at — now we have Loan Guarantees and Farm Start also included in MACC, along with the Interest Rate Reduction Program. Under the Interest Rate Reduction Program, it seems to me that we saw a very clear indication that perhaps the program was not handled in a way that has normally been the policy of his government inasmuch as the help should be directed only to the areas where he feels that it's important. I think this is what's causing people out there to feel that they must get into the MACC program at this point because there were, in fact, a considerable number of people out there who were issued cheques in relationship to this program, and there were two extremes receiving cheques under this program, that I'm sure the Minister was probably aware of and simply could not be dealt with under the way the program was handled. They should be flagged, I think, and pointed out at this time.

One was the person who was in arrears, severely in arrears, but rather than have some of his arrears removed, simply received a cheque from the corporation and still did not make an effort to pay up those arrears.

The other one was the person who had his loan portfolio well in hand, who, in fact, was able to weather the storm at that particular point because of the opportune time that he entered into the agricultural sector probably being the main reason. That person also would have received a cheque.

So, in fact, the program was not directed in a manner that would provide the most relief at the focal point of where the problem was.

MR. CHAIRMAN: It is just past 10:00 o'clock. Is it the wish of the committee to go on?

HON. B. URUSKI: Mr. Chairman, I move that committee rise. We will answer the question the next time around.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

IN SESSION

MADAM SPEAKER: The hour being 10:00 p.m., the House is now adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).