

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 16 June, 1986.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY — HIGHWAYS AND TRANSPORTATION

**MR. CHAIRMAN, M. Dolin:** The Committee dealing with the Estimates of the Department of Highways, come to order. We are dealing with Item 6. on Page 97. It was agreed that we will deal with it generically.

6.(a), (b), (c) and (d), dealing with Driver and Vehicle Licensing, Management Services, Licensing, Safety and MPIC.

The Member for Niakwa.

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

We were just getting started and I did have a couple of things that I have brought up and I would like to bring up again.

One thing in particular, I wonder if the Minister can advise what the policy is on licensing of elderly drivers, people who have reached a certain age who, in some cases, might be not talented enough to be driving. What safeguards do we have to see that these people are brought in for re-testing and things of that nature? Is there a policy by the government or do they just pick up people or ask people to come in for re-testing who have committed some sort of an offence or . . .

**MR. CHAIRMAN:** The Minister of Highways.

**HON. J. PLOHMAN:** Well, Mr. Chairman, we do not have a policy of discriminatory attention or practice with regard to elderly people. It's based on their driving record and, of course, doctors are required under the law to report any cases or situations or any individuals, during routine examinations, who might be hazardous drivers because of, say, eyesight or other situations that might arise.

We certainly allow the declaration on the back of the licence to influence the kind of licence that the individual would have. If they indicate that they have a problem with something or other that might affect their ability to drive, that is then followed up and special tests or medicals will be required, and perhaps a restricted licence on that basis.

So really, the act requires a doctor to report. There's a declaration, which means that the individual must report any changes in their condition that are obvious. If there is an accident or a number of infractions that the driver has incurred over a short period of time, no matter what their age, then they may be called in for a re-test or something like that or, if there's a report from police that a driver should be tested in their estimation, that person may be tested, that kind of approach.

I should point out, Mr. Chairman, that currently my understanding is that drivers over the age of 65 account for only about 4 percent of the accidents in the province.

So it is not something that is an extremely large problem in terms of accidents and causes.

**MR. A. KOVNATS:** Can the Honourable Minister advise how long this non-discriminatory practice has been in effect?

**HON. J. PLOHMAN:** I'm advised it's been in effect for years. I don't know if it was ever the case that there was any other practice.

**MR. A. KOVNATS:** Well, now I bring up the point. I think you're a little bit late in being able to advise my dear old dad, who has passed away now, and send him a letter of apology because my dad never had a driving infraction, moving infraction, against him under any circumstances.

At the age of 80 years, they took his licence away, by him not being able to pass the exam, but he had no reason to be called in, no reason at all. He just received a letter stating that, because of his age, he would be invited to come in and pass the test, and he couldn't pass the test, and rightly so.

At age 80, he really wasn't good enough to be driving and we tried to discourage him. What we had suggested to him at that time was: "You know, dad, just accept it; this is the way it is." There has got to be all kinds of other people like him.

Is this a unique case that would have happened in the case of my father?

**HON. J. PLOHMAN:** Mr. Chairman, first of all, I'd have to ask, how many years ago was that? Was that during this administration's time, or was this 10, 15 or 20 years ago? Obviously, I can't answer a question dealing with the previous administrations.

**MR. A. KOVNATS:** Well, as I suggested, I had asked the question to find out how long this non-discriminatory practice was in effect. So, if the Honourable Minister can answer that question, then I'd be able to work out somewhere around how long back it was. It was before the Honourable Minister was the Minister.

**HON. J. PLOHMAN:** I think that it may be, and that was obviously before this registrar was the registrar and perhaps before the previous one was, as well, because I think he was appointed in 1980 or '81, somewhere in there — Carl Procuik. So, we're going back now to a couple of registrars and also a couple of governments perhaps. I don't know if it has changed during those governments. All I can say is the policy we have in place now. I could ask any of the members what the policies were 50 years ago and they couldn't answer either.

**MR. A. KOVNATS:** I'm not talking about 50 years ago, Mr. Chairman; I'm talking about 5 to 10 years ago, somewhere in that area, which is in the time of, I would think, the last administration, or it could have even

been under the Sterling Lyon administration. That's not what I'm trying to establish. I think we're trying to establish something to protect the rights of elderly people with dignity because some of them shouldn't be driving cars. There's no doubt in my mind about it at all.

But, at this point, I would like to ask the Honourable Minister, have any plans been made? A driver's licence is such an important item. You really find out when you break the law and you lose your licence or you have speeding tickets and drinking offences and things like that and that driver's licence is taken away from you. Now that is a real punishment, and rightly so, because whenever you go in to cash a cheque or to use any kind of identification, they always ask you, do you have a driver's licence, and one other piece of identification, and that gets you an opening, you're able to cash cheques, you're able to identify yourself.

Is there any way that elderly people who have lost their licence, because it is a traumatic experience, is there any way that they could be given a special licence — and I've asked Ministers this before and it's such an important item. Can the Honourable Minister advise whether there's been any discussion in issuing a driver's licence that isn't valid for driving, but just for identification?

My dad had a licence for 60 years and then all of a sudden they take it away from him. He says, "Abe, see if you can get me my licence. I promise I won't drive a car." It was just that he was so proud of his licence. Is there anything that could be done to see that elderly people — and it's too late for my dad now — but is there any way that we could give elderly people a non-driving driver's licence? It sounds kind of ridiculous but it's an important thing.

**HON. J. PLOHMAN:** Well I appreciate, Mr. Chairman, that it is a traumatic experience for people to lose their licence, particularly elderly people, when they very often view it as being synonymous perhaps with youth or something like that, and it is a blow to their feeling of well-being, I would think, in many cases. I don't know that it provides so many obstacles, in terms of their ability to cash cheques or provide evidence of their identity.

They do have, in many cases, I guess a senior citizen's card as well, that perhaps replaces a driver's licence, in terms of the benefits they can get in many different places they may go, whether it be for transit purposes or into various entertainment; they get a discount on buses or whatever it might be. So I think that probably serves as a non-driving driver's licence for identification purposes and I don't think that it would be possible — or even suitable — for the driver and vehicle licencing to start issuing licences that are play licences, so to speak, in terms of say, here's your licence but you can't use it to drive. So I don't think the proper place to do it is through the Motor Vehicle Branch.

**MR. A. KOVNATS:** The disappointing part about this, Mr. Chairman, is that we do play with them. We do give personalized driver's licences and it is a form of revenue. Now we're not talking about the licences that they put in their pockets . . .

**HON. J. PLOHMAN:** The plates.

**MR. A. KOVNATS:** Plates, I'm sorry, that's the correct terminology. I stand corrected and I appreciate the correction, because actually that was the first error I've made since I've been in the Legislature.

**A MEMBER:** Well, I'm sorry.

**MR. A. KOVNATS:** Yes. But we do give personalized plates and it is a form of revenue, extra revenue, for it, and it seems to me that the government took advantage of it and has increased the price of these personalized plates. That's fair game, and I think that there could be some revenue gained from people who would just have this little bit of paper in their pocket — what is it, five bucks for a driver's licence?

**A MEMBER:** Twenty bucks.

**MR. A. KOVNATS:** Twenty bucks? Boy oh boy, it's a heck of a lot better form of revenue than the plates. I would think that it would be a tremendous idea and I'd give it to you for free. I really shouldn't because you're a member of the other party, but it is an important part of raising money. This group has gained a great deficit that we condemn them for, they're looking for ways of reducing the deficit, and I think this is a tremendous idea.

Look at all of the older people that would be contributing to it and would be happy to contribute to it. You could probably charge them a little bit less, you don't have to charge them the full amount but you can probably charge them a little bit less, and they'd walk around proud. You might even gain a few extra votes because they would look at the New Democrats who would initiate this program and say: aren't they a nice bunch of people? I would straighten them around in a big hurry but, you know, this is what would happen.

Would the Honourable Minister please consider it? Also consider, if you're going to do it at that point, then maybe you could consider issuing drivers' licences to people under 16 years of age strictly for identification because I think that in some cases there would be some people who'd like it just as a plaything like we have with these drivers' plates. Would the Honourable Minister please consider such an idea?

**HON. J. PLOHMAN:** Well, I appreciate that the ideas are free. Sometimes they're worth as much as you pay for them, but I'm not saying that this is the situation in this case. The member perhaps might be knowledgeable of the fact that the Liquor Commission may provide identification for young people for identification purposes, I believe, with a picture on it. There are some provinces that do that, I'm sure.

I guess what the member is really talking about is the pedestrian licence. I'm not so sure that that would go over particularly well with the electorate. They'd say what next are they going to require licences for? So I think that it's something that perhaps should be done through a different agency of government as opposed to this one, but if anyone feels strongly in the department, they want to pursue it further, I would like to see their report.

I don't believe it's the proper area. I think a driver's licence is for driving privileges and it makes no sense

to have a nondriving driver's licence. It's just confusion. Can you imagine the police officers stopping these people who aren't supposed to be driving? They'll say, well, I've got a driver's licence. They won't mention, of course, that it doesn't give them any privilege to drive. So I don't think it would be sensible.

**MR. A. KOVNATS:** I can see the police stopping people and they would say that they have a non-driving driver's licence because we do catch all kinds of people who don't have a licence at all, so there really wouldn't be any problem there.

I don't want to prolong this type of discussion. I think that possibly if the Minister, without any great expense, would just kind of detail somebody to look into it and maybe we could come up with a gold licence for 50 years of driving, or something like that. It's something that could raise some revenue and I would think it's not a stupid idea; it may not be a great idea but it's something that should be considered.

**HON. J. PLOHMAN:** There's the possibility, Mr. Chairman, if I may interrupt, we may have non-banking credit cards, as well, that might go over pretty well.

**MR. A. KOVNATS:** See, I come up with a good idea and then I get — (Interjection) — That's right. Mr. Chairman, he never would have thought of that great idea unless I had given him some way of identifying it.

I have been talking to some people and there are restricted licences. Now, these licences that are restricted, it's for an elderly person to drive, like a farmer who's out in the middle of a farm, to drive into town and do their shopping and drive back again. Really, it's a little bit dangerous and I know that you have to be very, very careful on who you issue these restricted licences to, but do we have to identify these restricted licences by great big "restriction" on them so that when they bring them out for identification purposes, everybody looks at him and says, oh, that's a restricted licence.

Does it say that it's restricted because of drinking or because of old age, or things of that nature? Could we not be more uniform and have these licences similar to others so that they wouldn't be discriminated against when they bring out their restricted licence for identification purposes?

**HON. J. PLOHMAN:** Mr. Chairman, there certainly are a lot of good ideas tonight. I never thought of that before. I haven't particularly seen various restricted licences and thought that they might be embarrassing to people.

**MR. A. KOVNATS:** I think they are.

**HON. J. PLOHMAN:** I imagine they wouldn't show them to an awful lot of people then, except when requested. So it's not going to be a case where they're continuously embarrassed at, perhaps, having to wear them on their forehead.

Restricted licences are for work purposes, many times, as well as for elderly people. Many times they have a restricted licence that restricts them to a certain area around their homes, a near distance, around their

town or whatever the case may be. I don't think there's any way to identify them, unless perhaps by colour, not having this word "restriction," it would have different colour codes or different kinds of licences perhaps. Maybe that would be as embarrassing as the word "restriction" on it, because it would quickly identify the person by the colour.

So it seems to me it's necessary to have something there that says that. Again, for enforcement purposes, it's important that an officer can see immediately that there is a restriction.

**MR. A. KOVNATS:** I'm going to leave this now. I come up with the good ideas. It's up to you to work out the details.

I would like to also bring into effect at this point now special drivers' licences for people who are driving trucks or any kind of a vehicle with hazardous or dangerous goods. Is there special training that is provided by this department with a special licence to enable these people to drive vehicles carrying hazardous materials or dangerous goods?

**HON. J. PLOHMAN:** Mr. Chairman, the transportation and handling of hazardous goods is under the jurisdiction of the Department of Environment, Workplace Safety and Health. The Department of Environment, I understand, offers some courses in this area, as well as individual trucking companies. As well, our traffic inspectors are trained but, of course, that's not for driving purposes. The question was about driving, whether drivers — I understand the question was as to whether drivers would be able to receive any special training.

**MR. A. KOVNATS:** That's right.

**HON. J. PLOHMAN:** My understanding at the present time is that's offered through the Environment Department, as well as individual companies. But we do not have in this department, I understand, any special courses of this nature, nor do I think we sponsor any courses through the Manitoba Safety Council for this purpose at this time.

**MR. A. KOVNATS:** Can the Honourable Minister advise whether these people who do drive these type of vehicles have a special, identified driver's licence?

**HON. J. PLOHMAN:** It may be. The associations across Canada are working on a national safety code that will have some requirements for inclusion of training for people who are handling and transporting hazardous goods. There may be, at some point in the future, a special classification of licence that will identify a driver who has these qualifications but, at the present time, there isn't any, I'm told.

**MR. A. KOVNATS:** What are we going to do? Are we not going to take any action in this regard? It seems that it's such an important thing because, you know, I've been after the Minister of Environment. I've asked him a few questions on this sort of thing. You know, let's just take, for instance, the training of Natives in Northern Manitoba to drive these vehicles. It's an

important thing. They have not been used to it and we are training them because of the workplace and I've changed my attitude a little bit in this regard and I do support it. We can't put them into the workplace without being properly trained and identified — not as Northern Natives — but of drivers of vehicles that are carrying dangerous goods and I think, for their protection, there should be some sort of a specially identified driver's licence. I don't think that we can just sit on it, Mr. Chairman. I think it has to be done right away, before there's somebody to say, see, I told you and I'm sorry it's happened. How long will we have to wait?

**HON. J. PLOHMAN:** Well, Mr. Chairman, this is a new area that is being regulated. Some of the regulations have come into effect just last July, and others I think February 1, 1987. It's an area that has been very complicated and very complex regulations have been developed; and there's other areas that are still being developed and they will be done with some uniformity across the country, as opposed to in isolation here in Manitoba.

I think that the CCMTA, which is the Canadian Conference of Motor Transport Administrators, will be dealing with this issue over the next year or two and Manitoba will be a very eager participant in that development.

**MR. A. KOVNATS:** Thank you.

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

**MR. A. BROWN:** Thank you, Mr. Chairman. The topic that I would like to discuss with the Minister — I don't know just exactly where it fits in. I don't know if it fits exactly in this particular department; I don't know if it fits in the Attorney-General's Department.

People are being charged — and I'm talking about radar detection devices. They are legal to be sold in Manitoba and recently one of the hardware people in Winkler got himself quite a few of these radar detection devices and, of course, they went like hot cakes. So they're absolutely and perfectly legal to be sold. They charge federal sales tax, provincial sales tax; they are made in Ontario and apparently they are good. Apparently they work well.

But the problem is that this particular chap who is caught with having one of these in his van, had a particular problem with a particular RCMP who is watching his place like a hawk and he did catch his young boy with a tricycle, driving on an abandoned road allowance and he didn't have any licence — one of these Honda deals — and that was perfectly within his rights to do. He had no licence and he was charged. That's good, but in doing so, he saw this chap's van in the yard, opened up the door, went and looked inside this chap's van and he saw this radar detection device in the van.

Now he was waiting for this van to leave the yard, and it just so happened that this chap's brother was driving the van. He left the yard — he lives about two miles out of town — to go do a little bit of shopping, and as soon as the van hit the road, then the RCMP was there. He seized the radar detection device and charged the gentleman, this chap's brother.

Now this chap thought it was unfair that his brother should be charged with it, so he says, okay, it's my device and so on, so he was going to take the rap for it. But the question now is that there's no way this guy is going to pay the fine.

First of all, the device was not switched on; it was not in use, and you can only be charged if it is in use. He was absolutely perfectly within his legal rights to have this thing. It was not being used. The RCMP seized it from him — they still have it in their possession — and to make matters bad and worse, nobody knows where they're at.

I've discussed this with the Attorney-General and the Attorney-General says, yes, your fellow has a real good claim. He says the RCMP officer had absolutely no right, in his opinion at least, and he hasn't come down with a decisive conclusion to seize this device because it was legal to have it. It was not switched on, so he should not have been charged.

I just wanted to bring this to the attention of the Minister and I want him to get together with the Attorney-General and I want him to, somewhere along the line, determine radar detection devices. Either they're illegal or they're legal. If they're illegal, then they should also be illegal to be sold and we're not going to have any problem. But the way we are at the present time, there is a problem.

**HON. J. PLOHMAN:** Mr. Chairman, I'm aware of this case because the individual has written to me and I did refer it to my colleagues, the Minister of Consumer and Corporate Affairs and the Attorney-General's office, to see whether there's anything they could do in that regard because it is a rather awkward frustrating situation and one that doesn't make a lot of sense.

I guess if the devices are illegal to use or to have in one's possession — I'm not certain whether it's — and we're just looking the relevant section up in The Highway Traffic Act to see what the wording is — whether it's illegal to have them in possession or just illegal to be caught using them. But in any event, and seeing that it would be better not to allow them to be sold, I don't know how many products there are in the province right now — or anywhere for that matter — that are banned from sale. There might be certain kinds of guns and things like that. There's probably a lot of things that cannot be used but may still be sold, but that's an area that I want my colleague of Consumer and Corporate Affairs to look at.

I understand that Section 203(1) "Radar Detection Devices" states that no person shall drive a motor vehicle that is equipped, or equip a motor vehicle with a device for detecting radar speed determination equipment; or have possession of a device — or have possession of a device — for detecting radar speed determination equipment in a motor vehicle. Now I guess he could argue that it wasn't for that purpose, but it's stated clearly that it's not even to be in possession or permit a motor vehicle which he is the registered owner to become or to remain equipped with a device for detecting radar speed testing equipment.

So it is quite broad in that regard. I notice the member mentioned using a three wheeler on the road and it wasn't licensed. Obviously there are some violations

involved there as well. Three wheelers are registerable as snowmobiles under The Snowmobile Act and if he was driving on a road, another infraction. They're not supposed to be operated on the road.

**MR. A. BROWN:** Okay, he realized that they were wrong over there and since then they've licensed the three wheeler, so now they're within their legal rights over there and the boy is driving it with a licence.

But the reason I mentioned the tricycle at all was it on account of the tricycle that the RCMP looked into the van and detected the radar device in there. Outside of that, he would never have known there was a radar device in that particular van. It was as a result of that — that he was waiting for this particular van to leave the yard — so that he could immediately apprehend him and make him pay a fine.

The act seems to be fairly explicit on radar detector devices. Then the question is, why are they allowed to be sold? If it really is illegal to have them within your automobile or whatsoever, then surely we should go one step further and make it illegal for them to be sold.

**HON. J. PLOHMAN:** Again, Mr. Chairman, I've asked my colleague, the Minister of Consumer and Corporate Affairs, to look into that. In the meantime, until I receive any answer to that, I don't want to make any further comments on restricting the sale.

I just want to mention, as well, that there are further sections in the act, 203.2, that provides for a peace officer, when finding such a device, to seize that device. It also tells what's supposed to be done with it after seizure. So, again, all of those sections are covered.

But the member raises, I think, a point that I feel sympathetic to, and I'm endeavouring to get a report from the Minister of Consumer and Corporate Affairs and the Attorney-General as to whether there is something that can be done with regard to restricting the sale. Since it's income coming to the province from sales tax and so on, I guess, on the device and yet they can't be used in the province, there's absolutely no sense to have them sold here.

**MR. CHAIRMAN:** 6.(a)(1) — the Member for Brandon West.

**MR. J. McCRAE:** Mr. Chairman, I'd like to ask the Minister if he can tell us approximately how many licenced drivers we have in Manitoba.

**HON. J. PLOHMAN:** Mr. Chairman, my understanding is there are about 600,000 at the present time.

**MR. J. McCRAE:** Mr. Chairman, would the Minister have figures available so that he could tell us how many of those some 600,000 require medical certificates each year in order to renew their drivers' licences?

**HON. J. PLOHMAN:** There are a number of categories. First of all, the Medical Review Committee that sits reviewed about 185 cases this past year, and issued licences. That isn't an awful lot, but the Registrar can require . . .

**MR. J. McCRAE:** Mr. Chairman, if I could clarify, I'm not referring, Mr. Chairman, to cases that would go for

a medical review or to a board or anything like that. What I'm after is the number of people who's answers, I suppose, to the questions put on their applications would require that they have a medical certificate before their renewal is issued. I don't think the 185 would refer to that.

**HON. J. PLOHMAN:** I'm informed that the Registrar sends out about 30,000 requests for medicals each year — (Interjection) — well the member says, that's more like it. I never was indicating that was the full extent of medical involvement, I just indicated those were the ones that had come before the Medical Review Panel. The 30,000 is the Registrar's requests.

They processed 31,263 medical reports and, as a result of that, 1,021 drivers' licences were cancelled; 602 drivers failed to meet the medical standards. Out of those 1,021, 601 failed to meet the medical standards, and 419 failed to comply with the specific requirements. There were 1,029 declasses to a lower class of licence, either 2, 3, 4; 234 to drivers for failing to meet the medical standards of that 1,029; and 795 to drivers for failing to comply.

There were 1,550 driver interviews as a result, 1,550 driver tests completed by a driver examiner, and driving assessments completed by the occupational therapist at the Rehabilitation Hospital were processed, 1,550. That involves both the interviews and the tests. And 262 medical conditional licences issued; 117 of those had restrictions placed on their drivers' licences.

So the number of cases where action is taken is quite small compared to the number of medical reports required and requested.

**MR. J. McCRAE:** Mr. Chairman, I think that's the type of information I was after in order to make the point that, of course, it's necessary for us to ensure safety on our highways, but I wonder if there's not some better way to do this.

I can tell you of an example that came to my attention this past weekend, Mr. Chairman. I had occasion, along with the Minister of Employment Services and Economic Security, to attend a dinner put on in Brandon for a young fellow by the name of Richard Beecroft, who is a multiple sclerosis patient, he's 36 years old. He has great difficulty walking three blocks, but he has logged 36,000 miles around the world on his three-wheeled bicycle. I don't like to call it a tricycle, but it's a full-sized tricycle. His plan is to ride this tricycle 40,000 kilometres, which would be the equivalent to what it would be to go around the equator of the earth. He's done 36,000, and he goes from here to Toronto.

Just on that, honourable members might be interested in knowing that, on Thursday, Mr. Beecroft will be here at the Legislature at 12:30 so, if anyone's available, they could slip out and cheer him on. He's only got a little further to go.

Anyway, Mr. Chairman, to get back to the point I was making, at the dinner I had occasion to talk this matter over with a multiple sclerosis sufferer who is required annually to get a doctor's certificate. Now this costs her, she tells me, \$40 every year. This is something she has to pay, but nobody else seems to have to. At least, drivers who don't have to get medical certificates are not put to that expense.

So I just would like to put that on the record, that those people who do come through with flying colours year after year are put to that additional expense, and it's like an added cost for their drivers' licences or a tax or whatever you'd like to call it. But I'd like to make that representation, and ask the Minister to look into it and see if there's some other way to handle this so that people who are put to this each year are not, in a sense, discriminated against for their illness or for their condition.

**HON. J. PLOHMAN:** Well I'm advised by the Registrar that staff in the medical area in the Motor Vehicle Licensing Division follow the Canadian Medical Association Drivers' Guidelines that are recognized right across Canada. So they do not request a medical certificate on a whim or in a frivolous way. It's done as a result of the guidelines and their interpretation thereof.

Now we can have these guidelines reviewed as to how stringently the requests are being applied but they do apply right across Canada so they're not unique to Manitoba.

I'm also advised that the Canadian Medical Association is currently reviewing those standards and is going to be issuing a new set of guidelines in September. Whether they will be stricter or more lenient or whatever, I'm not certain, but they are currently being reviewed.

**MR. J. McCRAE:** Mr. Chairman, I would leave it to the experts to decide what the criteria should be for road worthiness of drivers, and I make no comment about that. I believe that our highways should be as safe as possible. I wonder if the Minister of Health could shed some light on this. I thought I saw him about to speak a few minutes ago. If he knows anything about this, if he could help us solve this problem.

**MR. CHAIRMAN:** If you'll excuse me, I don't think that's in order for this Estimate. I would suggest you bring that up at the Health Estimates under the appropriated item — (Interjection) — The Minister of Highways.

**HON. J. PLOHMAN:** There was a previous question that the member had and I just wanted to put it on the record. He was asking about 34th Street in Brandon; about the Highway Traffic Board hearing about the speed limit. I'm advised that 34th Street is not a provincial highway or jurisdiction. There was no response from Highways requested for that hearing. The application was reviewed by the Board and the decision was based on their analysis. So the members of the board, from the information I had, made their decision in isolation from any advice that they may have received from the Highways department so we cannot attach the blame or accolades that the board may deserve as a result of their decisions to the staff advice in that case. That was a question that was raised a couple of days ago.

**MR. J. McCRAE:** Mr. Chairman, when we come to Boards and Commissions I'll deal with that. I think we're still on Licensing. I appreciate the answer from the Minister, even if it should have come up later on. Maybe I can make a few comments about that later on.

The point is, on the matter of Renewal of Drivers' Licences, Mr. Chairman, that many of these people who have to have that annual certificate see their doctors probably several times a year as it is. So why should they have to schedule a special appointment for this purpose; if the doctor knows the condition of the patient, why cannot the doctor simply issue a certificate? If that's all he does, does the cost of a doctor's certificate amount to \$40.00? This was the figure that was given to me by the person I was talking to so I can't substantiate it any further than that.

But it seems to me that perhaps certificates are issued without the necessity of actually visiting the doctor if the patients are seeing the doctors on a regular basis. But it seems to be a point, as far as I'm concerned, that should be addressed.

**HON. J. PLOHMAN:** I think there are individual doctors who would attempt to facilitate this for individuals who want to schedule their annual medical checkup around the time that their license comes up for renewal and accomplish it at the same time and then may not have to pay that additional fee. Many doctors, perhaps, would not charge an additional \$40.00. I think that's a sensible way to do whenever possible, but I don't know if all doctors would provide that service without making the additional charge.

**MR. J. McCRAE:** Mr. Chairman, I just comment that I don't know if all patients in this province organize their time so well that they would make an appointment to deal with this matter at the same time as some other matter. In fact I would visualize many, many thousands of these people making special appointments just so that they can get their driver's licence certificates. I believe the Minister's department might want to look into this and see if there's not something better we can do for these people.

**HON. J. PLOHMAN:** Mr. Chairman, again the member may have some suggestions as to what better can be done. The fact is, as he describes, there are a lot of people who go for a special medical examination to satisfy their licence requirements; however, others may feel that that's something they don't want to go through that many times and they may choose to do it when they go for a regular medical checkup.

I don't know what other alternative there is for getting the kind of information that's required for those drivers who may be at risk in this regard. Again, some suggestions would certainly be followed up. Maybe the Minister of Health does have some suggestions. He seems almost ready to speak again.

**MR. CHAIRMAN:** The Member for St. Boniface.

**HON. L. DESJARDINS:** Mr. Chairman, in the experience that I've had, — (Interjection) — I have some sympathy with what the member from Brandon said. There is a line, a place on that report that a doctor must fill, that you can fill for how many years, and feel he is safe but that, for awhile, was disregarded. I was so damn mad; I had to go every year and I was watching him write three years or so and this wasn't a — I think I've got it licked now, but it was a nuisance and I brought in

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in committee a few years ago. I think that — I don't know if it's automatic, once you've had a heart attack, for instance, and maybe they should look at that line because the doctor should know.

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

**MR. D. BLAKE:** I wonder if the Minister could tell us; the drivers' licences are now bilingual and it's been brought to my attention that one individual answered all the questions on the driver's licence in Ukrainian. Could the Minister tell us, does he have Ukrainian interpretation facilities on staff or do they not read the answers to the questions on the driver's licence?

**HON. J. PLOHMAN:** We do have a Deputy Minister who is able to handle that, no problem.

**MR. D. BLAKE:** He was issued a license without any problem.

**HON. J. PLOHMAN:** Mr. Chairman, I'm advised that if it can be interpreted, that they accept the declarations as they are filled out; however, if they're defaced in any way; portions scratched off because someone does not like what's written on there in whatever language it may be, then a new form is sent out and they ask them to complete it in a clean way without defacing any of it. I'm told that the staff makes every effort to interpret what is there.

**MR. D. BLAKE:** Under the safety program, could the Minister bring us up to date on the Driver Safety Program that's conducted through the schools? What involvement does the Department have? What contribution do they make toward the testing program, and how successful has it been?

**HON. J. PLOHMAN:** We have a program that is expanding, Mr. Chairman, every year. It's been very successful. We have the Public Insurance Corporation involved very closely in the program as well, because obviously good drivers are a benefit to the Manitoba Public Insurance Corporation — fewer payouts for insurance purposes. So it is in their interests. They currently provide \$110 per student and last year we had some 7,950 students enrolled, the actual enrolment for 1985-86 — 7,950; \$110 per student was paid by MPIC; \$30 was charged to students — that was lowered a couple of years ago from \$40 so that it is more accessible to more students, and the department pays \$27 per student, for a total of \$167 per student, for both the classroom and the practical part of the program. We're budgeting, I believe for 8,300 this coming year, so it is continuing to grow if it's filled as anticipated.

**MR. D. BLAKE:** The enrolment age now is down to fifteen-and-one-half; is that correct?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, almost all of the divisions in the province now are a part of that fifteen-and-one-half year old program.

**MR. D. BLAKE:** Are the driver instructors paid for out of those fees or are they paid separately by the school division?

**HON. J. PLOHMAN:** They are paid, Mr. Chairman, for their work as driver instructors out of this funding — the \$167 per student.

**MR. D. BLAKE:** Does the Minister have any figures on the failure rate of those people enrolled? I guess some of them might just drop out for other reasons, but are there any statistics on the failure rate?

**HON. J. PLOHMAN:** I like to look at it the other way around. I'm told the success rate is 95.5 percent.

**MR. D. BLAKE:** 4.5 percent . . .

**HON. J. PLOHMAN:** 4.5 percent do not make it.

**MR. D. BLAKE:** Not bad. Are there any statistics kept on how many lose their licence in the first year, after they're issued a driver's licence?

**HON. J. PLOHMAN:** I imagine that kind of information could be developed from existing information that is probably on the computer, if it was programmed properly, but there is no current system to retrieve that kind of information.

**MR. D. BLAKE:** Under Management Services, Salaries and Other Expenditures, I wonder if the Minister might must enlarge a little bit on those two figures in a ballpark way and what they cover?

**HON. J. PLOHMAN:** Management Services includes 71.25 SY's, 1,771,400 for Salaries for those 71.25 SY's; and then there's 1,309,800 that is for Other Expenditures, a reduction in this past year of 221,000.00. The Appropriation provides for salary, travel and office expenses of the registrar, including encompassing senior executive staff within the division, financial services related to collection, accounting, distribution and reporting of all government revenues, and costs associated with the driver and licensing division.

Provisions of costs and expenditures for the development, implementation, and maintenance of systems and data processing, training services; providing training and development of divisional staff and certain outside agencies; ongoing writing and revision of manuals facilitating delivery of various programs administered by the division; distribution and promotion of highway safety information; disbursement of grants related to defensive driving programs; traffic injury research foundation and the Canada Safety Council, Manitoba Safety Council and public information campaigns, membership in national associations.

If you want me to go into the responsibilities of the division, the Minister's Highway Safety Programs through the driver improvement, safety driver testing, maintenance of drivers' records relating to accidents, involvement and convictions for traffic violations, Minister's vehicle, safety inspection programs and matters related to vehicle registration, not specifically delegated to the Manitoba Public Insurance Corporation.

The correlation of activities of each directorate to ensure smooth delivery of programs and provide safe,

satisfactory service to the general public, government department and other agencies; monitoring of the distribution of approved funds in accordance with departmental budget guidelines; and objectives for each fiscal year to ensure they are applied uniformly throughout the province.

Such services are provided to 11 programs in the division through seven branch offices and more than 225 driver-licensing agents throughout the province — and this is a number of other areas including training services — but I'll leave it there and see whether the member has specific questions.

**MR. D. BLAKE:** No I just wanted to get some general information on it. Possibly we could cover it now, under the Manitoba Public Insurance Cost-Sharing Agreement, I wonder if the Minister could tell us what the arrangements are now on cost-sharing? I know some time back, there was great studies and negotiations going on on an equitable sharing of the costs and it might be a good time to cover it now and then we're finished with it.

**HON. J. PLOHMAN:** A couple of years ago, I had indicated in the Estimates that the reason for a large decrease in this area — it's actually under 6.(d) . . .

**MR. D. BLAKE:** Yes.

**HON. J. PLOHMAN:** . . . that we were reviewing the cost-sharing arrangement with a view to having a smaller amount paid by the Department of Highways and Transportation and cost more suitably attributed to the Manitoba Public Insurance Corporation to be attributed to their operation. We were a little optimistic, however, after final negotiations took place and a report filed through the Department of Finance. They reviewed the former arrangement and developed a number of options, identified reasons why there should be changes made, and after a lot of discussion, there was a mutual agreement that resulted in a saving to the department of 850,000 per year, as opposed to the department's request or feelings that it should be closer to 3.9, actually closer to 4 million change.

So there's a revised formula that was developed and I could provide that information. It's quite technical but there were two sections to the agreement: the administrative cost-sharing agreement and the vehicle agent commissions and flat fees. Both of those were reviewed; formerly there was a sharing of 55-45 basis between the two organizations, and as a result of this review, there was a change of \$1.5 million drop in expenses and a \$750,000 increase in revenues, so a net difference of 750,000 there, and another change of \$100,000 in the vehicle agent commissions and flat fees, a benefit to the department. So that netted out at \$850,000 change between those two components of the agreement.

So it was agreed to by both parties, and felt that it was as fair as could be expected under the circumstances. Although the positions that the department put forward were rationalized and felt to be legitimate, there wasn't mutual agreement on it, so it was felt that it was best to work out something that was agreed upon, and this was as close as they could come.

**MR. D. BLAKE:** I think there are some others that want some questions. I just wanted to ask the Minister, I want to get into rail line abandonment somewhere in the Estimates. Where would be an opportune time to cover that?

**HON. J. PLOHMAN:** Where's that committee situation? We can do it under Capital, probably more appropriately than here, but there really is no specific appropriation where there are any dollars allocated to it from this department. Land Acquisition really carries out the program, but there is a committee made up of a number of departments and the Highways Department representation is part of it, so it can be done under Capital.

**MR. D. BLAKE:** All right, let's do it under Capital.

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

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

What I was basically wanting to do at the time you were speaking of the medical forms that had to be filled out, I think basically it is the doctors' report — I mean, I know from my own instance where I had to have the report every year for about eight years, and then the doctor asked me at that point, how many years since you've had your attack? What I told him is about eight years. Well he says, you're completely recovered. From then on, there were no further reports having to be put in. So I basically think it's a medical doctor's decision as to how . . . But in those days, it was only \$15.00.

**HON. J. PLOHMAN:** Was there a question there? No.

**MR. CHAIRMAN:** Did the member have a question? Did the member have a question wanting comment?

**MR. R. NORDMAN:** Just a comment.

**MR. CHAIRMAN:** Just a comment. Is the Member for Rhineland here?

The Member for Riel.

**MR. G. DUCHARME:** Back to the cost-sharing agreement, could the Minister explain what that entails, what shares or what costs? Does this include postage and all papers that come to and for the agents acting for the Motor Vehicle Branch?

**HON. J. PLOHMAN:** As I indicated earlier, it is quite technical and detailed, and I haven't been involved directly with this for about a year since the details were finalized, but I can certainly provide some information to the member on this Administrative Cost-Sharing Agreement.

Under the terms of the previous Administrative Cost-Sharing Agreement, the division of Driver and Vehicle Licensing carried out a detailed monitoring and record-keeping system to identify every element of expense incurred in the driver licence insurance system that could be considered shareable with MPIC, because the expenditure resulted in a benefit to MPIC.

The Manitoba Public Insurance Corporation performed a similar exercise to track every element of

expense incurred on the vehicle insurance registration system which they administered, to isolate elements of expense that could be considered shareable with the Division of Driver and Vehicle Licensing, because the expenditure resulted in a benefit to that division.

Each party applied a subjective degree of shareability to each element of expense on a percentage basis incurred on their respective systems to determine the overall shareable costs of each system. The Division of Driver and Vehicle Licensing was responsible for 55 percent of the shareable costs of each system, while MPIC was responsible for the remaining 45 percent of the costs, based upon the approximate use of data elements within each system and resulting in a net transfer payment from the Division of Driver and Vehicle Licensing to MPIC.

It is estimated that, under the terms of the previous agreement, the cost to the Division of Driver and Vehicle Licensing for the 1986-87 fiscal year would have been approximately \$1.5 million. This former agreement was fraught with inequities and administrative problems, and I can list a number of them. Neither party to the agreement had any control over the other party's operating expenses, but yet was responsible for sharing their expenses. Therefore, neither party could control the expenditures made from the respective budgets of the other.

Due to the nature of government organization, many costs incurred by the Division of Driver and Vehicle Licensing which were directly related to the operation of the driver licence insured system were directly paid by other government departments, for example, postage, payroll, personnel costs, building maintenance and so on. These costs were excluded from the agreement, because the costs were not paid directly by that Division of Driver and Vehicle Licensing.

Therefore, MPIC benefited from these expenditures without any costs to them, while Driver and Vehicle Licensing was required to pay to MPIC 55 percent of like costs incurred through the operation of the vehicle insurance registration system. So there was an inequity there.

The determination of the shareable portion of each salary or expenditure was solely at the discretion of the party, in operational control of each system. Even after extensive analysis by both parties to depict the actual shareable percentage of each element of expense, the results were not completely accurate.

Hundreds of staff hours were expended each year by each party carrying out the research, detailed record-keeping and calculations required to maintain the cost-sharing records and to produce the annual statement of account. All of this effort was non-productive in terms of service to the public and very expensive.

So there was a revised agreement put in place. Under the terms of the revised agreement, approved by Cabinet on November 7, 1985, the concept of cost-sharing has been abandoned in favour of a process whereby the costs incurred on each system will be the responsibility of the party who has delegated responsibility for that system.

Therefore, the Division of Driver Vehicle Licensing will pay the full operational costs of the driver licence insurance system while MPIC will pay the full costs associated with the operation of the vehicle insurance registration system.

As well, driver licensing collects an administration fee from the public for certain types of transactions processed on the vehicle insurance registration system and these fees are deposited into general government revenue. The sole purpose in collecting these fees is to partially offset processing costs and as MPIC is now responsible for those costs, under the new agreement, these fees are to be transferred from revenue to MPIC, approximately \$750,000 annually. So, the difference then was a \$750,000 shift of costs net to MPIC from the Highways Department.

The implementation of this agreement has resolved the administrative burden and inequities that were prevalent in the former agreement and allows both parties to the agreement full control over their operating expenses.

The government will not be required to provide the driver vehicle licensing with any expenditure funding for this agreement because no transfer payment will be made to MPIC but will experience a reduction in revenue of approximately \$750,000 annually for this year. As the former agreement was projected the cost to the government 1.5 million, annually a savings, as I said earlier, \$750,000 annually has been realized.

Then there's the other portion in the cost-sharing of agents' commissions in flat fees. It's been estimated that the cost would be \$2.87 based on the Consumer Price Index that, after experience, was determined to be \$2.75 per transaction.

**MR. G. DUCHARME:** Which type?

**HON. J. PLOHMAN:** It's the new vehicle registrations and renewals of registrations. Therefore, there was a 12 cent saving on each of those which resulted in a \$100,000 reduction in the costs that DDVL had to pay to MPIC. That is a net of \$850,000 benefit.

**MR. G. DUCHARME:** I thank you for that information.

When MPIC pays an agent a commission, or a fee, or a part fee in his monthly cheque he gets his breakdown for his registration, who determined the cost, in particular, to the agent's commission? How is the cost determined? To give you an example, on a transit permit the agent's fees is . . . To do a transit permit that cost \$15, the agent's fees to do the transaction is 35 cents. Who would determine that particular cost, MPIC or the registrar?

**HON. J. PLOHMAN:** I'm advised, Mr. Chairman, that these administrative fees are determined by MPIC, as opposed to our department. This is not a percentage I don't believe, although there is a 5 percent on new insurance and renewables but there's a flat fee. I'm told that if it's a vehicle registration assessment, then it is determined by the Division of Driver and Vehicle Licensing, the fee to be charged.

**MR. G. DUCHARME:** The other one is the drivers' licences that are provided by your department, the out-of-town agents are allowed to sell the drivers' licence. In the city, the in-town or city agents are not allowed; and I think the purpose or the reason had been given in the past years that it was hard to determine the fee or the cost for these, or is there another reason to the

registrar why the city agents are not participating in the drivers' licence.

The only reason why I brought that up is you do have a lot of people that are confused. You do have a lot of people, senior citizens that come into your office that say I'd like to renew and they don't want to go to 1075 or they don't want to go down to Eaton Place; they come in and they're a little confused, because on the drivers' licence it does say, "license agent" and they do get confused with this and then you say, I'm sorry, I can't take them — or the staff say that— and there is that confusion. I'm wondering why they are allowed in the country and not in the city.

**HON. J. PLOHMAN:** I'm advised, Mr. Chairman, that the policy is in place not only in Winnipeg but in Brandon, Dauphin, Thompson, throughout the province, that where there has been a divisional office, people have to attend that office to get their licence renewed. That has been a practice that hasn't been changed for many years, at least 15 years.

**MR. G. DUCHARME:** Just for your consideration and maybe make it more clear on the drivers' licence that it's not an Autopac agency, it says a license agency. It does confuse the public. It says take it to your license agency and it does confuse.

**HON. J. PLOHMAN:** That's a valid point. I'll look into whether there should be some clarification.

**MR. G. DUCHARME:** Thank you.

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

**MR. D. ORCHARD:** Mr. Chairman, I wonder if we could get a little clearer understanding of what the Minister is requesting in terms of his new agreement with MPIC and the Motor Vehicle Branch.

I believe this was an area that was subject to review back, if my memory serves me correctly, about 1980. I forgot the figures, but is that the 55-45 flip that the Minister has talked about tonight or established about '80 or '81?

**HON. J. PLOHMAN:** Mr. Chairman, yes, that was the previous negotiations when this was reviewed previously. I'm not sure whether it was '80 or '81 but there was a review done. The member is correct. I believe there was a sharing agreement in place previous to that as well, but I believe it was revised and the 55-45 was established at that time.

**MR. D. ORCHARD:** Yes, my understanding was that I think it was a 70-30 arrangement that was in place prior to 1981 where the Motor Vehicle Branch picked up 70 percent of Autopac related costs and Autopac picked up 30 percent. That was deemed to be a taxpayers' subsidy of Autopac operations at the time and protracted negotiations led to a 55-45. The Minister is indicating, if I followed his answer correctly that, in terms of driver licensing and the costs associated through Motor Vehicle Branch of issuing drivers' licences, those costs are paid entirely by the Motor Vehicle Branch, hence the taxpayer. In the other related

area, that of vehicle licensing, that Autopac, MPIC, picks up the entire costs of computer time, staffing, etc., etc., for the registration procedure. Now is that a correct analysis of the new system?

**HON. J. PLOHMAN:** Yes, that's my understanding, that driver licensing insurance system is picked up by DDVL, and the vehicle insurance registration system is picked up by MPIC.

**MR. D. ORCHARD:** Where does the insurance portion of a driver's licence go? Does that end up at MPIC or does that end up in general revenue?

**HON. J. PLOHMAN:** The insurance portion for the driver's licence goes to MPIC.

**MR. D. ORCHARD:** Presumably, there is no collection fee paid by Autopac for the collection of that insurance portion. This is the give and take that you've established?

**HON. J. PLOHMAN:** That's right. On that system, they do not pay any fee for collection of that revenue.

**MR. D. ORCHARD:** In terms of an approximate split in costs, what would the figures be now under this new system? Would it be 35-65? What are the Minister's approximate numbers that he must have to give a rough comparison of what we have now compared to what has been in place?

**HON. J. PLOHMAN:** Mr. Chairman, at the present time, I imagine we could compute that, but we haven't worked it out in that context, in terms of a percentage. There's an \$850,000 change, net benefit to the division. However, what that would work out in the percentage would have to be computed here and worked out. It obviously is going to be somewhat less than 55 percent, since there is that net benefit to the Driver and Vehicle Licensing Division.

**MR. D. ORCHARD:** Mr. Chairman, now the Minister is indicating that, under the new arrangement, there is a net saving to the Department of Highways, the Motor Vehicle Branch or whatever he's calling it now, the DVL . . .

**HON. J. PLOHMAN:** Division of Driver and Vehicle Licensing, DDVL.

**MR. D. ORCHARD:** Presumably, this net benefit, this \$850,000 in net savings comes in where, in the Estimates?

**HON. J. PLOHMAN:** Mr. Chairman, it isn't shown as a net benefit in these Estimates. We have to reconcile this over a couple of years. There was a certain amount, a larger amount taken out of the Estimates a couple of years ago in the anticipation that the agreement would result in something of a \$3.5 million saving. After the negotiations took place, it was found that the benefit agreed upon was really \$850,000, as opposed to the 3.5 million. So that's why we see a net change of 2,330,900, which had to be added into the Estimates

since it had been removed in previous years, and was paid for by Special Warrant back to MPIC once the agreement was worked out last year.

**MR. D. ORCHARD:** The Minister is thoroughly confusing anybody but himself, and he may even be confusing himself on this.

The Minister is saying that originally they projected there would be a \$3.5 million saving in this new formula that they're negotiating which, presumably, was to have DVL pick up the costs of driver licensing and MPIC pick up the costs of vehicle licensing. The Minister is indicating that, presumably when they originally struck on this arrangement, there would be \$3.5 million in savings, which I think the Minister, if I followed his answer correctly, said they extracted somehow from their previous 55-45 cost-sharing formula that was established in 1980 or 1981.

Now the Minister is indicating that there's an 850,000 net benefit, but somehow we've lost, if my figures are correct, \$2.7 million somewhere in the shuffle, because your savings that you indicate — and unless I misunderstood you, you said your savings were estimated at \$3.5 million, and that's what you reflected in Estimates. You only ended up with 850,000.00. You've got a 2,339,000 payment presumably to Autopac in this year's Estimates. What was your payment then last year that you made by Special Warrant?

**HON. J. PLOHMAN:** The potential savings were in the range of \$3 million. If I said 3.5, it may have been 3.1. In any event, there's an \$850,000 after the negotiation benefit to the Department of Highways from what was originally encompassed under the agreement.

The total amount under this cost-sharing was removed from the budget two years ago, I believe, in anticipation of these negotiations bearing fruit for the Department of Highways and Transportation, as outlined by the department. However, upon review, it was found that there was not agreement on the department's position on this cost-sharing agreement. Indeed it was felt by independent parties looking at it that it would be fairer not to turn all of that back to the department, in other words save the full amount, but indeed to work out some kind of a compromise in between. That ended up with the difference of \$850,000 to the department. So now we've restored the difference into the budget, that had been removed two years ago.

**MR. D. ORCHARD:** Then what we have here is the Minister was overexuberant with his 3.5 million, that in reality the 2.33 million — when added to the 850,000 of actual saving — we end up with this projected saving that the Minister thought he might have under this new arrangement. Is that correct?

**HON. J. PLOHMAN:** Well, whether I was overexuberant or not, but that was the projections we had at that time from the department and we put that forward, feeling that it was attainable, that it was realistic; but after the review it turned out that the agreement was obviously substantially less than that, but still to the benefit of the department and therefore a very valuable exercise to have gone through.

**MR. D. ORCHARD:** Now did the Minister indicate that last year they special warranted this difference to Autopac?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, there was a Special Warrant for last year to make up for the net difference and the change in the agreement that had not been finalized last year, so while the discussions were still ongoing and uncertain of the final outcome, the budget remained as it had the previous year with the total amount removed and then once a settlement was reached, MPIC was paid that amount through Special Warrant.

**MR. D. ORCHARD:** What was that amount again?

**HON. J. PLOHMAN:** Well for last year, the amount was \$2,128,200.00.

**MR. D. ORCHARD:** And now this year you are paying Autopac \$2,339 million. Now the question is, why are you paying them anything if you've established this arrangement whereby the vehicle licencing costs are picked up by Autopac — and that's going to be their account and no cost recovery from the department — and the department is picking up the driver licencing costs and that's their contribution to the system, no bill back to Autopac, why are you paying them anything?

**HON. J. PLOHMAN:** Well, I indicated earlier that there's additional components of the agreement, the cost-sharing agreement, this was one portion of it, the administrative cost-sharing which was worked out here. There's also the vehicle agent commissions and flat fees. That's another portion of the agreement and sharing of costs, so the net cost in terms of the work provided is \$2,330,000 this year that DDVL has to pay MPIC under this arrangement — to have the work that is required to be done by the commissioners, by the agents — on behalf of both agencies.

**MR. D. ORCHARD:** But now the Minister seems to have just now contradicted the answer he gave about 10 minutes ago, where he said, to avoid all of this accounting which took us — I believe he said — hundreds of man hours of work under the old formula; they simply said to Autopac, you look after vehicle licencing; we'll look after driver's licencing and we each pay our own costs and that's our contribution to the system. Formerly I posed the question about who got the insurance premiums collected, presumably by the Motor Vehicle Branch, and it went over to Autopac and that was clean cut. This isn't what we're talking about here now.

Now the Minister is saying that yes, we have this agreement in place, whereby we're picking up costs of driver's licencing; MPIC is picking up costs of vehicle licencing, but in addition we're paying Autopac \$2.33 million and the Minister hasn't made that clear as to what functions they are performing, other than the ones he indicated that you had agreed equally to pay yourself in the Autopac versus Motor Vehicle Branch, as your share of the operation. Now, which answer is the one we're supposed to assume is the new formula?

**HON. J. PLOHMAN:** Under the administrative cost-sharing agreement that we indicated earlier, the MPIC keeps the insurance revenue and DDVL gets the registration revenues; that's what we were talking about earlier.

In addition to that there is the work that is done by the agents on behalf of both DDVL and MPIC, in collecting — well in selling licences, in selling registration, in selling insurance on behalf of both agencies — and the cost of paying the commissions is divided up between the two. Under the agreement the DDVL has to pay a greater portion of that than MPIC and that is why there's a net difference.

The previous agreement called for a net cost to the government under this agreement of \$3,992,000; under this new agreement, with the changes in administrative cost-sharing, it's only \$3,142,000, so there's a net saving to government of \$850,000 — or difference there.

**MR. D. ORCHARD:** Whenever he's finished, I'll . . .

**HON. J. PLOHMAN:** Under the agreement, Mr. Chairman, the MPIC pays a 5 percent commission to all of the agents for new registrations and renewals, but they bill the department \$2.75 for each transaction that is carried out on behalf of the Department of Driver and Vehicle Licencing; therefore, we have to reimburse MPIC that amount of money which comes to \$2,330,000 that I was speaking about.

MPIC pays the bills and we pay them back, so under this cost-sharing agreement we have to pay our share of the commissions and that comes to the \$2,330,000.00.

**MR. D. ORCHARD:** The Minister, just a little while ago, said that the new agreement followed that driver — I've got to get it right — DVL would cover the driver's licencing and Autopac would cover the vehicle licencing, and that is their contribution towards the system. Now he's saying, in addition to that, the commissions are to be paid and administrative fees would be paid from DDL over to Autopac.

**HON. J. PLOHMAN:** What I stated earlier, Mr. Chairman, was that the administrative side of it — the administrative cost-sharing which had previously been 55-45 — was now broken down, that each was paying those transactions that applied to their system that was being administered by the respective agency, and we went over that earlier. So in that case the administrative costs are now split according to the system that is being administered by the respective agencies.

In the case of the commissions for transactions carried out by the agents, MPIC pays out 5 percent for every transaction that is undertaken by the agents, and then there is a benefit there obviously. The agents are doing work for the DVL as well as the MPIC through registrations, and that is refunded back to the MPIC then and paid back from TDPL.

So, Mr. Chairman, that portion, the member must have been aware, if he had gotten into this area in the past, insofar as vehicle agent commissions and flat fees, that has not changed. That is essentially the same as it was previously under the previous agreement that was in place.

**MR. D. ORCHARD:** What the Minister is saying is that this \$2.33 million plus the Special Warrant last year of \$2.128 million basically involves reimbursement of Autopac of the commissions which weren't on the table

of negotiation with Autopac because commissions are commissioned. What we're talking about is administrative overhead in trying to strike a new sharing arrangement. Is that what the Minister is saying?

**HON. J. PLOHMAN:** No, the whole thing was on the table at the time, and that's why it was all removed, because we felt that perhaps even the way the commissions were paid should be reviewed. Since there was a different system, a flat fee paid by DDVL and a percentage paid by MPIC, different methods, that this whole matter should be reviewed. That's why it was all on the table, but it ended up that that section of the agreement was not touched to a great extent and therefore we still have a sharing much the same as it was in the past. But as far as the administrative cost sharing, that's where the major changes took place.

**MR. D. ORCHARD:** Mr. Chairman, I'd just like to make one comment here, and first of all, I should pose the question, the Special Warrant that you passed last year 2.128.2 million, was that primarily the commissions that were under review and then decided not to be touched? Is that what was the major component of that Special Warrant last year?

**HON. J. PLOHMAN:** Mr. Chairman, as I said earlier, the whole agreement was under review. The amount that was Special Warranted for last year was as a result of the agreement that applies for this year as well as for last year. It was different from this year by \$202,000.00. In other words, there is an increase of \$202,000 this year for increase in commissions paid for new and renewal transactions due to an estimated file growth of 2 percent and an estimated 4 percent increase in the consumer price index. Increase in flat fees due to 1 percent file growth and an increase in total flat fees due to a 50 cent increase in the rate of payment for certain transactions that were approved on January 23, 1986, to be paid to agents. So the difference between this year's agreement, or the effective dollars under the agreement is \$202,000 more than last year of additional costs. But the agreement, which applies for this year, is the same as applied for last year retroactively and that's why Special Warrant was paid.

**MR. D. ORCHARD:** But, Mr. Chairman, that Special Warrant primarily was needed to pay commissions to Autopac agencies.

**HON. J. PLOHMAN:** That's right, because the administrative cost sharing was worked out and applied for last year the same as it does for this year.

**MR. D. ORCHARD:** Mr. Chairman, I simply then want to make the comment that this New Democratic Party Government last year, when they presented their Estimates, understated their deficit by that amount going into an election year, and now we find the deficit, of course, was overstated by the \$58-\$59 million, part of which is right here, something that they knew well in advance of election time, but chose not to tell the people of Manitoba. This is but yet another example of the way they skillfully crafted last year's Estimates

to try to come in with an under \$500 million deficit knowing full well it was going to be higher. We'll find more of those examples as we go through.

Now, Mr. Chairman, I want to pursue this matter a little further. The Minister indicates that he at one point in time and his colleagues in Cabinet believed there was some \$3.1 million worth of savings that could rightfully accrue to the taxpayers of the Province of Manitoba from their relationship with Autopac and their sharing of management with Autopac. Now, the Minister says to us that there is a \$850,000 net benefit now, not the \$3.2 million, or whatever it was when he started out. Is the Minister satisfied today that under this new arrangement there is no cross-subsidization by the Motor Vehicle Branch of Autopac operations?

**HON. J. PLOHMAN:** First of all, I just want to correct something that was said by the Member for Pembina. There was not a change in the statement of projected expenditures under this department last year; the change occurred two years ago, and because the discussions were still up in the air last year when the Budget was struck, it would have been just a case of guesswork to put in an amount at that time. So it was not a specific contrived effort on the part of government to reduce the expenditures as listed. If the agreement had been reached prior to last year's Estimates being undertaken and completed, obviously, we would have had that figure in there. It was something that was started the year before that, so two years ago.

Insofar as cross-subsidization, I imagine that under the commissions and flat fees, if one were to get into a lot of in-depth study, there may be different interpretations but it was my feeling that, with experts from Finance, the comptroller's office, from MPIC and from our department having reviewed this for over a number of months, even years, over that period of time, and discussing a number of options and looking at it from every side and every angle, that we had the best possible solution or agreement at that time that both sides could live with and that was fair.

Unless each operates a completely independent system, we would never know for sure but under the shared system, which is done for efficiency purposes, it is felt that neither side is subsidizing the other.

**MR. D. ORCHARD:** Well, it's very interesting the Minister would make that comment after having broached the topic of cost-sharing with MPIC on the basis that they owed \$3.2 million, to now come up and say, well, \$850,000 is satisfactory, about one-quarter of what he originally said they should be getting from Autopac.

Mr. Chairman, I only mention this from the standpoint that sometimes one should recall history. I was Minister of Highways when we brought in the new 55-45 cost-sharing formula in 1980 or 1981 — I forget which set of Estimates. I want to assure you, Mr. Chairman, that many members in the New Democratic Opposition then decried us for pillaging Autopac, that we were pillaging the Manitoba Public Insurance Corporation when, in reality, we knew that all during the Schreyer, the exact opposite occurred, that Autopac had been pillaging the taxpayer, hence able to show the kind of profits.

Now, this Minister has told us tonight of another chapter in the ongoing saga of Autopac and Motor

Vehicles Branch, in that about two years ago he decided, in his wisdom — obviously from advice from his Motor Vehicle Branch people — that there should be an additional \$3.2 million saving. They broached some negotiations and ended up with another \$850,000 of saving in the Motor Vehicles Branch.

I just wonder what Saul Cherniack would say to this Minister and to this government were he sitting in this House today, with these fees in the Motor Vehicle Branch taking another \$850,000 from his beloved Autopac, because he kicked up the wildest fuss on baseless grounds when we changed the formula, back six years ago.

Mr. Chairman, all that aside, it's interesting that the Minister is now talking of an \$850,000 saving in net benefit to the Motor Vehicle Branch, or to DVL, when we've got an increase in requested budget of \$2.6 million. Where is it that we can see this saving of \$850,000 when you're asking for almost \$2.6 million, \$2.7 million more in this branch?

**HON. J. PLOHMAN:** Mr. Chairman, the member knows very well, because we just went over that, that this line in the budget, this amount under the cost-sharing agreement was zero last year. If the member looks to the left-hand side of 6.(d), he can see that there's no amount in there.

**MR. D. ORCHARD:** Why didn't you put a Special Warrant . . . ?

**HON. J. PLOHMAN:** Because that's not the way the Estimates are drawn up. There's nothing changed in the process.

**MR. D. ORCHARD:** That hides things better, doing it that way.

**HON. J. PLOHMAN:** There's no attempt to hide anything. It's just the way these things have been established over the years. There's nothing changed. We have not seen a difference, or a different form in these Estimates, from previous years. The system is such that Special Warrants and reconciliation, in terms of that amount, was normally not put in, and that's the reason for it, under the current system. So the special warrant was put in last year and this year it's reflected in the Estimates, as it should be, and as it will be in the future if there's no dramatic change in this area in the future.

I think the member can see where \$2.330 million of it comes from and we've accounted for the remainder of it in discussions and individual questions that were raised by members, his colleagues, in previous questions that they've raised.

As I indicated, the history of this, this past two years ago, was that it was felt that there was a legitimate basis for asking for a review. It was felt that it could be up to the total amount, but after a review by the experts, and a lot of negotiation, it was felt that this was the fairest agreement that could be reached and mutually acceptable to both sides.

**MR. D. ORCHARD:** Mr. Chairman, I want the Minister to make sure that he's correct in his statement that

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Special Warrants passed in a fiscal year don't end up in the Estimates. Is the Minister also telling us that, for instance, in the Maintenance budget, if he had to pass a Special Warrant for \$5 million for Maintenance, that it wouldn't reflect in the Maintenance line in the previous year? I think the Minister had maybe better reconsider that answer.

**HON. J. PLOHMAN:** Mr. Chairman, the accounting practice and system that is applied here is consistent with the one that's been in place for as long as Bill Dyck's been here, so the Member for Pembina can maybe have a talk with him — maybe longer than that — the Director of Administration.

There's no change. Special warrants are not shown here. The adjusted vote applies to Salaries. When the actual salaries are settled — the settlement is reached, the vote on the left-hand side is adjusted to reflect the actual cost of salaries in the previous year. But the special warrants for any program changes and so on, are never shown there. That's my information and, of course, we would have no say in how these are structured. In the final analysis, that's done by Finance and I didn't have any reason to question why they wouldn't have put it in there.

**MR. D. ORCHARD:** Where will that Special Warrant show up?

**HON. J. PLOHMAN:** Mr. Chairman, I guess the Member for Pembina would ask the Minister of Finance that. I don't think it shows up in my Estimates anywhere.

I've explained what the amount is. There's nothing hidden. If he wants to ask about Special Warrants, the Minister of Finance is the one to talk to.

**MR. D. ORCHARD:** Mr. Chairman, I guess the Minister has difficulty realizing he is the Minister that requested that amount of money in a Special Warrant.

**HON. J. PLOHMAN:** We've explained it.

**MR. D. ORCHARD:** Then explain it further and tell me where it shows up in the Estimates.

**HON. J. PLOHMAN:** I have just told the member what the amount of the Special Warrant was. It was \$2,128,200.00. Even though it isn't showing up here and therefore there's no basis even for the question, I volunteered that information. The fact is that there was a Special Warrant last year for that amount for the purposes of a cost-sharing agreement and it was paid by Cabinet, Minute No. 19, November 7, 1985.

**MR. D. ORCHARD:** Well before the election.

**HON. J. PLOHMAN:** So there it is. That was a long time after the Estimates had been drawn up for last year. As I've indicated to the member, the advice I get from the Department is that Special Warrants are never shown in the left-hand side to cover last year's Estimates that we see in the Estimates book before us.

**MR. D. ORCHARD:** Mr. Chairman, that November 7 Cabinet Minute just simply reinforces the case we've

made over the past several months that this government deliberately hid information from the people of Manitoba as to the extent of the deficit, because there was \$2.1 million of Special Warrant that wasn't budgeted for and was part of the Highways Department expenditures that would show up in the deficit which, in the Second Quarterly Report tabled December 31, 1985 at about 4:00 in the afternoon, said there was no change. They didn't anticipate any change. I mean, that's just not believable. The Minister of Highways has just further reinforced that non-believability.

The other thing the Minister is going to have trouble with is telling the people of Manitoba, when they look in this Estimate book and they look at last year's expenditures of just under 10 million and they look at this year's expenditures of over 12.5 million, he's telling us that we've got an \$850,000 saving. That simply, when you read these Estimates is not believable. I don't think the Minister can offer any understandable explanation, because I'm not certain he understands the process himself.

But what I suggest to the Minister of Highways is that, if you're claiming an \$850,000 saving over the previous system, it should be able to be accounted for within the Estimates process. It simply does not show up. It is not reflected in any numbers that we're asked to peruse in this Estimates book. The Minister is asking us to blithely accept that there is an \$850,000 net saving to the Department of Highways and Transportation out of this new deal that he negotiated and struck with Autopac.

Well you know, the Minister under ordinary circumstances might be able to sell that, but recent events in the Manitoba Public Insurance Corporation make people in the Opposition want to ask more questions and ask for more detail and explanation and justification of this alleged \$850,000 saving, which looks like a \$2.5 million increased request for expenditures this year. This is not adequately explained.

The events of Friday make us demand more answers from this Minister, and a more detailed explanation than simply saying Special Warrants aren't accounted for. Then he can't tell us where the Special Warrant is and why it isn't in the reconciliation statements.

**MR. CHAIRMAN:** Perhaps I could suggest to the member, it's my understanding — and the Minister might correct me — that this is not under the jurisdiction of the Minister. The format of the Estimates is under the jurisdiction of the Department of Finance, and I would think the member's questions might be better asked when dealing with the Finance Estimates as to the format of the Estimates.

**MR. D. ORCHARD:** Mr. Chairman, I accept your answer with the difficulty, and you have it too. The Minister told us tonight there's an \$850,000 saving from what to what? Because he's now asking for 2.33 million more dollars that wasn't in last year's budget. How does he prove to us that this \$850,000 saving exists? If it isn't in the Estimates Book, how else can he do it for us? Can he table a piece of document which shows last year's costs, this year's costs, and an \$850,000 saving? If he can do that, we'd be satisfied, but the way these Estimates are set up and the answers we've got from

the Minister, we don't know whether we've got an \$850,000 saving as the Minister indicates.

Mr. Chairman, we're here to make sure that dollars are spent properly, and I can't see a \$2.5 million increase in appropriation or Resolution No. 95 ending up in an \$850,000 savings with the explanation the Minister's given us tonight.

**HON. J. PLOHMAN:** Mr. Chairman, it's the same way the Federal Government says it's increasing transfer payment, when it's really reducing them.

Mr. Chairman, I have . . .

**MR. D. ORCHARD:** If you want to get into that kind of an argument tonight, we'll do it, and I'm sure the Chairman will rule me out of order as he should rule you out of order.

**HON. J. PLOHMAN:** You are out of order right now.

**MR. CHAIRMAN:** Excuse me, if I can just make . . .

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

**MR. CHAIRMAN:** Order please. If I can just make a suggestion to the honourable member, I think what the honourable member, if I am correct in hearing what he's saying, is talking about the formatting of the Estimates in meting out certain items to show the net receipts or the net deficit, which is a matter of formatting done by the Department of Finance. I would think his questions would probably be relevant under the Finance Estimates in determining the format of the Estimates. The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, that might be fine, except in the Minister of Finance' Estimates they say, well you should have asked those in the Minister of Highways' Department Estimates. You haven't been here before. I have, and this government skates around those kinds of issues.

**MR. CHAIRMAN:** Excuse me. It is my understanding that, under the Minister's Salary, questions of this nature can be asked as to the matter of format and design of the Estimates. Now I may be incorrect, but it is my understanding that has been done and is done.

**HON. J. PLOHMAN:** Mr. Chairman, whether it be Public Accounts or whether it be the Finance Department or wherever, there are opportunities for the member to ask about the Special Warrants, or else in question period.

But in this case, we've explained why there is an additional amount shown in this appropriation for the cost-sharing agreement. We explained that two years ago, the cost-sharing agreement dollars were taken out of the budget and there was a reduction of some \$3 million in the Driver and Vehicle Licensing Division.

Since that time, negotiations have been undertaken, exhaustive negotiations, discussions between both agencies with an independent member from the Department of Finance. After a number of reports and recommendations and alternatives being considered, they decided to recommend to Cabinet the final results

that we see here. The decision was made that required that DDVL or the Motor Vehicle Branch continue to pay under this cost-sharing agreement a certain amount to MPIC. So there was an amount restored equal to that decision, which is \$850,000 less than it would have been had there been no review of that decision. Had we carried on in our merry way two years ago and included the total amount for the cost-sharing agreement in our Estimates and then carried it on last year, carried it on to this year, the difference would have been \$850,000.00.

The member can go back to the Estimates of a couple of years ago. He'll find that there was a reduction in this section. He will find that we also had a discussion on it at that time in some detail, and we again perhaps had a bit of a discussion last year, although there was no change in the Estimates. Therefore, we may not have, because the member may not have picked it up. Then this year, now that there's a difference again, he is once again questioning this area, but we've explained clearly, there was a Special Warrant, how much it was, what it was for. So there's no problem getting answers on that, and he knows quite clearly why there was a Special Warrant.

I don't find it difficult to explain. There's \$850,000 lower costs here to the taxpayers that is now being picked up by MPIC. He may find it difficult to comprehend or to explain, but I'm not worried about that problem that he's identified for me.

**MR. D. ORCHARD:** Do you think the Minister could, since he's so able to readily explain this, come to this committee tomorrow with a chart of what the Motor Vehicle Branch expenditures would have been under the 55-45 and what they are now, so that we can identify in that, by comparing the old system and the new system, this \$850,000 alleged saving the Minister's got? After all, he did say he understands it completely. That should be no problem for him to do tomorrow. Would he undertake to do that for us?

**HON. J. PLOHMAN:** I've already provided that information to the member here . . .

**MR. D. ORCHARD:** No you haven't.

**HON. J. PLOHMAN:** . . . where the \$750,000 saving came and where the additional \$100,000, and I can provide the member with a summary sheet of the financial implications of the changes. I don't know if we have a clean sheet here — I'll see if we do — that isn't marked up. Both of ours have been marked, here's one. Table it and send it down to the Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, this sheet that he's sending down here, does it show the departmental budget, what it would have been under the old formula?

**HON. J. PLOHMAN:** It shows the amount that would have been included under the previous agreement. I don't know why, whoever got that, walked out with it. That was the sheet I wanted the Member for Pembina to have. I'm told that it has to be given to everybody or something like that, so in any event, it does have

the previous agreement and the revised agreement and the difference identified.

**MR. CHAIRMAN:** The Minister of Health.

**HON. L. DESJARDINS:** Mr. Chairman, I'd want the Minister to correct me if my understanding is wrong. I don't think that the word "net savings" — because I think the Minister explained that it was for the administration only, and then the savings — I understand it and this is where I want the Minister to correct me if I'm wrong — that the savings, it was a saving of what it would have been without a change in agreement, not necessarily a saving. It would have been \$800,000 more and I say that the Member for Pembina is certainly entitled to an explanation but I think he'd have to accept that this should be asked of the Minister of Finance. I don't agree, at any time, there were games played last year when we said that it would be answered and there's a record anyway tonight, and we're all witnesses, but you can ask that . . .

**MR. D. ORCHARD:** The record after the election?

**HON. L. DESJARDINS:** Well, just wait till you get the Special Warrant — it doesn't show in this department.

**MR. D. ORCHARD:** That's what I mean.

**HON. L. DESJARDINS:** Well, get that from the Minister of Finance, he'll give it to you.

**MR. D. ORCHARD:** We tried to and he said there was no change.

**HON. J. PLOHMAN:** Mr. Chairman, the Minister of Health is absolutely right; that the saving is, in fact, a reduction in the costs that the Motor Vehicle Branch has to pay to MPIC, from what they would have had to pay under the previous formula that was negotiated when the Member for Pembina was the Minister. He should not be upset or concerned. It's obviously no reflection on him personally that he didn't achieve the maximum savings at that time. I'm sure that at another time, perhaps, it will be another saving or change. It's quite possible that this isn't the final agreement for all times, but it's a better one than there was in place before.

**MR. CHAIRMAN:** The time being 10:00 o'clock, I have two more speakers on the list. Is the Member for Pembina through? What is the wish of the committee? Do you wish to rise at this point? (Agreed)  
Committee rise.

## SUPPLY — AGRICULTURE

**MR. CHAIRMAN, C. Santos:** Committee please come to order. The Committee of Supply has been considering the Estimates of the Department of Agriculture. We are in Item No. 4.(d)(1) Soils and Crops Branch: Salaries.  
The Member for Virden.

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

In light of the fact that we now have a fair bit of concern in southern Manitoba with rust coming in from the south, I would like the Minister to comment not only on rust but the potential for sclerotinia, a rust outbreak in wheat, sclerotinia outbreak in rape and also a potential for wheat midge in wheat.

What kind of early warning mechanisms are available? What is the staff of the department doing to ascertain the level of the problem as the next few weeks go by, and what are they planning to do in terms of communicating that information to the farm community when the urgency becomes fairly high?

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, there is and will continue to be ongoing monitoring and research into the whole area, of course, of rust and sclerotinia disease in the oil seed and pulse crops dealing with sclerotinia. There are, of course, chemically controlled methods available for canola and field beans but not on lentils, mustard, peas, in faba beans, sunflowers and soya beans. Basically, the advice that the department gives in terms of ongoing advice is, of course, rotational considerations to minimize the losses from infected fields, and the advice given generally is at least on a four year rotation.

There continues to be research funding out of the federal-provincial agreement, I believe, and ongoing basic research conducted by Agriculture Canada in the development of resistant varieties, especially in terms of wheat plants and other crops. Leaf rust was first detected just recently through the Morden Research Centre here in Morden. Based on last year's crop intentions on wheat, specifically, and the last article I read that Katepwa wheat and Neepawa wheat accounted for more than 40 percent of last year's crop in the Province of Manitoba and, in fact, could have been, had the rust situation been very severe last year, could have affected just about half of our wheat production.

This year it's estimated that about 1.5 million acres of Katepwa and at least .5 acres of Neepawa have been planted this year in our own province and a high percentage of it was planted, of course, after May 20. There are probably about an estimate of between 25,000 and 50,000 acres of winter wheat planted in our province as well. Although fungicides could be used to protect these crops, there are several factors which will limit the use of fungicides on wheat in Manitoba in 1986.

For example, Bayleton and Dithane M45 were only registered for wheat in 1986. Most farmers have not had any previous experience with control of rust on wheat by fungicide. Demonstration files are being conducted by Chem-Agro, Rohm and Haas, and Manitoba Agriculture this year. So we are doing some testing as well.

The availability of the fungicides in our province is limited. Licensing authority of Agriculture Canada has stipulated that Dithane M45 registration, a limit of 100,000 kilograms of product that can be sold in all of Western Canada and this is only enough to treat 50,000 acres. The availability of Bayleton is also limited. The cost of a double application of Dithane M45 is \$10

per acre for the cost of the fungicide and the cost of Bayleton at \$16 per acre for a single application.

Additional supplies of Dithane could be made available for use on wheat in Manitoba but this would require authorization to the company by Ag Canada, and the Ag Canada Pesticide Director in Ottawa, Dr. Wayne Ormrod, should be informed of the rust situation in Manitoba and a request should be made that Rohm and Haas be allowed to market more fungicide in Manitoba if substantial spraying is required.

We are prepared to do that. We are monitoring if the infestation exceeds, or at least appears to hit an amount that would cause our staff concern, and we would be prepared to move on that fairly quickly with Ag Canada but it's basically a monitoring situation. I would assume humidity and moisture levels would play a part in terms of how quick and how extensive the development of the spores occur in terms of having the right climatic conditions for rust. We will continue to monitor that and do the testing that we've undertaken now.

**MR. G. FINDLAY:** I thank the Minister for that information. Last year we went through, and the year before, in terms of Sclerotinia, there was a fair bit of scare in the month of June and then all of a sudden it turned dry in July and because of the dryness, the low humidity, the scare, at least in my area, it wasn't as severe as originally thought. I hear we're entering a year with both Sclerotinia rust and, if you appreciate the farmer's point of view, the cost of application of these chemicals is high. The limitation there on Dithane indicates to a farmer that if he has any thought of doing it, he'd better rush out and buy it, so he has it on hand. You can appreciate the decision to do it is difficult because of cost and has to be, in most cases, flown on.

You mention that there's monitoring going on by, I presume, the Manitoba Department of Agriculture. I would like to know for further assurance how much monitoring is going on, how widespread is the monitoring going on, how soon can they detect an infestation, or a level of infestation that warrants economic considerations for control; you know, the relationship between Ag-Canada and the Manitoba Department of Agriculture. Are we putting extra staff into it because there is an apparent emergency developing, or is this just the traditional degree of monitoring?

**HON. B. URUSKI:** Mr. Chairman, there are no additional staff that we're putting on, but there is very close cooperation between Ag-Canada, our plant pathology people and our field staff in terms of the monitoring.

We are doing some work internally as well to try and determine some further guidelines in terms of infestation as to what would be the appropriate time in terms of basically, economics. This would be the time to say, based on this kind of infestation, if you are going to spray these are the potential losses you might have and this might be your gain if you do spray; and in terms of your own analysis can determine as to when is the most optimum time for spraying but also the most economic time for spraying if, in fact, you're considering spraying, based on the infestation that you have. So some of that work is going on.

But there continues to be, as there has been historically, a very close relationship between Morden, between the universities, between our own plant pathology people and our field staff in this whole area and it's really a team effort in terms of sharing of information and doing the monitoring.

**MR. CHAIRMAN:** 4.(d)(1)—the Member for River Heights.

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

I would like to ask the Minister this evening, why, with all of the literature that we have seen recently, books and studies, such as soils-at-risk the Senate did, why this particular Budget is in fact down?

**HON. B. URUSKI:** Mr. Chairman, this portion of the Budget primarily covers the salaries and expenditures of our professional staff. It does not cover the thrust within our department, which is a major thrust in the whole area of soil and water conservation, which we are funding through the Agri-Food Agreement. That's where the major amount of funding, in terms of crop . . . yes, the whole area of crop production, soil and water management, those areas of . . .

If the member notes on Resolution No. 7 — you will note that the Agri-Food Agreement is moving from \$640,000 to \$1,096,000 in terms of the work there, as well, the water-related projects that are part and parcel of this agreement are, of course, in the Natural Resources budget which is part of the total \$38,000,000 agreement.

I might add, Mr. Chairman, that this agreement is actually more than double the previous five-year agreement that just expired or is in the process of winding down and this one is just in the process of starting up over the next five years. We're just beginning into the, in fact, there is probably maybe 50 or 60. We'll be getting to that, the Honourable Member would like to have an overview. When we get to this whole area, I'll be able to provide the Member a whole list of all the various projects that we are funding in this whole area of crop rotation, crop development, research.

Primarily a major portion of the funding in the whole area of demonstrations and practical research is on farm demonstrations. That focus we've continued from the previous agreement and we're highlighting it in this agreement as well.

**MRS. S. CARSTAIRS:** Well I know this is going to carry over into 2. Mr. Chairman, but surely that those salaries are used by individuals who have those other expenditures, which I assumed were in soil conservation projects.

**HON. B. URUSKI:** Mr. Chairman, in the figures that we have here, we are really talking about the entire Soils and Crops Branch of which soil conservation in the specifics is but one activity. The whole area of Soils and Crops Branch deals with soil, weeds, weed control, soil testing, soil management, land planning, forage production, horticulture, plant pathology; those are some of the areas that are part and parcel to this entire branch. Soil conservation is a major component of the branch but is not the only component of the Branch.

**MRS. S. CARSTAIRS:** Since we don't have the detailed estimate, can the Minister assure me that, in fact, soil conservation is going to get additional funding over what it had last year?

**HON. B. URUSKI:** Mr. Chairman, I did at the outset of these Estimates and this section provide the breakdown of staff and staff complement. Well it was in the record. I read it into the record. That Hansard is out. I wasn't sure when we started, because I didn't have it marked off but, when I looked at the sheet this evening, I believe I did read the actual breakdown of staff.

I can just repeat it for the Honourable Leader of the Liberal Party here: 54.47 staff years in the whole branch, six of whom are branch administration. The remaining staff would be technical people and professional people in the various areas that I have generally outlined. The rest of that information on actual numbers, I gave last week when we were in these Estimates.

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

**MR. E. CONNERY:** Last time we met, Mr. Chairman, the Minister assured us that he would give us a breakdown of what was in the various sectors of the Estimates. Does he have them tonight? He promised this afternoon that he would have them for this evening.

**HON. B. URUSKI:** Mr. Chairman, okay, I guess it's a matter of timing in terms of the overview. I was going to give the member my basic comments on the next section, which is Farm and Rural Development. I think, when we went into this whole area, I should have actually given members, at the same time as I was reading my introductory remarks, a copy.

Now if you're asking, saying, look, give us now a copy of Farm and Rural Development Division, we will have them before the end of the evening. Likely, we may come there, and I will in advance give members a copy of those introductory remarks to each section. I won't give them, unless honourable members want the whole area. I don't have all of them. Our Farm and Rural Division are ready, and we should be able to have them for you and give them to you. I'm assuming that's really what the honourable member was asking, to give you enough lead time in terms of the next section so that you'd know basically what I'm going to be introducing. Am I assuming it accurately?

**MR. E. CONNERY:** Well yes, and also a breakdown of the staff in the various departments under the Soils and Crops. But to properly question the Minister on the Estimates in these things, it would be nice to have them ahead of time. Otherwise, there will be sections that we might overlook and not remember. That way, we would be doing a more thorough job.

**HON. B. URUSKI:** Mr. Chairman, in this sections of the whole — as we come, branch by branch, in the Soils and Crops, last week when we began, I gave the actual detailed estimate of every staff position in that branch. It's on record. If the member would check last week's Hansard when last we met, that was Thursday

night — I believe it was Thursday night. If he wants, I will go through it again. I will provide it, just so there's no misunderstanding.

— (Interjection) — Branch administration, 6; horticulture management, 1; horticulture investigations, 5.20; plant pathology — 4; northern horticulture — 1.26; cereal crops — 2; special crops 3.19— ; forage production investigations — 2.19; soil and water management — 1; soil fertility — 1; soil management conservation — 4; soil testing lab administration — 1; irrigation — 1 staff person; wheat control investigations — 3.39; land utilization — 1; soil surveys — 15.28; land planning and development studies — 1. It should be a total of 54.47 staff persons for the requested budget of \$3,004,900.00.

**MR. E. CONNERY:** We can pass the (1) I guess, Len. You're happy with (1) now, the salaries?

**MR. CHAIRMAN:** 4.(d)(1)—pass.  
4.(d)(2) — the Member for Portage.

**MR. E. CONNERY:** Yes, thank you, Mr. Chairman. Under the new crop production — I don't know if this comes under Soils and Crops — the new crop production, Agro-Man, and I'm going through your book of programs and policies — it is the only thing that we've got to have a look at — it says the Specialist New Crops Agricultural Extension Centre, which will be Brandon, would that come under this sector?

**HON. B. URUSKI:** Mr. Chairman, the Brandon Research Station is federal. The Extension Centre of the Agricultural Extension Centre that we have in Brandon would be the next section. Well, it would be in this same section (e) under Technical Services, we would have any questions there. We can go at it anytime, it's in this section, if you have any questions about the Ag Extension Centre.

**MR. CHAIRMAN:** 4.(d)(2) — the Member for Portage.

**MR. E. CONNERY:** I guess being a farmer, I'm a little embarrassed not to know what lupins, I thought was always a flower, and laythrus are under your new crop production. They're in with soya beans and lentils.

**MR. CHAIRMAN:** 4.(d)(2) — pass?

**MR. E. CONNERY:** I asked a question if you knew what they were; I'd like to know. Do you know what lupins and laythrus are?

**MR. CHAIRMAN:** The Minister is getting the information.

**HON. B. URUSKI:** Lupins, Mr. Chairman, is a pulse crop which does resemble, I am advised, lentils. And I am advised; I want to share my lack of knowledge in this. The Honourable Member for Portage has me on this one, I have to say quite clearly. Neighbours of mine have grown lentils, and I'm well aware of those pulse crops, and I've heard lupins — and what's the other one? — laythrus. Maybe somebody up there can . . .

Mr. Chairman, it is a crop, I am told, a pulse crop that may have some application in drought prone areas, and Ag Canada is doing some research to see whether or not there can be some application in drier areas of the province in terms of production. But it is a pulse crop.

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

**MR. E. CONNERY:** Could the Minister give me the status of the Elite potato seed farm at Portage as to the acres you are producing now and what sort of a contract have the Keystone Growers got with the Department of Agriculture?

**HON. B. URUSKI:** Mr. Chairman, I'd better correct the word that I used. It is not a pulse crop. I'm sorry that I may have led the honourable member astray, but testing is going on.

In terms of the elite seed operation near Portage, the new Agri-Food contract follows very closely on the previous Agro-Man Agreement in terms of conducting the ongoing operations of the elite plant. I'm going from memory for the honourable member, I believe there was a production capacity there of somewhere in the neighbourhood of 500 acres, was the elite seed plant operation. I don't have the statistics at hand, we're trying to look them up. But, if memory serves me, because I toured the operation and visited some of the sites there, I think twice I was there, but once there was an extensive tour that I participated in, I believe, it's about 500 acres.

**MR. E. CONNERY:** What is the status of the contract? What is the agreement that you have, I think it's with the Keystone Potato Growers?

**HON. B. URUSKI:** Mr. Chairman, the project name, and I'll provide the information, is Disease-free Potato Production; duration is 4.5 years; total funding is half-a-million dollars provincial at the Espo Farm. Provision of disease tested stock of seed potatoes forms the base for, of course, Manitoba seed and commercial processing potato industries, and that's the extent. Of course, the target is to continue to operate in cooperation with the Seed Potato Growers Association of Manitoba. The seed potato increased facilities at Espo Farms so that supplies of seed materials sufficient to fulfill demand for commercial varieties and introductions of new and promising cultivars are made on a timely basis as required by the industry.

As well, research techniques of production, disease identification and monitoring are updated regularly, and the sponsoring group, as the member pointed out, is the Seed Potato Growers Association of Manitoba. The present president is Allan Funk from Plum Coulee.

**MR. E. CONNERY:** You said there was 4.5 years remaining on the agreement?

**HON. B. URUSKI:** We basically signed the agreement at the beginning of 1986, or late fall, or early winter of 1985, I can't recall which. I know I participated at a meeting — I'm advised there are four seasons left to go in that agreement.

**MR. E. CONNERY:** I think that's a very worthwhile program. Mr. Minister, as you know, in the last couple or three years, there have been some tragic losses to ringrot in some of our commercial seed producers and there has been tremendous loss. So, I hope, when this agreement runs out, that we will analyse it and not be too quick to leave it.

Under the greenhouse production — and I'm going by your book here, so if you're wondering if I'm jumping . . .

**HON. B. URUSKI:** Which book are you using, if I may ask?

**MR. E. CONNERY:** Yes, it's the Department of Agriculture, Policies and Programs.

**HON. B. URUSKI:** Okay.

**MR. E. CONNERY:** That's the best that we have until you give us that other material.

Any new developments in the greenhouse production?

**HON. B. URUSKI:** Mr. Chairman, in terms of essential work that is going in the greenhouse crop production area, programs, activities are directed to achieving greater efficiencies in the area of labour and energy costs limiting local production and, of course, trying to strive for greater communication and cooperation between growers.

I think there is a newly established Greenhouse Growers Association in the province so that there is better attempt to coordinate information and improve communications between department staff on various issues.

There have been, of course, some issues, and the honourable member may know, that have been raised which are beyond the purview of the province and those deal with the importation of certain ornamental trees and flowers and the seeming, at least allegation, that customs are not able to provide the necessary inspections on certain groups, primarily the large retailers, the Woolcos and those who bring in truckload lots, and there has been some dispute between the growers and Ag Canada in this whole area. We've attempted to see whether or not some better monitoring can occur in terms of our section so that there is no one, in terms of the inspection process, is really being treated one way versus another, but I know that is an issue that is currently being debated by the Greenhouse Association, at least was this spring when products were coming over primarily from the United States.

**MR. E. CONNERY:** The Minister probably knows the importation of plants, if they're not in a soil base, there's not near the problems if they're produced in a vermiculite, and so forth, base that has no danger of having noxious weeds and disease in them, but there are an awful lot of plants coming in from the south, primarily Florida. Has the department looked at trying to accommodate this market by encouraging local production?

**HON. B. URUSKI:** There is no doubt that our horticultural specialist, Jim Petrie, especially that I know

of in the last number of years, the whole area of U-pick strawberries, as an example, and the development of that industry, really has in fact started taking off in the Province of Manitoba. There have been a number of growers established through various locations around the province. His reputation, I might say, is widely accepted, not only widely accepted, but acclaimed by many of the growers as being, not only in terms of the communication skills, the public relations, has just done an excellent job for producers around the province and, as much work as we can do in promotion of the fostering of these small growth industries which eventually grow it's, I believe, first starting off small and getting the technical expertise and information on some of the problem areas and management techniques before one goes into these areas in a big way. I think our staff, I believe, have done an excellent job in this area of promotion. But I'm sure that the honourable member and many others may have ideas and say more can be done, and I would not dispute that in terms of the specialized industries, but we certainly should be doing more in this area because those are the kinds of industries that really diversify the economy of the province and do provide beginnings of Manitoba home-grown industries which really is the basis of our agriculture in the province.

**MR. E. CONNERY:** I think, specifically, I was thinking, Mr. Minister, in the area of broccoli, celery, tomato plants coming in from the south, where they are brought in, and has there been any work to develop greenhouse production along these lines?

**HON. B. URUSKI:** Mr. Chairman, a number of years ago, and I say this because a number of greenhouse operations were set up and, in fact, one right close to where I live, of the production of hothouse tomatoes and, if I'm not mistaken, cucumbers. There was some promotion done. The economics, in terms of what was coming over the border during what we would call normal off-season work, many of these operations did run into financial difficulties, no doubt about it, knowing our weather conditions. They did experiment with them.

The real basic problem, of course, is because of our climate. It is the cost, the high cost of energy, that limits the extent to which certain of these items and vegetables, I would say vegetables and fruits, that can be produced in our climate. That's the kind of work that's been jointly — some research and maybe not quite enough — but there's been some fairly extensive research into the whole area of solar energy and using residual energy in the production of fruits and vegetables, and it's still a question of cost because of our weather conditions, but that's the kind of work that has been ongoing.

I believe that over the longer term that in fact this whole industry, if it's to develop to any extent, will be on a small basis and maybe as a sideline to some other operation. Totally sustained, I believe, will be very difficult because of our climatic conditions and the cost of energy to produce versus what can happen south of the border primarily and be imported into this country.

**MR. E. CONNERY:** I'm quite familiar with the program, and I think a lot of us were quite disturbed with that

particular overzealous promotion of the greenhouse industry in the tomato-cucumber area and it got an awful lot of people into trouble.

To the Minister, it's not this finished product, it's the seedling transplants that are coming in for transplanting in the field that there's a tremendous, you know, it's into the millions of plants that are coming in that there's possibly an opportunity for Manitoba production. These are seedlings, not growing them to . . .

**HON. B. URUSKI:** I see.

**MR. E. CONNERY:** . . . so there's an opportunity, I think, along that area for it.

When he mentioned the strawberries, Mr. Minister, I think we want to know, has there been a market analysis done of the acres that are really required in Manitoba?

Mr. Chairman, there's been some concern that there's an encouraging overproduction. I know a year ago there were berries being left in the field because there was excess production. I would like to know if they've done a market analysis or if they're just continually promoting on the basis that promotion is good. Some areas out in the rural area such as Portage, which we consider the strawberry capital of Manitoba, found that there's an increase.

The Member for Charleswood will be able to pick now, I see, this summer, because he's got rid of his crutch.

I would hope, Mr. Chairman, that the Minister would encourage the staff to do a market analysis before continually promoting because now there is a push to encourage a lot of production around the City of Winnipeg which then precludes people going out into the rural area. It's been a very good money maker for the rural people outside of Winnipeg.

**HON. B. URUSKI:** Mr. Chairman, in fact, our promotion has centred around building up what I would call the appetite for fresh strawberries and fresh fruits and U-pick operations in terms of coordinating the information to the citizenry of the urban centres to say here are the present locations and these are the days, and trying to make sure that there isn't what one would say "call before you go," so to speak, so that there isn't a huge stampede out to the farm when in fact it may be the wrong day of the week in that particular operation. That's where our promotion in terms of the public is concerned.

What we're trying to do in terms of extension work is, of course, you could call it promotion of good management and operations, to impart the technical information and advice to those who are seeking and are prepared to and want to invest in those areas, that we at least can provide them with the best information that there is currently available in terms of both good and the problem areas if one goes into the production of a particular product.

The whole seedling area, and that's one I think we will have to look at — I don't know how many greenhouse producers are in fact in the vegetable-producing seedling area, but I know a number of them. In fact, the president of the greenhouse growers, Mr. Schriemer of Schriemer's Greenhouse — I think it's

on McLeod in the northeastern part of the city — is one of those who does, at least in the flower area, sell a lot of seedlings as well as the plants themselves commercially, but does promote the seedling resale because there is, no doubt, a cost factor and there is a knowledge factor in terms of the critical development of the first, what I would say, two, three weeks of the growth.

It does take a particular management and expertise and a cost to growers in terms of saying, all right, I'm prepared to pay a little bit more for the seedlings and do the transplanting into smaller pots or whatever one would call it in terms of — I know there are peat pots, but the trays that they use; I guess that's the word I was trying to get — and grow them from basically the two to three week growth and then until they're ready to be transplanted again into the garden.

I know, for example, my wife, who is an avid grower, doesn't have a large greenhouse in terms of our own farm, but does like to experiment and has, over the last number of years, used that whole area of purchasing the first growth and then doing the one-term transplant before they're actually put out. I think that's what the honourable member is recommending, and that's something, if we're not doing it, we may want to look at the extent of production.

I would think what would be a good move, quite frankly, is that the vegetable growers, those who are in the key areas of actually doing the commercial growth, should really, because you have an association, really should have a meeting of both groups and say, can we do some coordinating of production within the province of Manitoba to meet those kinds of needs of those growers who are going to be producing it commercially and maybe, looking at the costs that you face as growers, and seeing whether or not we can sort of get a meeting of minds in this whole area.

I think it would be a good suggestion that the Honourable Member makes and if it sounds like this is the approach that we should at least look at, I'd appreciate the Honourable Member's comments on that.

**MR. E. CONNERY:** Thank you. I think part of the problem, though, is we know there are staff constraints and that there isn't a lot of money for new ventures. What is the status of the flour industry which comes under your department also, doesn't it, under the Soils and Crops? Is there any research being done with the flour production?

**HON. B. URUSKI:** Mr. Chairman, I could advise my colleague from Portage that, basically, any amount of research that is done in the flour industry is being done at Morden at the Research Station there. There is, of course, the competitive growing and some work being done at the University, but the bulk of actual research is, I'm advised, done at Morden.

I should comment, Mr. Chairman, on the whole area of the fresh fruits and vegetables, especially the small fruit area. There is some research being done now — because we can't eat everything we produce — into the whole area of processing of the small fruits like raspberries and strawberries, for either the fruit juice market or the frozen market. There's some research

and work being undertaken now to see whether or not some, what I would call home-spun industry, can develop out of the production that is now in Manitoba, and that's being done at the University of Manitoba.

**MR. E. CONNERY:** I would guess I was looking at more of the annual bedding plants there. There's a lot of new technology to the south of us and somewhat in Ontario, with the new techniques that would eliminate that transplanting your wife does when she's moonlighting on us, on the industry. But there is a lot of new technology out there that I think we should be looking in applying to our industry with the danger that the production becomes too cheap to the south of us and they'd be coming over in the finished product.

I think we should be taking a little bit of a look. The old technology was to sew very thick and then you transplant them out. I did that for years and years and I was good at it. But now they have the technology of being able to seed individual seeds into little wee inverted pyramids and it eliminates all that. Of course the cost of production is very significantly lowered.

**HON. B. URUSKI:** I appreciate my honourable friend's comments.

I should just advise my honourable friend that one of my wife's hobbies is, of course, to provide the plants and the flowers for our church in the community, as well as our own properties there, with the three families farming together. So one does that kind of work.

I know of what the honourable member speaks in the development and work that's, in terms of I guess one would say, rationalizing the industry and revolutionizing it in terms of production techniques. I want to say that I am probably the least qualified to provide the honourable member with up-to-date information but what we can do is, in fact, ascertain and keep abreast of the rapid changes that are going on. But I would think with the association that is very active in that greenhouse area, that the technical advice is probably as readily available and they're just about as up-to-date as we can. It's for us to make sure that there are no trouble spots that we can see occurring that people can get themselves into, and we should be mindful of that whole area as well as, of course, in terms of technology transferring in this whole area.

**MR. E. CONNERY:** Move into the commercial vegetable production area and in the larger farmers and of course the Minister realizes that this particular industry is in a very precarious position in the sense of the numbers of producers.

We have, in many cases, only one producer for a crop in two or three. So we have a strong industry here but it is very precarious in a sense that we don't have something that drastically upsets it.

One of the areas that does cause concern to the vegetable area is the 1.5 payroll tax. As you know, the vegetable production is very labour intensive and we find that this payroll tax has made it somewhat more difficult for us to reach out and get into the far away markets, such as Alberta and Ontario, because when we get that far away from home, our competitive edge has been lost. Areas, like say, 1.5 payroll tax, is very detrimental. Is there any way the Minister would

recommend to the Minister of Finance that it be removed from Agriculture of all kinds?

**HON. B. URUSKI:** Mr. Chairman, I want to advise my honourable friend that, while I recognize any direct cost onto a producer has an impact on them, I don't want to lessen at all what the honourable member says. But I want to remind my honourable friend that we did not hear anything from the association when the federal sales tax was increased, which accounted for everyone's production on which the impact was far greater than the 1.5 percent on your production. We didn't hear boo from the industry when that occurred, in terms of the federal sales tax on general production and items there.

Mr. Chairman, I accept what the honourable member is saying from the direct cost point of view. I'm not sure whether, when you take into account all the costs related, some of Manitoba's operating costs, in terms of energy costs and the like and other costs, may offset some of that.

I share his comments in terms of saying, well, it's impacted on us. Every direct cost is an impact on whatever industry. I don't discount that.

**MR. E. CONNERY:** This particular legislation has impacted more severely on, well, only on Manitoba and I guess maybe Quebec has it, but we're not competing against Quebec in the fresh market. In Manitoba we're competing against Ontario, Saskatchewan, Alberta in those markets, and also against the northern states of Washington, Idaho that are very close to us and make it more difficult. So the Minister is wrong when he says that the other one was more severe. The 1.5 payroll tax is by far the most severe one that we have to face.

I heard him mentioning the \$50,000 exemption, but as I mentioned on our farm, that wages will be in the area of 45 percent or higher of our total cost. When we start looking at a payroll of \$700,000, then the payroll tax is a very significant factor. It becomes into a \$10,000 figure. When you look at a year when you lose money, and you still have to pay a payroll tax of \$10,000, I can guarantee you that it is not conducive to growing and looking for that far away market which creates the jobs and creates the activity in Manitoba that gives us some growth.

I would like to ask the Minister what the status is of the Vegetable Storage Research Program at the University of Manitoba, or does that one come under the ERDA or Agri-Food Agreement?

**HON. B. URUSKI:** Mr. Chairman, I'll have to take that question and try to provide the honourable member with some information; but I believe, I'm going from memory, it is being finalized. The discussions and negotiations are being finalized on that agreement. I don't believe that it has received final approval at the present time. There are still a number of projects that are still ongoing in terms of the formal stages and discussion areas and I would say getting greater information on. They haven't had final approval and I believe this is still one of those.

**MR. E. CONNERY:** I believe the Minister realizes that with our international trade, I think we are a net gainer in the agricultural trade. But in the horticultural sector,

Mr. Chairman, we are a net loser in the horticultural industry and we know that the only way we can decrease that deficit is by storing our product for a longer period of time. We're not going to increase our growth time unless the greenhouse effect starts to come into place. I was hoping it would come a little sooner, it's a quite chilly out, but storage is the only way that we're going to get a larger share of our own market right here at home. It is through better quality storage techniques. We've been after this for many years now and it always seems to be just around the corner and not quite signed.

I think it's time now that the Minister does get into it, because we said the industry is precarious. We're down to three carrot growers, one rutabaga grower, two parsnip growers. These are the storage crops that we need to fill the Manitoba market instead of bringing them in from the south. I guess I would plead with the Minister that he give direction to his people that they put this vegetable storage into place.

**HON. B. URUSKI:** Mr. Chairman, as I indicated to my honourable friend, I cannot provide him any further information at the present time other than to indicate it is still being discussed. It is not a project that has been shelved. It is being considered, but what final form it will take, has yet to be determined.

I might add, Mr. Chairman, for the member's information, that it is not only the question of storage and competition with our major competitors if we can in fact hold our product longer. It can mean, in fact, one move by the U.S. treasury to say, support one particular segment of their production and say: all right, we're going to export a whole bunch of carrots, and we're going to have a bonus program as they've got in grain. In one fell swoop, storage or not, we're in trouble. I will be the first to admit it.

But that's not to say that we shouldn't be improving our techniques and the information that we've got in terms of improving our ability to store and provide for our consumers as best a product as we can, grown here in Manitoba. That really should be our objective. I believe in terms of our own department, that is our objective, to try and enhance and promote the use of Manitoba grown produce for as long a period of time as we can. I have no difficulty with some of the technical work that has to be undertaken.

As well, we should be prepared to use some of the information that is already available from other jurisdictions within our country or without our country and not repeat research that may have already been done. We should be channelling our research into an area, and I'm not technically competent to comment on the very specifics, but really basically using what's there already and enhancing that information to make sure that we get the most use of it in Manitoba.

**MR. E. CONNERY:** Mr. Chairman, I'm somewhat disturbed that the Minister would have a gloom and doom approach to projects, because we might as well not do anything in case the Americans decide to go in and compete very strongly in that area. How do we know what areas the U.S. treasury are going to take? So, in the interim, we want to put our best foot forward and have the best facilities available. It disturbs me that the Minister would use that sort of rationale for

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maybe not going ahead with a very good research program. So I hope that the Minister would change his mind along that way.

I would like to say, Mr. Chairman, that in the area of the Soils and Crops Branch — and I said it the other day — there is an excellent staff, a staff that has worked very well with the vegetable producers. I would like the Minister to tell us what programs we have across in vegetable research? I see some of them where you work in conjunction with the growers. What other new ones have we really got under way?

**HON. B. URUSKI:** Mr. Chairman, while the staff are looking up some of the information that we can provide my honourable friend, I just want to tell him that I believe my approach is not to denounce or take away from the work that we have to do in further research. But I believe that I should be as realistic as I can and not put the kind of — I would say — bright side on everything that can be done, because I can tell my honourable friend that I can give him 20 or 30 different projects that I can put that kind of a face on. We could use that information, but realistically, in terms of the dollars that we have in the total budgetary process of the agreement, we can only do so much, and we have to attempt to say, "Yes, this looks like a good one, but given all of the other demands and priorities, here's where we're going to channel and prioritize the funding that is there."

I'm only trying to give him as realistic an approach as I can while not totally pouring cold water on every good suggestion that comes, because there are a lot of good suggestions and a lot of proposals that have come to the department from various groups around the province. But we are unable to meet and have been unable to meet all those requests and will be unable to meet those requests. We've tried to highlight a number of them and that's how we're producing and finalizing our project selection and our research work.

Likely we'll have some research in this area, but I don't want to say that it will be as grandiose, because I don't want to come back here next year and have the Honourable Member for Portage come to me and say, "Well, you said that there was going to be this kind of research and you're only channelling in this one area."

The discussions are under way and that's why I can't give him a — (Interjection) — he Honourable Member for Ste. Rose says: this guy is always all over the place. I have to say to my honourable friend, I've been around for awhile, and I'm realistic enough not to give my honourable friends the broad-brush approach and say, "Oh, yes, we're doing all these kinds of things." Then next year you come and say, "Hey, you said this last year, and this year you're not even doing one-tenth of what we thought you'd be doing." So, I don't even want to leave that impression there.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** On a point of order, Mr. Chairman, what I said was, we wouldn't do that . . .

**MR. CHAIRMAN:** That's not a point of order.

4.(d)(2) — the Member for Portage.

**MR. E. CONNERY:** What happened to the Jerusalem Artichoke Research Program? That was kind of a scary one.

**HON. B. URUSKI:** Mr. Chairman, I'd have to try and get him the information as to what work has been happening in the last year or so. I don't have any of that information in my notes. We'll try and get my honourable friend that information. I could give the honourable friend some projects that are under way, for example, potato storage and quality. There is work being done in Morden with a funding of just under \$200,000, and that is to collect information of cultural and environmental factors which influence colour of French fries and chips; develop additional information on factors affecting quality, maturity, sprout inhibitors, temperature and humidity and CO<sub>2</sub> levels; determine the critical CO<sub>2</sub> levels; develop and evaluate microprocessor, infra-red radiation technology for controlling CO<sub>2</sub> temperature and humidity in potato storages. That kind of work is being undertaken over a four-year period in Morden. Tri-medium wheat development, their research for four years, cereal of over \$400,000, cereal crops, germ plasm screening over four years.

Mr. Chairman, this document, and apparently it's being updated as to the context that we have, I will undertake to provide each member of the Assembly with a copy of the summary of the approved Agri-Food projects for their information as soon as it's ready. I have the February 1986 one which has, in terms of vegetables, the potato package and detection lab, vegetable marketing software; some of the research that's being done, and basically a compendium of all the projects that are being undertaken in terms of the whole agreement.

An updated version should be out within about two weeks or so, and even though we may be finished with Estimates, and if we're not, members will have an updated version and an explanation on every project that is within that agreement. If that's acceptable to honourable members, I will provide that for them.

**MR. E. CONNERY:** To the Minister, Mr. Chairman, the number of — and I notice it says a federal jurisdiction, but I'm sure the Minister's department must have some knowledge and concern about it — the number of researchers that have been moved out of Western Canada and Manitoba — and I know it was about two or three years ago that I think something like 26 researchers went from the west to St. Hyacinthe, Quebec — is this still happening or have we recovered some of the researchers that were lost to Western Canada?

**HON. B. URUSKI:** Mr. Chairman, I believe every province in Western Canada has been impacted on either (a) those transfers or (b) the non-filling of positions when retirements occur. I think there's been a recent, what I would call a second round of transfers and/or reductions. I think the total now in Western Canada is probably well over 40 positions, either some of whom were transferred to Eastern Canada or the positions were not refilled when retirements occurred.

That has been a concern of all governments, even in Eastern Canada, in terms of the whole research

program because some of the research, and a good portion of the research, that is being undertaken is in fact basic research and basic research does not, in the short run, connote a profit for profit's sake in terms of the ability to sell technology, and there is no one in the private sector that would in fact be prepared to continue that kind of basic research.

Research will be done privately, as the Federal Government hopes, only in the areas where in fact they can see within a relatively short period of time — when I say that, I say probably five to six years turnaround time — that there is a return on investment. The whole area of over \$0.5 billion reductions over five years will have a fairly serious effect, and research being one of them, right across this country.

**MR. E. CONNERY:** What is the province's position as far as research and money being spent on research? The Provincial Government has been very critical of the Federal Government for their position on research. I, particularly, as an individual, think that we need more research in this country, whether it be industrial or whatever; but when you're researching industrial techniques in one sector of the country, they pertain to any sector of the country because it's the same machinery. When you're dealing with agriculture, then the research done in Alberta or Quebec or Ontario might not be appropriate to the Province of Manitoba; so therefore it's very crucial that the Provincial Government continue with an adequate research program. What are the net dollars on research and the numbers of individuals?

**HON. B. URUSKI:** Mr. Chairman, we have continued to support research in this province between the regular university grant and the Agri-Food Agreement. We're in the area of about \$1.5 million support for research that is conducted in conjunction with the University of Manitoba. We have not cut back. We maybe did not increase as much as people would have liked in terms of the basic grant, but we've more than made up for it in terms of our share under the Agri-Food Agreement. So we are heading the \$1.5 million mark in terms of provincial research in Manitoba alone.

I have to say that I don't buy totally my honourable friend's argument that technology expertise in industry in fact can be translated throughout the country, and it can in some of the areas, but there are specialty areas which other parts of the country don't have where, for example, Manitoba would have a leading edge; and the edge, in terms of Manitoba on the technology side, is the whole area of software in the computer areas where there have been a number of firms develop in the Province of Manitoba and part of the work that would have been undertaken by the Research and Development Centre in this province would have been just those kinds of areas. That was agreed to by the Federal Government and the province.

We are involved, in terms of research, right in my honourable friend's home community of Portage in terms of their food technology centre and the development of food products in terms of further processing and the like. That is an industry-governmental joint support program whereby commercial establishments are supported and assisted

financially and they do pay a cost in part of the processing work and that continues, but when one talks about basic research we have not gone away from our commitment to research. But I want to say that we've offset it, with the Agri-Food Agreement in terms of our share, to be totalled.

**MR. E. CONNERY:** Mr. Chairman, when the Minister says that they're doing well in research, you know the transfer payments get knocked because the increase is not as fast as they would like — and it'll be brought up later — but the university grant has not changed from last year. I didn't look at what it was the year before. I'll have to make a quick look before we get there to see what it's been over the last five years but it's a zero increase to the University of Manitoba and that doesn't indicate to me a real concern about research.

**MR. CHAIRMAN:** 4.(d)(2)—the Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Chairman.

Special crops, of course, is something that I'm widely interested in and I grow quite a few myself and the area that I represent grows very many special crops, so it's of a vital importance that we do spend considerable time on this particular topic. It is becoming more important all the time in special crops. We have to get away from just growing grains because we know that India, for instance, who used to be a major importer is now on the verge of exporting grains. We know that the European Economic Market is exporting grain where they used to be an importer. China is fast becoming more self-sufficient and the markets for grains are just absolutely growing smaller and smaller and there's more or us vying for that particular market. So that means that those of us who can grow other things, should be growing other things and leave grain growing and so on to those areas that cannot produce anything else and this, of course, means that we have to pay a lot of special attention to special crops and look at other markets and see what we can produce.

Now I was very interested in the comment made by the Member for Ste. Rose when he talked about Jerusalem artichokes. I read an article in a magazine about a year ago — (Interjection) — I'm sorry, okay, Portage la Prairie, and he was talking about Jerusalem artichokes. I read an article in a magazine about a year ago which said that — this was in the State of New York — they had been doing some experimenting with Jerusalem artichokes and they were growing them on very marginal land and yet they were able to obtain 2,000 gallons of alcohol per acre from Jerusalem artichokes. So it's something which there could be a viable market for at some time or other and we should never ever forget these opportunities and this research that has been done in some areas.

Another crop which — and I'm sure that the Minister remembers well a couple of years ago when we had black beans in the Legislature and they were having a real difficult time getting started on the former Member of Lac du Bonnet, who at that particular time was the Minister of Agriculture and who had been able to get a small contract growing black beans for Cuba, and we did have an afternoon of fun with black beans.

However, I would like the Minister to know that I myself have 150 acres of black beans this year and I had 200 acres last year and there's some people that have as many as 400 acres in my area and it is getting to be quite a viable crop. Not only black beans, but we're now growing pinto beans, we're growing kidney beans and lentils are coming in and we're looking at other crops, and it is this type of thing that we absolutely take a look at, take a look at the markets, and give all the assistance that we possibly can to divert the farmers away from just strictly growing grain, and it works in just excellent with your crop rotation, so there is no problem. So we have to give all the encouragement we can to those areas that can produce these particular crops.

Now, Mr. Chairman, that brings me to another crop which also is of vital importance and that, or course, is sugar beets. Now, sugar beets are being grown to a relatively small extent in Canada. We are only producing 10 percent of the sugar requirements of Canada and they're being grown from sugar beets mainly now in Alberta and Manitoba, to a much lesser extent in Quebec, and I believe that the plant over there has shut down so they'll be going out of production because of the fact that the cane sugar is giving them so much competition over there that the beet industry has died.

But what sugar beets would do, if we were to become self-sufficient in sugar beets, it would take 800,000 acres of the best wheat production land that we do have in Canada and would take it out of wheat production; and instead of importing all the sugar we could become self-sufficient in sugar and certainly it would be a very viable crop. So I want the Minister to remember all those things when it comes down to negotiations, when we'll be into negotiations with the Federal Government on the sugar industry, because there is a real role to play in Canada as far as sugar beets are concerned. Now, we could increase the operation by 90 percent and this certainly would do a lot to alleviate the glut of grain that we have on the market every year.

So, with those comments, Mr. Chairman, I would just like to say, let's not ever forget special crops and let's make sure that we spend the amount of money necessary in order to keep on encouraging farmers to participate and grow special crops. We will also have to give them a hand as far as looking for markets are concerned.

**HON. B. URUSKI:** Mr. Chairman, I thank the honourable member for his comments and I believe just one comment on the sugar beet issue, really what is necessary is a national sugar policy more than anything. I think the sugar beet industry and the farmers of Western Canada really have been disappointed in terms of the outcome of the deliberations at the federal level. That is really fundamental to the longevity of the industry in this country.

In terms of pulse crops, Mr. Chairman, we're alone this year in the Province of Manitoba where more than 200,000 acres of pulse crops are grown in the province — and peas being one of the largest pulse crops of about 135,000 acres — lentils make up about 35,000 acres; fababeans, field beans and soya beans make up the remainder of roughly 35,000 acres. So, we could

say that pulses have enjoyed a steady demand and good pricing with the exception, of course, of soya beans. The market prospects are encouraging. The increased acreage of peas and lentils, in particular, this year reflects the expectation of a net profit from these crops versus traditional alternatives.

So we are doing areas where additional work is needed and there is much work in the area of peas in terms of varieties with thicker seed coats; lentil varieties; higher yielding; disease resistance; a number of areas of practical work that has to be done, and continuing work in terms of management, cropping systems, harvesting and storage, market potential. One thing, we do have to be careful, and I think the Honourable Member for Portage in his remarks indicated it, that we allow the industry to advance in terms of markets and production in a consistently steady way, that we don't go, what I would say, hog wild. Let's not put a major boom on, flood the market and everybody goes broke. That would be a very major setback to the production.

The way the industry has been moving ahead since the, I would say, middle of the late Sixties on a slow developmental base with our staff providing some of the technology transfer and assistance that we can as a province, we will continue to do so, recognizing that it will never be enough in terms of the needs of the industry.

Some innovation occurs at the farm level. Some techniques are developed in terms of harvesting and new equipment and some of our engineering staff help there, but I can agree with my honourable friend that, in terms of research, there will always be probably 100 or 200 ideas requiring research sitting on the shelf than there will be money for. If there comes a time that doesn't occur, I think then our whole society and our whole university community is becoming stagnant. There will always be a greater demand than the dollars that are there for the research that needs to be done. But I don't disagree with my honourable friend. There can always and should always be more done than we are, in fact, doing.

**MR. G. FINDLAY:** The Minister mentions we should be developing a national sugar policy, but the question is: is Manitoba participating in the development of such a policy, or does the province plan to participate in the future?

**HON. B. URUSKI:** Mr. Chairman, that's why I tempered my remarks. We could go into that whole area of discussion of participation and non-participation in the whole area when we get into the area of stabilization. That's the area that we could have a lengthy discussion on this topic. I'd appreciate members holding their comments in terms of income stability and stabilization and all those questions in that area to that area, if possible, because I expect that to be a fairly lengthy debate and there will be a lot of questions.

Staff here primarily deal with the production and the research end of those questions, and I will try not to get into the specific debate of any particular area where I don't have all the information close at hand.

**MR. G. FINDLAY:** Before we leave Soils and Crops, I'd like to just talk briefly about the Weed Control

Districts. I'm aware that there is at least one district that has closed down in the last year, year and a half. I'd just like some idea as to how many municipalities in the province are in Weed Control Districts, how many are out. For those municipalities that are out, what is the procedure for identifying noxious weeds and controlling them and whatnot?

**HON. B. URUSKI:** Mr. Chairman, I have a map that I indicated that we had, and I'd like to send a copy over to my honourable friend. There are 33 districts comprising of 64 R.M.'s and LGD's, and he'll see the map as it relates to the districts presently in place and those municipalities that are not in the districts.

**MR. G. FINDLAY:** The shaded areas are those areas that are in, is that right?

**HON. B. URUSKI:** That is correct.

**MR. G. FINDLAY:** Is the program perceived to be successful at this point, or is success dropping off, or how is it perceived by the department? What are the plans in this direction in the future?

I see this map, and two-thirds are in at the very most. It may even be less than two-thirds.

**HON. B. URUSKI:** Mr. Chairman, I think it's fair to say that, in terms of preventative and ongoing work with weed problems, there is no doubt that it is far easier to develop programs and administer problem areas in municipalities which are weed districts, no doubt in my mind. We do attempt to encourage and develop new districts, but there is no doubt that some municipalities believe, and I think some councillors believe that it's unnecessary, that they're doing a great job.

The honourable member recalls our discussion the other night. The white areas are, of course, where equipment is being brought through into the Boissevain area, because that area happens to be outside of a weed district. People who want to circumvent areas quickly find out where the holes are, so to speak, and that does concern us in these areas.

We will, I am sure, be having to grapple with the whole question of support and additional support to the weed districts and see whether some changes can be made, but that's something that will be addressed later on through the year.

I've had representations made to me by representatives from the districts and, of course, from the staff. There is quite a difference, I guess, even in remuneration for the district staff and quite a range of scale of pay. There is a move on, of course, to try and standardize those positions and have some relationship fairly closely tied to some of the technical positions in our department, so that the calibre of staff that do come to the districts, people want to stay in the district and give professional advice and service to the people whom they serve.

That is the difficulty, because there have been in some districts where municipalities have tended to depress the wage levels — well I guess what would be considered in terms of professional advice, fairly low, less than \$20,000, for example. There is a fair bit of a turnover in staff over the last number of years in

certain areas. That is a concern both to our staff and, of course, to the districts, because you basically train someone and spend a year or so training someone who gets to know the problem areas and gets to know the people and starts giving the advice. Then a better-paying job comes along, and away they go. That's something that, I guess, will continue to occur but I think, if the wage levels came a bit closer to some of the technical positions that there are, the turnover question could be lessened and longevity of the staff in the area could be maintained for a longer period of time.

**MR. G. FINDLAY:** I thank the Minister for those comments.

For those R.M.'s that are outside the weed districts, are the municipalities required to appoint a weed inspector to watch over the noxious weed problems that develop? If they are required, how many are really doing it? Is it an effective program at all?

**HON. B. URUSKI:** Mr. Chairman, we would not be monitoring what other municipalities are doing. They are supposed to have a weed inspector, whether it's one of the councillors or someone else. Usually I would think in most municipalities that are not participating in any district type of a program, just like the fire inspector and dogcatcher and those other areas, one of the councillors basically of the municipality would be the one who would take on the role of weed inspectors. They would, in fact, be dealing with any complaints that would come in.

But as far as an effective monitoring program and extension work and education work, I doubt very much whether any work of that nature is being undertaken, so it would be basically a response type of a situation, I would say mediocre at best.

They would be dealing with complaints and even then, being elected, knowing the closeness of their ratepayers to them as being, one of whom may be a councillor, I know what kind of pressure they can be under and the sensitivity of that kind of situation as handled by an elected representative.

That's why we've attempted to encourage the setting up of districts, just as we've done in planning, to kind of remove the decision-making — what I would call the tough decision-making that sometimes has to occur at the very localized level — to a group where you can still have a representative but the overall district board would, in fact, be making the decision, so that one can, I guess, escape some of the wrath that one might be afraid of, of your neighbours, if you had to make a tough decision by saying, oh, this was made by a committee of a larger group and while I was there, basically the committee made that decision.

**MR. G. FINDLAY:** Before we leave this area, I'd like to just get some comments on the agri-meteorology area in terms of weather forecasting and the ability to give agriculture weather forecasts with some degree of foresight, like three to five days.

Whenever we tune into an American channel and see the kind of weather forecasts they give down there in terms of indicating how systems are moving across a given area, and we look at the weather forecasts that

we see here in Manitoba, the general weather forecasts, I wonder if there's any work being done to improve the nature of forecasting that farmers can have available to them.

**HON. B. URUSKI:** Mr. Chairman, we did pilot the weather area, weather forecasting service via telephone. I think this is the second year for it, I believe, and we are now negotiating to cover, I believe, the entire province and have some type of a phone-in, either toll-free line, or long-distance; there would be a long-distance cost to it to provide the service.

I guess basically the reliability of the forecasting, which we don't provide, can only move as quick as the Canadian weather forecasting system evolves and I make no comments one way or the other.

I know that from time to time there have been questions about the reliability of the service and while there are forecasts given for longer periods of time, the comments that I have heard — and I only am giving my honourable friend what information that I have seen on the media, or heard from the media in terms of this question — and the reliability, as the time frame beyond the 24-hour period extends, the reliability declines.

As much as the techniques that the weather forecasting national service can expand and become more reliable, we will attempt to try and, of course, dovetail some of the services that we can provide centrally to the farmers in every region of the province. We will continue to do that.

**MR. E. CONNERY:** It was mentioned earlier about soil erosion. There is some threat or concern of the Federal Government closing down their tree nursery at Indian Head. This was a concern raised. Does the Minister know anything about this?

**HON. B. URUSKI:** Mr. Chairman, I hope not. No, I have not. It may have been in the Nielsen Report but those are still under review in terms of discussions. We have not heard any further on that. There have been the major reductions of .5 billion or over — no, \$250 million in the next five years in agricultural spending — but they did not include in those, the shutting down of Indian Head.

The Nielsen recommendations would be over and above what is already occurring and only time will tell in terms of what specifics flow from them. We have been given the assurance that before any moves are made in terms of the reduction of specific services, that there will be some consultation with either producer groups and provinces in terms of the Nielsen Task Force.

I know our Premier — I was unable to attend the meeting in Ottawa just before the opening of the Session — and our Premier did raise these matters with the Federal Minister of Agriculture specifically on the Nielsen Task Force and those were the assurances, that they would come back to us before they would propose to make any implementations.

I say, specifically, I did get my application form from Indian Head in the mail just the latter part of last week, so that as of this time frame that I am aware of, there is no change from that move alone, that all applicants who have generally ordered shelter-belt trees, I would believe have received their annual application forms.

**MR. E. CONNERY:** Well, I reviewed the tree-planting program with some reservation. We've planted an awful lot of trees over the past years and, unfortunately, they were elm trees and they're now polluted with Dutch Elm, so now we've got to have the fun of cutting them down.

In the area of horticultural investigations under your Agro-Man again, but it's under Soils and Crops, what is happening in the wild rice, Mr. Chairman, if the Minister would tell us? There's been some concern. We see in California, Mr. Chairman, that they're growing wild rice commercially and the danger is that Manitoba is going to lose their wild rice markets.

I think they've been sadly underutilized or going down — (Interjection) — Never lose it, eh? Well, the Minister thinks we won't lose them. But I think there's a real concern in the wild rice. I think there's some programs to restrict or give favourable opportunities to the Native people, but there's also been some concerns that they haven't been doing an adequate job in the harvesting, Mr. Chairman, so I'd like to know the Minister's comments on the wild rice.

**HON. B. URUSKI:** Mr. Chairman, we I believe, have a research project under the Agri-Food Agreement. Agro-Man? We had one under the Agro-Man Agreement. The delivery of the program, in terms of technical advice and working with growers, is handled through the Department of Natural Resources. I would suggest that the discussion, in terms of working with producer groups and the technical work, be raised with the Minister of Natural Resources during his Estimates.

It may be in the report, Mr. Chairman, the honourable member points out, but in terms of the actual delivery and work and working with producer groups, it is within the Department of Natural Resources.

**MR. E. CONNERY:** One reasonably new area of horticulture is the production of sod. With all the new housing going on, the sod market has been fairly new; but there's been several concerns with disease in some of the sod farms. Is there research along the line to assist the sod growers?

**HON. B. URUSKI:** Mr. Chairman, just one comment on the wild rice. The research that we did under the Agri-Food Agreement was in the area of paddy rice; paddy production of wild rice. It was to see how the water level's impact and the control of water levels under paddy conditions would enhance or deter production of paddy-grown wild rice. The Department of Natural Resources has the ongoing program of research and development of new areas and seeding and culturing, I think, the promotion of wild rice, of naturally-grown wild rice which makes up the bulk of the industry in Manitoba.

The question on the sod — I'd have to try and get some information for my honourable friend on this whole question of disease and sod. We have worked on some projects with sod growers. I know that some of our research work and demonstrations in the peat soils area would have some application, or may have some application, in terms of specifics of sod growers, but I'll have to try and get some information for my honourable friend. We don't have it at hand, at the present time.

**MR. CHAIRMAN:** 4.(d)(2) — the Member for Portage.

**MR. E. CONNERY:** We're trying to find out the areas where we're at.

In the area of the custom spraying, you've had a program of assisting farmers and dealers with the proper application. How is this program working out? Is it being effective?

**HON. B. URUSKI:** Mr. Chairman, we do have the calibration programs that our staff do put on and some training programs in terms of the handling of pesticides and chemicals. I'm not sure whether I'm touching the right area the member is questioning. Perhaps he could clarify the information he is seeking.

**MR. E. CONNERY:** To apply some chemicals, the farmers have to go in and take a course on the safety use of these chemicals. What is being done in the way of promoting the safe use of chemicals? Some of these chemicals are very toxic and there are some extreme hazards.

It's always been a concern to me on our own farm that you provide all of the equipment and then the guys throw it away and don't use it. So I'd just like the Minister to tell me what assurances we have that we are getting the message through. This is a health safety area and it's one that I have a concern with that all people handle chemicals very carefully, and the adequate disposal of the cans after they've been used.

**HON. B. URUSKI:** Mr. Chairman, our education, what I would call basic education, in this whole area is fairly extensive, both from the point of view of written information through our chemical control guide and through our pest control reports, in terms of the handling and usage of chemicals, as well as the actual training of personnel in the safe handling of chemicals — I don't know if in the entire Province of Manitoba — but through the weed districts and the Department, we work very closely with the Department of Workplace, Safety and Health in the whole area of the safe handling of chemicals.

The program of can collection has primarily been a major success in the areas of the weed districts. There may be some other municipalities who have done a fairly good job in that area. All new dealers and applicators were required to attend pesticide training courses and complete written examinations to qualify for licences under the act. Applicators are required to requalify for licensing every four years.

One-day pesticide training courses were held in Brandon, 2; Winnipeg, 2; and Dauphin, 1. Commercial pesticide applicators were required to complete a further one-day course and examination based on their specialty of applications. Examinations only were given to dealers and applicators in this course enabling them to qualify for provisional licences, to be renewed only by completing a pesticide training program the following year.

One-day courses were held for new ground applicators, aerial applicators, rights-of-way applicators and landscape pest control applicators. Applicators who attended training courses in 1981 were required to requalify in 1985.

A separate correspondence course and examination was given to one pharmacist in a cooperative continuing education program with the Manitoba Society of Professional Pharmacists. Sixteen veterinarians completed a separate course in examination for a pesticide dealer's license in a cooperative program with the Veterinarian Medical Board. Course attendants and licences issued pesticide dealers examinations written by 192. Pesticide dealers provisional examination 16; licenses issued 849. Under pesticide applicators, 326 examinations were written; 261 licenses were issued.

**MR. E. CONNERY:** Under the Organic Soil Productivity Investigations, and I know I was familiar with some of them, are some of these ongoing or has the Province now given up on the areas because of climatic conditions?

**HON. B. URUSKI:** Mr. Chairman, we do have an ongoing contract with the Manitoba Peat Land Farming Association and Manitoba Agriculture. Basically, or specifically, the project has two components: crops and soils. The target is the development of fertilizer recommendations for various crops grown on peat lands, tillage practices to control erosion and enhance seed bed moisture, — (Interjection) — oh yes, agronomy data base for peat soils, crop and variety recommendations for peat soils, weed and disease control recommendations peculiar to peat lands. The demonstration of economically efficient fertilizer practices, production of crops adaptable to unique climate and soil limitations, tillage, weed and disease control practices specific to peat soils. Those are the specific targets of the project which is over a five-year period which has a . . . of \$250,000.

**MR. E. CONNERY:** Yes, Mr. Chairman, I think I have one last question in this area. The area of water licensing which I think does not come under the Department of Agriculture. Does it come under Water Resources, which would come under Natural Resources?

I would like the Minister of Agriculture to be aware of the concerns that the irrigators in Manitoba have over the length of time of the licences that are being granted. As you know, in vegetable production, there is huge capital investment. We're absolutely dependent on suitable or adequate irrigation water and I think unless there was a change — I know the irrigators were lobbying the Minister last year when they were going through to have a long enough period of time for water licensing — a five-year period is not a very adequate time when you're looking at capital investments of \$0.5 million to \$1 million or \$1.5 million in buildings and then to have a water licence expire and not be able to renew it, or not to have a water licence transferable and then the sale of a business.

So I would hope that yourself and the Minister of Natural Resources would communicate and work with us and try to make something more applicable.

**HON. B. URUSKI:** Mr. Chairman, there was considerable discussion in this whole area both at the producer level as well as at the departmental level. The administration of this whole area falls under the Department of Natural Resources, so we are not directly

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involved in the whole area. I may have some views in this whole area but the administration of the water licensing and the continuation of licences falls under my colleague's jurisdiction.

I want to say that I believe that before any new licences are granted to any new applicants, consideration has to be almost guaranteed to those existing operators that their longevity of licence is not jeopardized by additional use of the resource which may impact on existing operators. That's one of those considerations.

Now the whole area of water policy and the coordination of water policy, as well, has begun within the province and, of course, is being reviewed by my colleague, the former Member for Springfield, in terms of trying to get a balanced approach within the province. As we have done in Planning, we are in fact undertaking an overall provincial review of how we really establish long-term goals in terms of water policy for the province.

**MR. G. FINDLAY:** You just mentioned just briefly a few minutes ago pesticide licensing and applicator licensing. I'd just like to have some idea as to how many problems arise because of damage created to somebody else's property or somebody else's trees because of pesticide applications. What system is in place to evaluate the nature of the problem, and how many of those claims come in and how many are justified? What's been the procedure in the last two or three years, and is that procedure carrying on?

**HON. B. URUSKI:** There is a complaint system against drift where our staff do become involved. There aren't very many complaints. I understand that there may have been less than five last year that I believe we've been involved in. It may even be less than that, but I'm saying in that neighbourhood. Most of the complaints that we've had were resolved with the advice and, basically, I guess mediation provided by our staff as between the chemical company and/or the sprayer and the farmer involved, but there have been cases that have in fact had to take the legal route and end up in court in terms of the technical advice being disputed by the company involved.

Mr. Chairman, I have been lobbied to look at some new form of I guess arbitration, basically a quasi-judicial body which would in fact deal with the question of disputes, and we're getting some legal advice in this whole area because this is a new area. It's one that is being recommended, of course, to basically say, all right, all these claims will now be settled by this body with no recourse to the courts, which makes it a real new ball game in this whole area and, of course, impacts on the whole question of liability and the like. Those questions we are attempting to do some analysis on this, but it will be, I expect, a number of months down the road before we will have at least some information in which we can make some more intelligent decisions as to what might be the most effective way of proceeding.

But, certainly, members of Keystone Agricultural Producers have approached myself on this whole area to set up a special adjudication board, as one would say, to deal with these kinds of complaints. We have not had any discussions until I have some legal advice

on this whole matter, and we're beginning to do some research in that whole area. We haven't really begun to do it, but we're committed to analyzing this whole area and seeing what new ground we can break in this whole complaint area.

**MR. G. FINDLAY:** Just for clarification, you're referring to a situation where a farmer claims that the chemical didn't work or did harm to his crop. Has anything like this been set up in any neighbouring province to sort of follow their format?

**HON. B. URUSKI:** Mr. Chairman, I'm not aware of anything like that being set up. I guess, and this is where not having direct legal training, I believe that this whole area of insurance and claims and liability becomes quite a legal matter, and whether or not we can in fact force the companies to say we are now taking this matter out of your right to go to court and taking it away from the courts and into a quasi-judicial board is what the review would undertake to find out whether or not we would in fact be basically breaking natural justice, if I can use that term accurately. Maybe some of the legal minds in this Chamber would no doubt say, hey, you used to be able to get coverage, now they can't get coverage because you've now changed the terms in the way these claims are being handled. Those are the kinds of things we have to assess in this whole area of dealing with complaints.

**MR. E. CONNERY:** To the Minister, Mr. Chairman, a couple of areas of concern, and I know they are of a federal nature, but the Minister does go to First Ministers Conferences on Agriculture.

First of all, the minor-use chemicals where there are chemicals that are excellent for weed control, but because of the small nature of our industry we aren't able to use them . . .

**A MEMBER:** Radox?

**MR. E. CONNERY:** Radox — no, Radox is one that we have. Post is one, for instance, which is a good grass killer and could be used in many vegetable crops but isn't licensed to do so.

I would like to suggest that there is a danger, because of the excellent weed control of Post, that some farmers might use the chemical while it is not registered. I am told that there's going to be more monitoring done this year on residues, and there's a danger that a grower could lose a whole crop which would be quite disastrous.

The other area I'd like the Minister to pressure Ottawa, and I know that all farm organizations have done an extreme lot of pressure but to no avail, is the PSR regulations where the cost of getting alternate chemicals registered is far far too high. The total agricultural community is suffering because of these high costs of chemicals, and I would implore that the Minister press these points at the next First Minister's Conference.

**HON. B. URUSKI:** Mr. Chairman, I'm pleased to have the Honourable Member for Portage's support for the position that I have taken over the past, I guess it will be the second year now. In fact, Manitoba did lead the way in attempting to get this matter reviewed at a

Ministerial Conference in 1985. We were the only province to highlight it, and I thank the honourable member for his support in the whole area of product-specific registration.

We as well believe that, and I could probably share with my honourable friend the document that we presented just in brief form, what Canadian and Manitoba farmers specifically have, what I believe, overpaid. Part of the difficulty has been what I would call exorbitant returns by having the royalty remain on the product before it can be put out as what I would call a generic. The difference in prices is phenomenal.

In fact, in terms of a comparison of those chemicals in which the patent rights have been removed are roughly one-tenth of the costs of those in which the patent rights remain. It's like, on an average, about \$3 a pound per active ingredient in like 2, 4-D as being a generic and something like over \$30 a pound per active ingredient in the case of Roundup. There were larger examples but, on average, that's what they would be.

We've had good cooperation, in fact pressure, which made us look at this whole question from Manitoba Pool Elevators starting, I guess it was, in the fall of 1984, summer and fall of 1984, followed by the Zero Till Associations and, of course, then the general farm organizations assisted us.

But we certainly want to have a national enquiry into this whole area of product pricing and product-specific registration as it relates to the chemical industry in this

country. I thank the honourable member for his support in this area. We'll continue to keep the pressure up, because it is one of the major input costs that farmers in this country face, along with energy and chemicals, fertilizers and interest rates. Although they've dropped, they're still very substantial.

Mr. Chairman, I believe there's a disposition now to have committee rise.

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

### IN SESSION

**MADAM SPEAKER:** The Honourable Member for Ellice.

### HOUSE BUSINESS

**MR. H. SMITH:** I'd like to announce a change in the Economic Development Committee: the Member for The Pas in place of the Member for Rossmere; the Member for Flin Flon in place of the Member for Thompson; the Member for Concordia in place of the Member for Transcona.

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