

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 5, 1979

Time: 8:00 p.m.

## SUPPLY — AGRICULTURE

**MR. CHAIRMAN:** Come to order. Page 7, 1.(b)—pass. The Member for Ste. Rose.

**MR. ADAM:** Yes, I believe that I was on the list before we rose for supper, or the dinner hour, and we were referring to the change in policy of the government in respect to the original contract that was signed by the producers of this province, and the options that were provided for the producers and the options that were provided in the contract for the government.

As I understand the contract, it was once the producer . . . the producer had an option under Section 6, that he could terminate or vary his contract for special reasons satisfactory to the department, such as illness, retirement, death, or other circumstances which could perhaps prohibit a producer from maintaining his operation such as brucellosis or other animal disease, and so on. So there was that option there.

There was also another option where, if the producer defaulted in any way, that his contract would be automatically disqualified from further participation for the duration of the contract, and he would be required then to repay all the funds, or the moneys that he had received under the Plan, plus interest. That was one of the options that was there.

The Minister — that is you, sir — had an option, that's your option, to either pay a deficiency grant to participating producers on all eligible calves and slaughter animals, equal to the difference between the prescribed minimum price and a calculated market price for these animals. Or, the other option was (b) to purchase from participating producers all eligible slaughter animals and calves at a prescribed price, which the producer intended to market.

Now I would like to ask the Minister now, wherein does he find in these options where he can now go to the producer and say to the producers of this province, "You have sold cattle, and we want you to send us some money. We want you to pay the difference." Where in the contract does that so indicate, that the Minister is able to do that?

I would ask the Minister what happens to the producers who sold their cattle last fall. Is he going to ask those people who sold cattle in 1978 for a payback, where they sold cattle above the calculated average price, and the minimum price.

**MR. DOWNEY:** Mr. Chairman, if they have the contract signed with the government, they will be treated, if they are in a position where they have sold cattle, that they will be billed for a payback to the province. As far as a change in policy, really I can't see where the member sees that there's been a change in policy. As far as we're concerned, we're administering the contract as we have been advised by the Attorney-General's Department, carrying on as consistent as we have been able to, so really there's no change in the contract, or change in policy as far as the contract is concerned.

**MR. ADAM:** Well, I know that there hasn't been any change in the contract. The contract still reads the way I've just read it. But the Minister is now adding another option, and it would seem to me that it has to be a voluntary option. If the producer accepts his option, that's fine and good. But what about the people who have already sold their cattle and are not paying back, and what about those who refuse to pay back, and I understand that there are some that are now — I would like to ask the Minister how many have paid back to date?

**MR. DOWNEY:** Mr. Chairman, as far as the payback, I think there are very few, if any, have paid any money back. Those who have sold cattle and have a contract will be billed. If they don't want to pay, then it will be court proceedings. I'm not sure which contract the Member for Ste. Rose is referring to. The first contract that was out for six weeks, or the second one that was out for the part of a year, or the third one which was out in 1976. There are three contracts, Mr. Chairman, and I'd like to know which one the Member for Ste. Rose signed if he's referring to one in specific, if it's the one that he was involved in.

**MR. USKIW:** Any contract that is valid. . .

**MR. DOWNEY:** Mr. Chairman and members of the committee, there seems to be a little bit of a tender spot there.

**MR. USKIW:** It's not a tender spot, it's just nonsense.

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

**MR. ADAM:** Yes, I'm not finished, Mr. Chairman.

**MR. USKIW:** Whether it exists or it doesn't exist. . .

**MR. CHAIAN:** Order please. The Member for Ste. Rose.

**MR. ADAM:** Yes. I only know of one contract. I was in the program for two years. I signed a contract, and this is the contract that I signed. —(Interjection)— I signed this contract. Is the Minister telling me now that there is another option, that he can bill me now? Is he saying that now he can bill me for cattle that I sold last year?

**MR. DOWNEY:** Mr. Chairman, no, I don't want to get into specifics on this. I don't think it's the place to do it. I think we're discussing —(Interjection)— Do I have the floor, Mr. Chairman? Discussing the \$180,000 that's in the program, we're continuing on to collect moneys back from the producers who have signed a contract. As far as the people who have sold cattle, and they're still involved in the contract, they are responsible to pay money back to the province. There's no question about that.

**MR. ADAM:** Could the Minister advise — I believe my colleague from Lac du Bonnet asked this question, but I'm not sure whether I'm clear on what his reply was. There was a waiving of the notification clause whereby, whenever a producer had to sell livestock, he was to notify two weeks prior to selling that he was ready to sell his cattle. And that option, that was when the government, or the Minister, could take his option, either to let the cattle go or purchase the cattle and regain the difference to the Crown. Now, I ask the Minister, when did he notify the producers, the waiving of the notification was no longer in place, that they would have to notify.

**MR. DOWNEY:** Mr. Chairman, again we go back to the administration of it under the last government, that it was waived by the Minister and they were re-notified by our government in a letter of June 28th.

**MR. CHAIRMAN:** (1)(b)—pass — the Member for Ste. Rose.

**MR. ADAM:** June 28th. That is when the producers were notified that they would now have to notify the government if they sold any cattle.

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. ADAM:** Is the Minister satisfied from then on that people have been notifying him that cattle have been sold?

**MR. DOWNEY:** Mr. Chairman, as I had indicated the procedure that they were to follow was to market the cattle for the province.

**MR. CHAIRMAN:** The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, as I understand it, certain people did give notice and got a letter back from the department indicating, very ambiguously that the province was not really in a position to buy the cattle and that they would rather that they pursued other options. Could the Minister elaborate to us just what kind of response went out to farmers who wrote in giving notice that their cattle are available for the market, and therefore the Minister had the two weeks to exercise his to option. Now, I could do this by way of an Order for Return, asking for all the correspondence, but if the Minister is willing, perhaps he can enlighten us on what the response was on those kinds

of enquiries and notifications that were received to date.

**MR. DOWNEY:** Mr. Chairman, I'm really not aware of what response went out. I know that the producers had the option to market on behalf of the province and that is the way it was proceeded with. The response that went from the department, I do not have on hand, but can make it available.

As far as the total program was concerned, Mr. Chairman, we are, as I have said, carrying on with it the best way that we have been advised, through the Attorney-General's Department, to try and be responsible to get the funds back to the province. When it comes to the administration of it and the way it has been handled and changes made, goodness knows the past Minister and the administration that was handling it, as far as changes, he readily admitted the amount of changes that he had put in place prior to the change of government. There are many things that can be debated. We're here, again, to discuss the moneys that are owed by the province to the producers that have marketed in the last part of 1977. As far as the payback to the province is concerned, we're administering it as consistently as we can, without further dividing the beef producers of this province, which he had totally done by actually creating three types of beef producers in Manitoba: Those that did not want to sign their cows up to the government for five years on a five-year contract, those that he allowed to opt out with \$10 millinn of provincial money if they would go for the federal program because he found himself in a tight financial situation of giving more money to the farmers than he really wanted to, and those individuals who are still left in the contract.

So, Mr. Chairman, when we start talking about being consistent and running a program, I will tell you it was handled, I would say, about as shabby as you would ever want to see it until we came into office, and we are attempting to make it so it's a workable program for the producers, and I am confident that we will be able to do that.

**MR. USKIW:** Mr. Chairman, you know it's hardly the fault of the Opposition that we're dealing with an irresponsible Minister, irresponsible with respect to the administration of this program and irresponsible with respect to the truth as to the program.

Now, Mr. Chairman, the Minister alleges that there was something wrong that we divided up farmers by category because we gave them options to chose voluntarily from.

Now, everyone in that contract had the option to join the federal program. That was a management decision, 100 percent free to all of them. The fact is that some chose to do that and others chose to stay within the confines of the original agreement, and that was their own particular management decision. Now, to try to imply that that was a divisive thing, that that was some sort of conspiracy, is absolute rubbish, Mr. Chairman. The Minister should rise above that kind of thing.

Now, as I understand the provision, Mr. Chairman, it was — and I'm going to read it to the Minister, because perhaps he doesn't recall it — that the producers obligation was to notify the department of his intent to market eligible calves and/or slaughter animals, at least two weeks before the intended date of sale. That's my understanding of it. And agreed to hold these cattle available during that period for purchase at the prescribed price by the person or agency designated by the Minister unless that requirement was waived.

Now, I want to ask the Minister who is the person or agency designated by the Minister.

**MR. DOWNEY:** Mr. Chairman, the producers, themselves.

**MR. USKIW:** Well, Mr. Chairman, as I understand it, the producer had to receive advice as to who the agent would be that would buy these cattle. Now the Minister is saying the agent is the producer. It doesn't quite add up, Mr. Chairman. Would the Minister want to reflect on that question again

**MR. DOWNEY:** Mr. Chairman, the producer was instructed to market under normal marketing procedures and it was considered that he was acting on behalf of the province in the marketing of those cattle. They were considered to be, in fact, marketed for the province at that particular time. That was the notice that he was given.

**MR. USKIW:** Mr. Chairman, can the Minister confirm or deny that the wording that I just used in describing the obligation of the producer, is correct?

**MR. DOWNEY:** Mr. Chairman, I would ask the member from which contract he is referring: the first, second, or third one of the scramble that the producers have?

**MR. USKIW:** Mr. Chairman, I am referring to all the contracts that are still valid and binding on both the Crown and the producers of beef in Manitoba.

**MR. DOWNEY:** Mr. Chairman, did the member not refer earlier to the fact that he would consider the contracts to be illegal when he suggested that the farmers shouldn't be expected to pay back?

**MR. USKIW:** I didn't say that at all. Mr. Chairman, the Minister of Agriculture is misleading the committee and attempting to mislead the people of Manitoba. At no time, at no time, have I suggested that people didn't have an obligation under that contract. I suggested that this Minister has an obligation to manage the affairs of this agreement in keeping with the spirit of the agreement and the terms of that agreement, which today has not been carried out, Mr. Chairman.

Again, I want to ask the Minister whether he disagrees with that section in the contract that requires the producer to give notice, and that where it indicates that the province was to designate a person or agency to receive that notice from the producer, and to then pick up its option?

**MR. DOWNEY:** Well, Mr. Chairman, I think I have explained it, that the producer was instructed to proceed with his normal marketings, and that in fact, we would consider those cattle marketed for the province, and that's the way it's been interpreted. We have legal opinion on it and that's the way we are considering. I think if there's any question of that it will be settled in a court of law, and we're not here to sit and debate the legal parts of the contract. We're here to discuss the Estimates, and the member, the past Minister, I'm sure if he wants to debate the whole way in which he handled that total program, we can start, go chapter, line, and verse, through the whole thing. And if he wants to try and point the finger at us for the way we are administering, then I'm afraid he's in a pretty dead end kind of an alley, because it was totally mismanaged and misleading for the producers of the province when it was introduced. We are working with the people to make it acceptable to them and recover moneys to the Province of Manitoba, and there is a responsibility for producers to pay it. They realize that, and it will be repaid if the contract is legal and binding. And again, Mr. Chairman, we are making every attempt to try and recover some of the moneys for the province on the terms of the contracts, or the money that has to be lived up to.

**MR. USKIW:** Yes, Mr. Chairman, there is no doubt as to the obligations on the part of the province or the part of the producer, as far as the terms of the contracts are concerned, Mr. Chairman. I think they are quite clear. I don't think they are ambiguous, I think they are quite clear. I would like to —(Interjection)— Yes, it's the administratonn of this Minister that is unclear, Mr. Chairman.

I would like to now ask the Minister, that should the courts find that his procedure for collection are not valid or legal under terms of that agreement, then what is the Minister going to do about a situation where he has found himself compromised and unable to collect those funds? Not because of the agreement, because of the methodology that he is choosing, choosing to collect those funds.

**MR. DOWNEY:** Mr. Chairman, that's a question of assumption and will be dealt with at the time, if it arises.

**MR. USKIW:** That is correct, that is the whole point, Mr. Chairman, that is the whole point. The Minister is making the assumption, the assumption that he can impose an additional obligation on the producer which is not mentioned in the contract; making the producer responsible to deliver the cattle in question to the Minister in the right of the Crown, the Province of Manitoba. That, in my opinion, is a debatable point. If the Minister is found wrong by the courts — perhaps he won't be, I won't make that argument, but let's assume that he was — then the Minister is in a dilemma. He either has to then invent a new mechanism or he's got to allow these people the option of not having to pay back the difference. So I ask the Minister again, that is he not risking too much by approaching the recovery of funds in this way, rather than in the way in which it was intended to in the first place?

**MR. DOWNEY:** Mr Chairman, as far as the assumption questions are concerned that are brought forward by the Member for Lac du Bonnet, let us assume in his great responsible role as the Minister, when he was the Minister, that in fact, all the farmers of Manitoba had opted for the federal program, had completely gone with all the \$40 million of provincial money, and he's sitting here debating



whether we're being responsible in collecting back some of the money, an approach that is very difficult to understand when he's sitting here saying — and it's an assumption that he's saying — what will we do, if in fact, we're unable to collect. If you carry an assumption right through, what happens if the money that was paid out, is paid out in a legal contract? Does all the money have to be paid back? You know, you can carry this thing right to the limit.

And of course, I think when we again assume the fact that if all the producers would have opted for the federal program, he in fact would have been irresponsible in allowing that to happen. And of course, there would have been \$30 million to \$40 million written off. He wrote off \$10 million, waived the actual contract or part of the contract that he originally signed.

**MR. USKIW:** Mr. Chairman, the Minister knows that there would have been nothing irresponsible about allowing 100 percent of the producers an opportunity to get into a federal stabilization program, because the Minister knows that the only reason the provinces got into a beef income stabilization program, or subsidy program, right across Canada, was because of the fact that there did not exist at the time a national program. And so a number of provinces, five or six, or maybe even more, I don't recall, got into provincial programs to pull their industry through the bottom period of the price cycle. That is understood by all producers, certainly, and it should be understood by this Minister, Mr. Chairman. So that when the Federal Government announced that it had a plan of its own, which found us midway in our particular plan, it was logical that we shouldn't want to bind people in a provincial program if they preferred to opt for a national plan, and we in fact encouraged the Federal Government to get into a national plan to provide a degree of uniformity of income stabilization across Canada on a commodity basis.

So it's absolute nonsense to listen to the rhetoric to the Minister with respect to irresponsibility and confusion and all of that, when all we were trying to do was to give the farmers an opportunity for more options within their management of things on their own farms. And so they exercise those options. Some of them chose to stick with the provincial plan, for very obvious reasons, because the provincial plan was a little safer financially, in their view, at the time, on the basis that the federal plan did not have a built-in cost of production formula on which guarantees were based. The federal plan is based on historical factors; our plan is based on ongoing cost of production factors. That was an attraction to some of the people who decided to stay in. The other was that in the year that they opted out, there was still a substantial per head subsidy payment from the Province of Manitoba. So that the people that opted out had to forego a substantial subsidy in that year. So they aren't in an equal position with those that stayed in. Those that stayed in got an additional year of subsidization.

It is not two people in a particular situation that chose different paths and that one somehow got an advantage over the other because of some confusion of government programming. It was done for the right reasons and the producers made good use of those options. It has nothing to do with the question that we are debating today. The question that we are debating today has to do with the fact that the government has announced that they are going to collect certain sums of money from the producers who are in the Manitoba Income Assurance Plan, and it is the question of the method that they are using that is before the committee. And we are questioning their method and if they are right that will be fine, Mr. Chairman, but if they are wrong we will be here to remind the Minister that he was not proceeding in the interests of the people of Manitoba.

**MR. DOWNEY:** Well, I find it quite amusing, Mr. Chairman. We're sitting in here administering a program to be responsible to the people of Manitoba, to collect back the money which they are obligated to pay and we're carrying out, with that contract. I have to go back and say to the members that at that particular time that they introduced the program there was a need in certain areas for some assistance to the Beef Program. But, Mr. Chairman, why would a government, the government of the day — and it was totally their responsibility — why would they introduce a program that helped farmers when the times were tough and put a floor price on the price of beef cattle, but when the price got high enough they were quite ready to take all that money back, plus?

Now, Mr. Chairman, you would really wonder of the objectives of that kind of a government. He mentions all other provinces had a program. Yes, all other provinces had a program, or the majority of them had a program and had a program where nobody had to sign up for five years; they in fact went in with the intent of helping those producers.

Let's take a look at the reduction. Of course the big objective, as was told not too long ago, as I understand it, the big objective of the program was to keep people in feeding of cattle in Manitoba and keep them in the industry. Well, Manitoba has decreased in cattle numbers, cows in particular, more than any other province in Canada. A program such as was introduced in British Columbia and their cow numbers actually went up under their program.

Mr. Chairman, it was a program that apparently had a lot more thought put into it. And I'm not criticizing the government for putting money into the industry at that time. It's the point that they had the people sign their cow herds up to the government, that great heavy hand of government, to control the producers of this province, and when the times got good who was there to take all the money back? Not, Mr. Chairman, a program that would help the industry but would put a ceiling on the price for farmers, supply-management type of idea and complete control.

That, Mr. Chairman, is the kind of a program we're faced with, and we're trying to ease our way through it so that the producers of Manitoba can get back to the job of producing beef for the consumers of this country, at a fair and equitable price, without government involvement.

Mr. Chairman, I feel the way we're handling the program is fair and equitable. We will continue to take the responsibility of getting money back for the people of Manitoba, for the Province of Manitoba, and we're also working on a program that makes it as easy for the farmers to pay back that money without a great amount of difficulty.

**MR. USKIW:** Mr. Chairman, when that program was put together there was one major consideration that went into it and that is the recognition that farmers, by nature, are very cautious and conservative people. —(Interjection)— No, that is right; that is right. And so we put together a program that, Mr. Chairman, was not a hand-out, per se, because we respected the belief that farmers had that they wanted to be sort of independent and not relying on the state but would want some mechanism that would stabilize their income. And so we chose a very conservative approach, Mr. Chairman, yes; it's a conservative program. The program suggested —(Interjection)— Oh yes, a very conservative program.

The program simply meant that anyone that joined the program that during the years of low prices the public would kick in the difference to give them cost of production, plus a margin, and during high-price years the public would recover back some of the money, or even all of it, if the high price cycle was a significant portion of the program period. And so that was an income stabilization approach. It was not a subsidy approach. It will turn out to be a subsidy approach, because even though there is pay-back capacity I doubt very much whether we're going to recover the \$40-someodd Million that has been paid out. We may recover half of it, and we may recover a third of it; we may recover a portion but we're not going to recover \$40 million, Mr. Chairman.

But in essence it was a conservative program, based on minimizing the amount of subsidization. And that was recognized on Day One. In all of the discussions that were held with the producers —(Interjection)— That's right. Some producers said, "Give us money; don't ask us to pay anything back." I agree with the Minister that some wanted money. They didn't want any obligations with the money. I agree with my honourable friend, but we were not going to use Manitoba's limited resources in that way. We offered to the producers stability, that yes, there was a tradeoff. If they wanted to have their financial position saved during an income crisis period that they would have to be prepared to repay back some of that whenever the market turned around, at some point within the five-year contract period.

And so that was understood on Day One, and if the Minister is arguing that that's not good enough well then he is arguing for subsidy. He is not arguing for income stabilization.

And you know it wasn't too long ago that his colleagues argued that the worst thing you can do for anybody is to subsidize them. Yes, all of these people here. The Member for Rock Lake, oh yes, the Member for Moriis; they always argued that we should not get into subsidies because that distorts the whole industry. And so we put together a very conservative package that hoped that there wouldn't be a penny of subsidy over five years but took the risk that, yes, there probably will be substantial subsidy because we probably would not recover all of the moneys that would be paid out in the initial two or three year period.

A conservative program, Mr. Chairman, which they are objecting to, by the way, because they are not conservative on this particular program. They are really arguing now for subsidy. That is not the rhetoric that we heard from across the floor year after year in whatever government was doing in whatever field. We were accused of destroying the industry by putting any money into a given sector of that industry. Yes, so let's understand where we are. We are debating here an income stabilization plan that was intended to be just that, an income stabilization plan, not a subsidy plan, an income stabilization plan, and there's a world of difference between the two. Yes, the people that have presented briefs to the Federal Government year after year, from the cattle industry, when they talked about a National Stabilization Plan for livestock people they talked about the dangers of making it too lucrative, so we maybe shouldn't have it quite at the cost of production but maybe a little below because we don't want to have excessive incentive for new production. That's been the argument from the cattle industry, Mr. Chairman.

So let's understand what we're talking about and Mr. Minister, get your act together because

if you fail on this methodology you will be hearing from the Opposition, I can assure you.

**MR. CHAIRMAN:** The Member for Rock Lake.

**MR. EINARSON:** Mr. Chairman, it's been very interesting to listen to the ex-Minister of Agriculture make his past . . . in his oratory here in the last 10 minutes. Since he's now giving us a history lesson, perhaps I could share with him some of the history lessons that he was trying to give us when he was trying to sell this very program back in 1975, and I can think of a particular meeting where farmers were assembled and they were concerned, and the Member for Lac du Bonnet is saying that this is a Conservative policy that he brought in. I would like to remind him that I indicated, as one in those days, that I had no objections to the government granting some assistance in whatever form temporarily to assist the beef industry in those days to overcome a very serious financial situation until such times as we'd hoped that they would better through the marketplace. And I want to say, Mr. Chairman, and I don't want the Member for Lac du Bonnet to go unchallenged by letting him get away with the fact that it's a Conservative policy, and I want to remind him that I fought him on the basis of it was a five-year plan that he was bringing into the Province of Manitoba, and the five-year plan was the thing that we at that time objected to.

I think, if my memory serves me correctly, I reminded the member, and the Minister at that time, the only places I can think of hearing where five-year plans were was in Russia. And you know, I want to go on one step further, Mr. Chairman, I want to go on one step further, Mr. Chairman, because I can recall at a public meeting where one farmer was quite astute, and he said, you know, — after the then Minister was trying to explain his whole program — one farmer got up and asked him, he said, "You know, Mr. Uskiw, it's pretty hard to sell cattle today." It's not like it is right now. He said, "You could be the biggest owner of beef cattle in the Province of Manitoba." He says, "What would you do with them?" And I think I recall correctly, Mr. Chairman, that the then Minister of Agriculture said, "Well, you know, we could take over Canada Packers and make them a Crown Corporation." We could make them a Crown Corporation, Mr. Chairman, and I think the whole story of this thing should be brought into its proper perspective.

And, you know, Mr. Chairman, I recall last year when we were in Session in the Question Period when the now Minister of Agriculture was posed questions by the Member for Inkster, and the Member for Inkster became very indignant when the Minister of that time of Agriculture hadn't just — we hadn't decided just what was going to happen because of the bad legislation that we inherited, the kind of legislation, Mr. Chairman, that you could drive a truck through, there were so many loopholes in it. And this ex-Minister of Agriculture is bragging about the kind of legislation he brought in and this is the sort of term that I get from him. And you know, the Member for Inkster at that time last year in Questions, he was giving the impression that, you know, the farmers got all this money through the taxpayers of the Province of Manitoba and they weren't going to have to pay it back, and he became very indignant. He said, "Mr. Chairman," and he rose. He says, "Do you mean to tell me, Mr. Chairman, that we're putting out, say, \$33 to \$40 million to the farmers of this province, bribe them with funds when the beef prices are low, and that they're not going to pay it back when beef prices are high? We should sue the bastards." And that's his very words he used. Mr. Chairman, I believe it was a few days later when the Member for Inkster realized the kind of legislation that the previous government through the Minister of Agriculture had brought in on the House, and I then, Mr. Chairman, wondered whether the Cabinet of that day really knew what the ex-Minister of Agriculture had been putting before them. I wondered if the City members really knew what they were faced with.

You know, Mr. Chairman, this is the comments that I want to make and I have very much doubt as to whether the Schreyer Cabinet at that day really knew what the Minister of Agriculture of that day was really putting before the Legislature at that time, that he was presenting. I can't help but wonder — I have no way of knowing — maybe I'm totally wrong, but he was presenting a bill of goods to his City colleagues not realizing that the marketplace — because he was gambling that the market would come back much sooner than it did — and all of a sudden he finds himself in a real dilemma. So what does he do? Mr. Chairman, in his last year of office he brings in Bill No. 3 — is that correct, Mr. Chairman? — whereby he had hoped that the Federal Government would be his saviour, and he then said to the farmers of Manitoba who were involved in the plan, "You have the opportunity to opt from the provincial plan to the federal plan."

But you know, Mr. Chairman, he is saying, "Well, the farmers had that option. That's their management operation." But I have been told by many farmers they weren't aware of all this, and Mr. Chairman, at one point in 1975 when the ex-Minister of Agriculture had to go out and buy farmers to go out and sell his program because by December 31st, 1975 he wasn't satisfied with the number of applications that he had acquired, so he paid farmers 40 bucks a day to go out and sell his program and the time was given up to January 16th at 5:00 o'clock on a Friday afternoon



was the deadline in order to make that plan work.

Mr. Chairman, during that time when these meetings were held I recall his Deputy Minister, Red Bill Janssen — I have no quarrel with making that comment, no quarrel whatsoever — I'm telling you, Mr. Chairman, Red Bill Janssen is what he was known as by the farmers of Manitoba.

**MR. CHAIRMAN:** Order please. The Member for Lac du Bonnet on a point of order.

**MR. USKIW:** Mr. Chairman, I would ask the Member for Rock Lake whether he would want to reconsider his descriptive name of the former Deputy Minister, whether he thinks that's good judgment and in the right spirit?

**MR. EINARSON:** Mr. Chairman, I have heard descriptive adjectives from honourable gentlemen opposite conveyed across the House — (Interjection)—

**MR. CHAIRMAN:** Order please.

**MR. EINARSON:** . . . conveyed across the House, Mr. Chairman . . . —(Interjection)—

**MR. CHAIRMAN:** Order please.

**MR. EINARSON:** Mr. Chairman, this is with no disrespect. Please Mr. Chairman, I want to assure you of this — it's with no disrespect, because it was mentioned to me by many farmers across the Province of Manitoba. I regret to say this. I'll put it that way, Mr. Chairman. I regret to say this, and I will confirm why I say that because you know, Mr. Chairman, the farmers weren't completely knowledgeable. And do you know one of the reasons why? Because the Deputy Minister at that time, at one point in time, when they were trying to sell this program, the Agricultural representatives had indicated that they would go and attend these public meetings but all of a sudden the Deputy Minister — and I will certainly now use respect but I give my reasons for why I used that descriptive language — that the Deputy Minister at that time sent out a word of instruction to all Ag Reps, "You will not attend these certain public meetings." ' And Mr. Chairman, how in the name of heavens, were farmers to be expected to understand full well the kind of legislation that the previous government had brought in and expect us to suddenly inherit all this and take it over and try to make it the kind of legislation that we would hoped it would have been.

So, Mr. Chairman, with these few comments, I only stated, because having listened to the rhetoric that the ex-Minister of Agriculture just gave us tonight, is nothing but a bunch of hogwash.

**MR. CHAIRMAN:** 1.(b)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Yes, Mr. Chairman, I don't think we should pass this item without taking exception to the way in which the government members continue to berate the Civil Service of past years and people in different levels of government who are not here, Mr. Chairman, people who are not here, and if they were, these members wouldn't have the nerve to say what they are saying, Mr. Chairman. —(Interjection)— Yes, yes. Mr. Chairman, I cannot for a moment have respect, quite frankly, for anyone who will attack a person behind that person's back, who is not in the political arena, but who is a servant to the Crown. I cannot have one iota of respect for anyone that continues to do so, and I have drawn attention to this point in the House and in committee before, and members opposite persist in attacking and harrasing members that were members of the Executive Branch of government — not Executive, I'm sorry, the staff of government, albeit above the Civil Service level, but who are not in a poition to challenge what is being said about them at the time.

I think that is, Mr. Chairman, to say the least, a very major weakness on the part of any individual who pursues that course, and it demonstrates, quite frankly Mr. Chairman, a very very very obvious yellow streak on the part of my friends opposite.

**MR. CHAIRMAN:** Order please. Might I suggest to the members of committee that we contain ourselves within Item 1.(b). The Member for Rock Lake.

**MR. EINARSON:** I just want to make one final comment on this and then they can say whatever they like after that. I made my comments, in my description of his Deputy Minitter, and I was hoping, Mr. Chairman, that I would get the response that I just got from the Member for Lac du Bonnet. I want to remind honourable gentlemen opposite that I never thought I would sit in this Legislature — and I want to remind gentlemen, maybe they've forgotten — but they went one step further than I ever thought I'd ever hear come from the lips of anyone, when they bring the name of a



person and drag it across the floor of the House, who is deceased. That, Mr. Chairman, is the lowest of the low. I never thought I'd ever hear that, Mr. Chairman, but that's what honourable gentlemen opposite did.

**MR. CHAIRMAN:** The Member for Burrows on a point of order.

**MR. HANUSCHAK:** Would the Honourable Member for Rock Lake advise the committee whose name he is referring to?

**MR. CHAIRMAN:** Order please. I'd like to refer the members to the section that we're dealing with instead of getting involved in personalities.

**MR. HANUSCHAK:** Well then, Mr. Chairman, I would ask you to rule the last comments of the Honourable Member for Rock Lake to be out of order.

**MR. CHAIRMAN:** To the members of the committee, I've allowed a certain amount of latitude on both sides in the discussion of personalities. I would now like to refer the members to 1.(b). The Member for Lac du Bonnet on a point of order.

**MR. USKIW:** On a point of order, the Member for Rock Lake has indicated to this committee that someone, either of this committee or of the Legislature . . . —(Interjection)—

**MR. CHAIRMAN:** Order please. The Member for Burrows did not have the floor. The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, the Member for Rock Lake had indicated that someone unfairly commented on the affairs of the . . .

**MR. HANUSCHAK:** What happened to my point of order?

**MR. CHAIAN:** Order please.

**A MEMBER:** I want the Member for Burrows retract his last statement when he called the Member for Rock Lake a very disparaging name.

**MR. USKIW:** He probably earned it.

**A MEMBER:** . . . withdraw that remark.

**MR. CHAIRMAN:** The Chair did not hear the remark that the Member for Burrows . . .

**A MEMBER:** For the edification of the Chair, because I'm sure it's recorded on Hansard. . .

**MR. USKIW:** It's not recorded on Hansard. Nobody heard it.

**A MEMBER:** . . . he called the Member for Rock Lake a God-damned liar. If that isn't unparliamentary, I don't know what it is.

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

**MR. DOERN:** May I suggest that we adopt one of the following strategies. Unaccustomed as I am to speaking on this committee, Mr. Chairman, I want to make the following suggestion, that we either stop all the retractions right now because if we're going to have retractions, then we have to go all the way back to the Member for Rock Lake and have three or four withdrawals and apologies. That's one approach, logical consistency.

The other approach is just to stop for a split second and move on. I'd suggest we do that.

Otherwise, I suggest that you go back and we'll each list the various name-calls and colour combinations that we've heard in the last few minutes. I don't think that's productive, so I would say to the Chairman, for the moment at least, in the interests of trying to make some progress, that I think we should wash out some of the last bit of name-calling and just proceed.

**MR. CHAIRMAN:** I thank the Member for Elmwood for his advice. If it is agreeable with the committee, then we will proceed with Item 1.(b). The Member for Minnedosa.

**MR. BLAKE:** On a point of privilege, we can't let that remark go on the record unchallenged.

**MR. USKIW:** It was not on the record, there was nothing on the record.

**MR. BLAKE:** It was challenged. A remark in this House was challenged a year ago and you know what it was. We stopped this committee and went into the House on a remark that maybe wasn't quite as bad. It was maybe a little more deserving than that one that was just passed here. Without the benefit of Beauchesne, that is one terminology that is not allowed in the House. There are a lot of others that can be argued that can be coloured or shaded, but that particular statement, the Member for Burrows full well knows, he's a former Speaker —(Interjection)— . . . not allowed to be made on the record.

**MR. CHAIRMAN:** The Member for Elmwood on the same point of order.

**MR. DOERN:** Mr. Chairman, I cite the following example to the Member for Minnedosa. If we're going to have retractions, then we have to go back, we have to ask the Member for Rock Lake to withdraw his name of "Red Bill." Now, I know what Red Bill means, it doesn't mean red colour, it means Communist and Marxist. So I'm saying, if we're going to have retractions, let's have a whole score of them, and I'm prepared to sit here and listen to everybody confess to the error of their ways. But if we're not, then let's have no retractions, let's just move on.

**MR. CHAIRMAN:** Order please. I will check the records, if the remark is registered in Hansard, then we will ask for a retraction. Can we proceed with Item 1.(b).

**MR. USKIW:** Well, Mr. Chairman, I would like to know what we are retracting. As I understand it, perhaps someone will clarify it . . .

**MR. CHAIRMAN:** Order please. I think I have clarified the position. —(Interjection)— To the Member for Lac du Bonnet, there was an accusation made that language of unparliamentary nature was used. If it is on the record, we will deal with it tomorrow. At the present time, we wish to proceed. The Member for Ste. Rose.

**MR. ADAM:** Mr. Chairman, the Minister, in his last comments — he's had a little rest now in listening to what has been going on — but I remember very well, perhaps we go back as far as 1972 or '71, to to all the demonstrations we had by livestock producers on the steps of the Legislature because of the free market place. It couldn't provide them with a decent return on their investment.

I recall very well that members of the Opposition at that time, and particularly the Member for Rock Lake, addressing those people on the steps of the Legislature and saying, "Yes, yes, yes." They were demanding \$40 million. They were asking for \$40 million, Mr. Chairman. That's what they wanted. They came in on more than one occasion. The cow-calf producers of the Manitoba Cow-Calf Association, which was a very viable beef producers' organization until the Minister killed it, along with the Manitoba Beef Growers. It was a very viable association until he got his clammy fingers into the act.

But I remember very well the Member for Rock Lake egging the producers on and saying, "Yes, it's the government's fault. It's this government's fault and they should come up with a program", and all this kind of rhetoric and propaganda.

I say to you, Sir, that the majority of the producers didn't think that the government of the day that came in with the Beef Assurance Program, was a program that would take control of all their cattle, since there was about 65 to 68 percent of the producers that got into the program in the first place. And that was a substantial majority of producers, who entered into this program because they had a problem. And everybody will agree to that and confirm that: —(Interjection)— You agree that they had a problem. Yes. So therefore there was no argument and producers felt that it was a good program, a voluntary program.

**MR. CHAIRMAN:** Order please. Can we have one speaker at a time. The Member for Ste. Rose.

**MR. ADAM:** Yes, Mr. Chairman. The fact that an option was given to the producers when the federal came into their program, and when we hear the Meer for Rock Lake say that the program should not have been five years in length, what he is saying is that we wanted a pay-out of \$30 million to \$40 million but no pay-back. That's what he is saying. That's exactly what you're saying, because, Mr. Chairman, we know that the cattle did not start to go up until early 1978 or late 1977, when the cattle prices started to go up a little bit.

What these members here are saying is that they wanted a pay-out, a \$40 million pay-out, with no pay-back. That's what they're saying, and that's not . . .

**MR. USKIW:** Which they never ever did.

**MR. CHAIRMAN:** Order please.

**MR. ADAM:** Which they themselves have never brought in, although their federal Prime Minister, Mr. Diefenbaker, had passed an Agricultural Stabilization Act back in 1960, I believe it was, but never did anything on it. Why didn't he include the beef at that time?

**MR. EINARSON:** Your comments aren't relative to this thing, at all.

**MR. ADAM:** Well, it sure is, to hear you fellows talk now.

Mr. Chairman, the fact that some producers remained in the program after the option to go into the federal program is because those producers who are in the program today did not have faith in the free market system. They felt that there was no way. —(Interjection)— I retired. Yes, I retired; I opted out. I opted out because I retired from the cattle business. That was one of my legal options, and I took it. If you want to argue that, well, fine, go ahead and argue. But I'm saying to you that those people who are in that program today, it's because they felt that the low cattle prices would continue — and they probably will, in the future, go down again. There is no doubt about that, because that's the way the free market system runs. I have been in it a lot longer than you have, Sir, and probably a lot longer than anybody here in the cattle business, and I can tell you that it has been an up and down. I have sold cattle, 1,200 lb. cows for \$9 a cow, and I have sold some for \$300-\$400 a cow. I have never sold any for \$8.00.

Mr. Chairman, I would like to ask the Minister what was the reason for the change of the program. Has there been a change in the name of the program?

**MR. DOWNEY:** No, Mr. Chairman.

Mr. Chairman, if I could use this term for the old cow producer from Ste. Rose, just to give him a little bit of update on what really happened in the marketplace and when the market did go down. In 1972, that he refers to the producers of this province being on the steps of the Legislature, he is out by something like three years, because 1972 were some of the best years that the cattle industry had and for a man with his experience I thought he would be able to recall that. So I think, to clarify the record, it was in 1975.

One of the reasons in 1972 the market was good and some of the people that were interested in getting into the beef business, the government of the day had a program, a subsidy program, to help people get into the beef cattle business and further distort the market place and cause a . . . In fact it did cause quite an over-production at the time and by 1975 they had encouraged people into beef cattle and got them in a lot of trouble.

In fact, Mr. Chairman, the Member for Lac du Bonnet refers to the program as being a Conservative one. I wouldn't want any people to think that it was in fact a Conservative program. In fact I would think it was very much one that we would not want to get —(Interjection)— Well, Mr. Chairman, the member refers to it as being a program that Conservatives wouldn't have anything to do with. I think the part that Conservatives wouldn't want anything to do with was the fact that there was need to go in and give some sort of relief to the producers on a short-term basis, without tying the farmers up for five years and in fact taking control of their cow herds, which in fact they wanted to do.

I think we also should say at this time that because of that kind of a program where farmers are expected to raise their animals to heavier weights and pay back money to the province, that in fact it has discouraged them from feeding cattle and probably we could say that it has in fact caused the price of beef to go up to consumers, and so it has not only caused consumers to put out more money for beef at this particular time, as well as putting money into the beef industry,

but it has in fact backfired and we have less beef, as I said earlier. We have shown a reduction in cows in Manitoba far greater than any other province in Canada.

So it is a program that not only has forced people to pay back now when they do have a chance to see a little bit of light and needed profits, but in fact has shorted the supply for the consumers in this province, which causes them to pay more money for the product and in fact has caused a greater problem than it has ever helped.

Mr. Chairman, I think that the facts are before us that the program that was introduced was not a Conservative program but was totally one of the Socialist disasters that this province has seen in the past eight years.

**MR. ADAM:** Mr. Chairman, I recall very well that when the program came in in 1975 it was at least two years prior to that that we had had one or two or three demonstrations at the Legislative Grounds. We had the Farm Union people here. They came in twice. And we also had the Cow-Calf, they came in later. They were the last group to come in, the Manitoba Cow-Calf Producers.

But I still want to ask the Minister if the program, the name of the program, hasn't been changed, because he said it hasn't and I understood that it was the Manitoba Beef Income Assurance Plan; now it's shown as the Farm Income Assurance Plan. I don't recall that there ever was a "Farm" in it. I could be wrong on that, but I just wanted to make sure that that's . . .

**MR. DOWNEY:** Mr. Chairman, the name of it has not changed. It's in the same as last year's Estimates.

**MR. ADAM:** I would like to ask the Minister, he mentioned that he had written a letter the 28th of June. I wonder, did he write just the one letter or did he write two letters?

**MR. CHAIRMAN:** The Member for Lac du Bonnet on a point of order.

**MR. USKIW:** The Member for Ste. Rose and the Minister keep talking about a letter. I wonder if we could have a copy of that letter tabled, so that we would all know what was in the letter instead of having to go back to it all the time.

**MR. DOWNEY:** Mr. Chairman, the letter that is being referred to is not a letter that was sent out by the Minister; it was sent out by the administrator of the program.

Mr. Chairman, we can make the letter available to the members.

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

**MR. ADAM:** Yes, Mr. Chairman, that's what I wanted to ask the Minister, if he would table the letter. It's probably public anyway. But since we don't have a copy before us now, at the moment, could the Minister advise, in the letter did he advise the producers that they would become agents of the government?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** As I say, Mr. Chairman, it was sent out by the administrator of the program, and I would have to go through it a little more thoroughly to check that out. I don't believe it's stated that they are to be agents. I just would look at it here for a minute. Oh yes, there is a page for marketing options, Mr. Chairman, instructing them how to proceed with their marketings of their cattle.

**MR. CHAIRMAN:** 1.(b) — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, would it not be reasonable to have one of the staff members run off one or two copies down the hall here on the duplicator, so that we can have it before us before we get off the item? It only takes a minute to do that.

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

**MR. WALDING:** Mr. Chairman, I was a little late coming into the Committee, so the questions I have might already have been asked and I apologize if it's a duplication. I have heard various amounts mentioned under this plan. Can the Minister tell me, within \$1 million, what is the amount involved here? How much was paid out under the plan?



**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, approximately \$40 million in total was paid out; approximately \$10 million was written off by the last government, which is uncollectable.

**MR. CHAIRMAN:** The Member for Lac du Bonnet.

**MR. USKIW:** Yes, the Minister knows that no government wrote off any amount that was due to the government, and he keeps using the words that the government "wrote off" \$10 million. Mr. Chairman, there has never been one instrument that was used by government to write off a penny. So please quit misleading the public.

**MR. DOWNEY:** Mr. Chairman, if I may answer the Member for St. Vital, I said there was approximately \$40 million paid out in total under the program. \$10 million, or approximately \$10 million, was given to producers who are completely out of the program and have no way of collecting that money back. And, as I referred to, it was written off by the government.

**MR. CHAIRMAN:** Order please. Could we have one speaker at a time and have them address the Chair.

**MR. DOWNEY:** Mr. Chairman, those are the figures. I don't know what other figures he wants at this particular time.

**MR. WALDING:** Mr. Chairman, has the Minister recouped any of this amount so far?

**MR. DOWNEY:** I don't think there is any. Very little, if any, Mr. Chairman.

**MR. WALDING:** Will the Minister outline to the Committee what steps he is taking to recoup the \$30 million which he says is due?

**MR. DOWNEY:** Mr. Chairman, the member refers to the \$30 million as collectable. Really, the only way that that money could be collectable is if the people defaulted the contract. To get out of the program, they would have to pay back the \$30 million plus 9 percent interest. Under the marketing of cattle, who knows what the payback could be? It could be anywhere between, well, it's any estimate what could be paid back.

But if they wanted to opt out of the program under the contract, as I understand it, they would in fact, pay back the \$30 million plus 9 percent. But they do have other options in which to live up to the terms of the contract.

**MR. CHAIRMAN:** Order please. To the members of the committee, the copying machine is out of order. The Minister is indicating he will have copies of the letter available tomorrow.

The Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I recall seeing the Minister being interviewed on a television program, I don't recall just what it was, when this matter was being discussed, and the Minister was being questioned on it. And he did say that he was taking steps to try to recoup some of this money from recipients of it. Can I ask him how he is going about this and how much he would anticipate receiving this year.

**MR. DOWNEY:** Mr. Chairman, it's almost impossible to speculate how much money would be able to be collected. I would say that the money that is to be collected won't be billed until — Mr. Chairman, they have until the 20th of April to report their marketings, so we won't be able to know until that particular time, just what amount of cattle and the quarter in which they've marketed it to know how much money will be paid back. This year. There is another two years of the contract after this one, Mr. Chairman.

**MR. WALDING:** Is the Minister indicating to me, just so that I get this quite clear, that all of the producers have to report to the Minister by April 20th, what their sales are, for which year?

**MR. DOWNEY:** Mr. Chairman, for 1977, slaughter cattle. For end of March, Mr. Chairman.

**MR. WALDING:** There were two other questions that I didn't get answers from. I asked the Minister whether all of the producers within the plan have to report to him by that date.

**MR. DOWNEY:** Correct, Mr. Chairman. That's right.

**MR. WALDING:** What sort of numbers of producers are involved in that, may I ask.

**MR. DOWNEY:** I think there are about, approximately 4,000, just under 4,000 producers left with contracts. I would like to go back on that point, the Member for Ste. Rose mentioned that 2/3 or something like that of the producers of beef in Manitoba participated in the program. I think there was a total of 6,000 and some odd producers in the program, which is somewhat less than half the beef producers in the province.

**MR. WALDING:** Yes. I also asked the Minister what steps he was taking to recoup some of this money. Letters or billings or something...

**MR. DOWNEY:** Mr. Chairman, until after the reporting date is over and we start to bill, really, bills will be sent out following April 20th.

**MR. WALDING:** I see. These bills that the Minister sends out, will they be payable on demand or within 30 days, 90 days, what are the terms?

**MR. DOWNEY:** Mr. Chairman, the producers will have up to July 31st to make payment to the province. And after that, they will bear interest. And if they aren't paid then proceedings will take place in which to collect the money.

**MR. WALDING:** Just a little bit of arithmetic that I was doing here, Mr. Chairman. At \$40 million that's approximately \$40.00 per capita, province-wide. It works out for my constituency that approximately \$800,000 would be put up by my constituents, and those constituents, I'm sure, would be very pleased to have the Minister recoup as much of that money as possible, and I certainly wish him luck in getting back as much of that as possible so that it will hopefully accrue to the benefit of my constituents, who I can tell him are really suffering under the price of food generally. I won't zero in on beef, which he knows has gone up as much, if not more than any other food item.

**MR. DOWNEY:** Mr. Chairman, I want to remind the Member for St. Vital that he should remind his constituents that it was his program and his government that introduced it and put their money out in the community.

**MR. WALDING:** If I might answer that, I'm certainly well aware of what he said. I had no enthusiasm for this program when it was first introduced, and if he would like, I will go back and show him a little article that I wrote for our local newspaper pointing out to them the cost of this program, both on a per capita basis and the cost of it if it were expressed in terms of cents per pound on beef purchases. So I think they were well aware of the terms of the plan when it was first brought in.

**MR. USKIW:** Mr. Chairman, in reading this particular document, I want to ask the Minister why it was decided to use this method of actual purchasing, as opposed to an arrangement with the buyers, in order to provide an opportunity for the government to recover funds from the program.

**MR. DOWNEY:** Mr. Chairman, I'd have to take a look at what he's referring to. It was a decision made by the department to go ahead and administer the program.

**MR. USKIW:** Mr. Chairman, as I understand this particular arrangement, this arrangement virtually asks of the producer to volunteer his or her effort on behalf of the Crown, and that's the point that I question legally. I'm not satisfied, legally, that that will stand up, although it may. I don't know if it's worth the risk if we're unsure. On the other hand, it would seem to me that one other method would have been to have an arrangement with the buyers of the cattle, that would in essence become agents of the Crown in the buying process, through which, of course there would be no risk involved. So my question is, if there is any risk as to this method being challenged, why would the Minister want to proceed with a program or system of collection that has some risk in it, when

he could have chosen one that had no risk in it at all, regardless of court action.

**MR. DOWNEY:** Mr. Chairman, I've indicated many times today, on this particular program, we acted on the advice of the Attorney-General and feel that there is a very minimum amount of risk. If he wants to go back and look at the legalities of what has taken place all the way through the program, I suppose we could look at the risk of having all the moneys that were paid out under the contract being paid out without it being a legal contract. Let's just go back and as the Member for Rock Lake referred to a bill that was passed, a retroactive bill, I believe it was Bill 17, to cover the Minister, to give him authority to pay the money out that he paid at the particular time. So I think there are many things, if he wants to start looking back into the history of the program, we could look into the total thing of what his administration had done. As I said, we are going on the advice of the Attorney-General, we feel that it's the responsible way to go and that there will be in aact, moneys paid back to the province.

**MR. USKIW:** Could the Minister indicate to the committee whether or not other options of collection were considered, or whether this is the only one that was looked at and accepted.

**MR. DOWNEY:** Mr. Chairman, the member is asking me questions that as far as other options are concerned, I guess there are always other options considered in many things, and to specify them, I couldn't specify them at this time. I'm sure he realizes that when you're looking at a program, when you start with the three contracts, first of all he changed his mind every six weeks or every time the sun got up or something like that, I would say that we're trying to be consistent with the program and act responsibly under advice from the Attorney-General. So there were, I'm sure, other things discussed in relationship to the program.

**MR. USKIW:** Mr. Chairman, I would remind the Minister that a contract cannot be changed without both parties agreeing to a change.

**MR. DOWNEY:** Well, you changed it.

**MR. USKIW:** And so, Mr. Chairman, if the Minister is implying that there was some change of contract on a unilateral basis, he is full of you-know-what. Mr. Chairman, I would like to ask the Minister why he chose not to enter into an arrangement with the buyers of livestock in Manitoba for the purposes of collection of these funds.

**MR. DOWNEY:** Mr. Chairman, that wasn't one of the options considered, I guess, there's no real . . .

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

**MR. ADAM:** Thank you, Mr. Chairman. I have received some concerns in regard to producers selling their livestock for slaughter on a quarterly basis, and the payback is not figured on the quarter in which they have sold, which in some cases, could mean a much larger payback. For instance, I had one farmer, he's supposed to write to me about it and give me the background of it, but he did mention that he had sold some cattle in the first quarter and that he would have to, if there was a payback, that he'd have to pay more because the cattle kept going up in the next quarter and the next quarter and they've been going up in the next three quarters, really. And he was concerned that he'd have to pay back on the higher price, rather than from the time he sold them.

**MR. DOWNEY:** Mr. Chairman, the member is speaking about a specific case. I think he referred to the payback or the payout was figured on a quarterly basis. That's how it's being calculated, it is on a quarterly basis. The quarter in which the cattle were marketed, the payback or the payout.

**MR. ADAM:** For quarter in which they were sold.

**MR. DOWNEY:** That's right.

**MR. CHAIRMAN:** 1.(b)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, since the Minister has notified the producers in June or July of last

year of their obligation to comply with the option to purchase policy of the government, albeit questionable, how many people have, to date, marketed cattle under that option, calves and slaughter animals?

**MR. DOWNEY:** Mr. Chairman, the member refers to how many people have . . .

**MR. USKIW:** How many contracts honoured that particular procedure since July?

**MR. DOWNEY:** I think if the figures, and I'm just going by recollection here, on the numbers of animals that are to be reported, I think there are something like, the last figures I had and this is several weeks ago, there was something like 17,000 animals out of some 40,000 that were reported. And that is a few weeks ago.

**MR. USKIW:** Well, Mr. Chairman, "reported that they have been sold," is that what the Minister is saying?

**MR. DOWNEY:** That's correct.

**MR. USKIW:** Yes. But my question is, how many have exercised the purchase option of the province, or have taken up that particular aspect of the purchase agreement. How many have sold cattle in the name of the Province of Manitoba, calves and slaughter?

**MR. DOWNEY:** Oh, there have been very few, Mr. Chairman.

**MR. USKIW:** There have been some.

**MR. DOWNEY:** That's right.

**MR. USKIW:** And recoveries of the money have been made accordingly.

**MR. DOWNEY:** A very small amount.

**MR. USKIW:** Is the Minister then assuming that the remaining ones, the 17,000, are the ones that are now subject to the billing after the 20th of April? Is that correct?

**MR. DOWNEY:** Mr. Chairman, I'm not assuming anything.

**MR. USKIW:** What happens to the 17,000 that he just mentioned?

**MR. DOWNEY:** Mr. Chairman, they're subject to billing, to being billed.

**MR. USKIW:** They're subject to being billed?

**MR. DOWNEY:** That's right.

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

**MR. ADAM:** I'd like to ask the Minister in regard to the calves. Are the calves also subject to a pay-back, or has there been a change in policy there?

**MR. DOWNEY:** Mr. Chairman, there has been no change in policy. The contract, as I understand it, the people did not have to market calves.

**MR. ADAM:** Only what they sold would be subject to a pay-back?

**MR. CHAIRMAN:** 1.(b)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Yes, I would like to know from the Minister whether or not there are any other Federal-Provincial, or Provincial Income Plans that will fall under this particular category that he either is working on or foresees in the near future.

**MR. DOWNEY:** Mr. Chairman, there have been some discussions with the Federal Government



on stabilization programs but nothing within this allocation of money.

**MR. USKIW:** Would one be correct in assuming that after the BIAP Program is finished, or concludes, or whatever, that we will no longer need this particular entry in the Estimates, Farm Income Assurance or any such program that would provide for the Income Assurance or Insurance of commodity, of farmers producing certain commodities in Manitoba.

**MR. DOWNEY:** Well, Mr. Chairman, it would be unfair to say that the member could assume that. As far as this year, I do not anticipate any programs or do not have any programs planned that would fall under this amount of money.

**MR. CHAIRMAN:** 1.(b)—pass; 1.(c)(1)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Could the Minister give us an outline of what is happening under Planning and Management?

**MR. DOWNEY:** Mr. Chairman, under Planning and Management the staffing is the same. The amount of money that is in place for the Special and Emergency Programs are held at the same because, as I'm sure all members realize it's pretty hard to anticipate what kind of emergencies may arise. As far as the Milk Control Board is concerned, there's a small increase but very minimal.

**MR. USKIW:** Who is heading the Planning aspect of this particular provision in the Estimates? Who is in charge of Planning for the department?

**MR. DOWNEY:** Mr. Chairman, it is the Minister and the Senior Administration of the department.

**MR. USKIW:** Mr. Chairman, is there no particular person who is charged with the responsibility of Policy Review, Planning, etc.? We did have a person, as I recall it, up until this year at least heading up that branch. Is that person no longer there?

**MR. DOWNEY:** Mr. Chairman, it is the Acting Deputy, Mr. Hudek.

**MR. USKIW:** All right. What then happened to the person who was there up until this point in time?

**MR. DOWNEY:** Mr. Chairman, he's within another department of government, another branch, I'm sorry, another branch of the government.

**MR. USKIW:** Well, perhaps the Minister would want to elaborate just what structural adjustments were made in the Planning and Management section vis-a-vis staff, which new staff had been brought in, or who assumed those responsibilities, and just where the people who were there were transferred to.

**MR. DOWNEY:** Mr. Chairman, the Planning has been disbanded and it is being taken over by the Branch Operations and I don't believe there are any new staff have been brought into that.

**MR. USKIW:** Well, am I understanding the Minister correctly then? We then have a reduction in the Planning and Management area as far as staff is concerned?

**MR. DOWNEY:** It's been a reassignment of staff and individuals in that department, Mr. Chairman.

**MR. USKIW:** Yes, but Mr. Chairman, the Minister, in his opening remarks on this Section, indicated that our staffing was the same as it was last year, or is the same as it was last year, and now I find that there's been a change so therefore it must mean that there are less SMYs in this Section than there were a year ago, and I would want to know how many less.

**MR. DOWNEY:** Mr. Chairman, in my opening remarks the information that I had before me in my notes that the numbers of of people were the same — the number of SMYs in Planning and

although, as I say, there's been some change of their responsibilities into other areas of the department.

**MR. USKIW:** Yes, Mr. Chairman, that's what I'm trying to find out. Who has been transferred out of this function and how many people, and what is their role, who have been transferred in to this particular appropriation?

**MR. DOWNEY:** Mr. Chairman, it'll take a few minutes to get that information together, but the people who have been involved in Planning and Management are still employed only in different areas of the department. Mr. Chairman, I don't know whether the member wants to know the specifics of where they went to or the numbers. Mr. Chairman, no, there's been no demotions or promotions. It's been pretty well a straight transfer into other positions and some of them have been transferred to the Production Division.

**MR. USKIW:** Could I then ask the Minister where the head of Planning, Mr. Poore, where he has been transferred to and what his function is now?

**MR. DOWNEY:** Mr. Chairman, the individual who is being referred to has been transferred to the Manitoba Agricultural Credit Corporation.

**MR. USKIW:** Yes, Mr. Chairman. I would like to know in what capacity he is assuming a role in the MACC.

**MR. DOWNEY:** Research, Mr. Chairman.

**MR. USKIW:** Is there a change in salary involved with respect to this transfer?

**MR. DOWNEY:** I don't believe so, Mr. Chairman.

**MR. CHAIRMAN:** 1. (c)(1) — the Member for Lac du Bonnet.

**MR. USKIW:** Then to replace him and whoever else was transferred out, how many people were brought in and what are their roles or functions? So there's a net reduction then?

**MR. DOWNEY:** Mr. Chairman, the individuals from that Planning Branch have been transferred into other departments of government so there really . . .

**MR. USKIW:** How many were transferred?

**MR. DOWNEY:** The information given to me here is 13.

**MR. USKIW:** Yes. We now know that there are 13 staff people who were transferred out of Planning and Management. Well, is Planning and Management now staffed with 13 people less than a year ago, or have others been brought in to replace those?

**MR. DOWNEY:** Mr. Chairman, there just isn't a Planning Secretariat. It's part of the Branch responsibilities.

**MR. USKIW:** That's exactly what I assumed. So we now find ourselves in a position where the Minister does not have a Planning, Management tool within the department. Somehow it seems to me rather odd that the Minister wouldn't want to have that kind of capacity for the department, unless, of course, he can tell me that that role is somehow managed by other competent people in the department.

**MR. DOWNEY:** That job, Mr. Chairman, is being carried out by senior staff of the department.

**MR. USKIW:** Mr. Chairman, that's rather interesting now. We have 13 bodies removed from Planning and Management, and I'm told by the Minister that Planning and Management is now the responsibility of the Deputy Minister and one or two other people.

**MR. DOWNEY:** Mr. Chairman, I did not say that. I said the responsibility is amongst senior staff

which are directors, ADMs and those people.

**MR. USKIW:** Well then, Mr. Chairman, I'm rather confused here. I now don't know what is happening here. The Minister says it's understandable and I think that we will come to a better understanding in a moment. Who is then the Deputy Minister?

**MR. DOWNEY:** Mr. Chairman, we have an Acting Deputy Minister, Mr. Ed Hudek.

**MR. USKIW:** I then want to raise a question, because it seems to me that we have here an Acting Deputy Minister. This government is on to its — well, it's almost on to its third year in government —(Interjection)— well, it's going to be two years in a few months, Mr. Chairman, and we have an Acting Deputy Minister. I can't understand, Mr. Chairman, a department functioning with an Acting Deputy Minister for a year and a half. Where is the direction coming from? Is there any direction in the department possible with the department being unsure of who the Deputy Minister is going to be? Is it fair to the Acting Deputy Minister to be in that position for a year and a half?

It would seem to me that after six months you would either want to confirm or otherwise the Acting Deputy's position to be fair to him and the department as a whole. So perhaps maybe this is the time when the Minister could indicate to us, what is the reason for this great indecision as to who should be heading up the Department of Agriculture, Mr. Chairman?

**MR. DOWNEY:** Mr. Chairman, to be very fair to the Acting Deputy Minister, he has done a commendable job and is doing a good job. It is our government's decision when they make these appointments. I would have hoped the Member for Lac du Bonnet would have refrained from entering into the personality debate which he has been talking about, just 15 minutes ago, was talking about the individuals of our government to bring down the individual who he had for his Deputy Minister. Mr. Chairman, it has to be made very plain that the Acting Deputy is doing a good job, we're in a reorganization of the Department. The government will be making that full-time appointment announcement very shortly and we'll be very happy to let the members of the opposition know when that takes place.

**MR. USKIW:** Perhaps the Minister could indicate to me where it is that he is searching for the right kind of person. Is it within the province or is it beyond the province of Manitoba? What is the problem in finding the kind of person that the Minister would want for a Deputy Minister?

**MR. DOWNEY:** Mr. Chairman, I think that's totally up to the responsibility of the Minister and the Premier and I'm sure that we will not be doing it by colour selection as has been referred to earlier in this committee, that we are going to be selecting an individual, or confirming the appointment of the Acting Deputy, one or the other, which is our prerogative, and will be doing so very shortly. As far as the criticism from the opposition, I'm sure that the people of Manitoba have been quite satisfied with the direction that the Agricultural Department has been going. I haven't been made aware of any great problems that have been developing. We look at a good year in agriculture last year, I guess some of the biggest problems we have had are cleaning up some of the mismanaged programs such as the Beef Income Assurance Program which we just discussed, it's probably been one of the main concerns of the farm people in Manitoba, not the appointing of a Deputy Minister.

**MR. USKIW:** We can now get back on the Beef Income Assurance, I'm sure, according to your rule.

**MR. CHAIRMAN:** No. I would rule that remark in reference to the Beef Income Assurance Program out of order.

**MR. USKIW:** Hear, hear. Now we get back to the issue at hand, Mr. Chairman. We have a very competent, commendable Acting Deputy Minister —(Interjection)— Mr. Chairman, yes, we have a lot of confidence in the Acting Deputy Minister. We have no reason to doubt that. But I would wonder, Mr. Chairman, after a year and a half, and after having heard the Minister commend the Acting Deputy, why it is difficult for the government to name a Deputy Minister. I find that very difficult to understand. Is the Acting Deputy not available for this position, and if so, that is understandable. But I would certainly think it would be time, in fairness to the people of Manitoba and in fairness to the staff of the department, that if the Minister has a candidate for that job in the Acting Deputy, then he should so follow up on. Unless of course, the Acting Deputy is not a candidate for that position, from his point of view. Perhaps he's not a candidate for that position

from the Minister's point of view. But after hearing his comments about his Acting Deputy, I would think he would be an outstanding candidate. So then, Mr. Chairman, what is holding up the decision to name a Deputy Minister?

**MR. DOWNEY:** Mr. Chairman, as I indicated in my opening remarks and again indicated now, we have reorganized the department and will be proceeding with that very shortly.

**MR. USKIW:** Mr. Chairman, it's obvious that it takes this government a tremendously lengthy period of time to make up its mind about anything. That is becoming very obvious, Mr. Chairman. —(Interjection)— And so, yes, we have, we see before us nothing but departmental stagnation because of the inability of this Minister to make a decision. That's really what it's all about. That's what it's all about, Mr. Chairman.

**MR. DOWNEY:** Mr. Chairman, I think that if I remember correctly, some of the criticism from the opposition was that we made our mind up a little too fast on the last Deputy Minister of Agriculture, and I'm wondering why they have taken the about turn at this particular time.

**MR. USKIW:** Mr. Chairman, anyone that recalls the history of that incident, couldn't help but describe that particular action as arrogant and insane.

**MR. CHAIRMAN:** 1.(c)(1)—pass; 1.(c)(2)—pass; 1.(c)(3)—pass; 1.(c)(4)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I would like to know just what the role of the Milk Control Board is and will be, what it is at the present time, and whether there will be any changes in the role of the Milk Control Board.

**MR. DOWNEY:** Mr. Chairman, there aren't any anticipated at this time and there are hearings taking place. I think that as far as the actions of the Milk Control Board, the discussions should be fairly limited because of the hearings that are going on at this particular time. There are no anticipated changes in the Milk Control Board at this time.

**MR. USKIW:** I wonder if the Minister could tell us just what the status is of, I believe a court action that was launched by some consumers group relative to the operation of the Milk Control Board? Is that still before the courts, or —(Interjection)— It's not been resolved yet.

**MR. CHAIRMAN:** Order. I believe, to the Member for Lac du Bonnet, that the matter is still before the courts.

**MR. USKIW:** Okay. That's fine.

**MR. CHAIRMAN:** 1.(c)(4)—pass; 1.(d)(1)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, would the Minister care to define what is involved here in the expenditure of \$755,000.00. What are we talking about, how many people, and whether it's more or less than last year, and whether there's been any restructuring in the management end?

**MR. DOWNEY:** Mr. Chairman, there has been the deletion of two vacant positions. The amount of money is approximately the same amount in the Estimates which we're debating at this time.

**MR. USKIW:** Could the Minister indicate which positions were deleted?

**MR. DOWNEY:** Mr. Chairman, it was a voucher typist and a vehicle clerk, the positions that were deleted.

**MR. USKIW:** Mr. Chairman, the Minister indicated, in his opening statement, that there would be a reduction of staff in the department of some 105 people, or SMYs, positions, right. Of those 105 reductions of position, how many were vacant for the last 12 months?

**MR. DOWNEY:** Mr. Chairman, we are debating this particular department and I've indicated the two vacant positions that have been dropped.



**MR. USKIW:** Mr. Chairman, I presume we're dealing with management of the department here. If that is not correct, then I would appreciate someone correcting me on that.

**MR. DOWNEY:** Mr. Chairman, the question again, if the member would refer the question again so that . . .

**MR. USKIW:** Yes, the Minister indicated that there would be a reduction of 105 staff man years throughout the department. I would want to know how many of those were vacant over the last 12 months.

**MR. DOWNEY:** Mr. Chairman, as of February 28, 1978, 84 of the regular positions were vacant.

**MR. USKIW:** Yes. How many vacancies were there in the last year and a half then, is it still 84? Is that the same figure?

**MR. DOWNEY:** Mr. Chairman, the member is referring back to October of 1977. I don't have that figure available with me right now. It would be approximately the same, I would think, Mr. Chairman.

**MR. USKIW:** Yes, I assume that.

**MR. DOWNEY:** I can check it, and if there's any large difference, I would bring it to the attention of the committee.

**MR. USKIW:** Yes, Mr. Chairman. That is my assumption. So then we are really talking about a net reduction of 21 bodies that were there, that the Minister is proposing for this fiscal year. Since 84 were vacancies, give or take one or two, or whatever, and the total reduction of SMY are 105, it really means that over the last year and a half since this government has been responsible for the administration of public affairs, that this department is reducing by 21. Is that correct?

**MR. DOWNEY:** Mr. Chairman, the member refers to a difference or actual reduction of 21 staff man years. I indicated that there were 84 vacancies as of last February and at this particular, February of this year, 1979, we were looking at a vacancy rate of 153.

**MR. USKIW:** Yes, the Minister indicates a vacancy rate of 153. Is that over and above the 105 that are now being deleted, or is that encompassing the 105?

**MR. DOWNEY:** That's encompassing the 105.

**MR. USKIW:** Oh. So is the Minister intending then to fill the remaining positions?

**MR. DOWNEY:** That's right, up to the 705 (sic) will be able to be filled.

**MR. USKIW:** That means there will be 48 positions that will be filled. The intent is to fill the 48 positions.

**MR. DOWNEY:** That is correct.

**MR. USKIW:** Could the Minister then indicate to me the personalities, some of whom are here tonight, which have been brought into the management end under the restructuring of the department. Could someone indicate to me just what the role is of Mr. Pringle, who is here with us tonight, what is his capacity and what is his responsibility?

**MR. DOWNEY:** Mr. Chairman, Mr. Pringle's responsibility will be Assistant Deputy Minister responsible for production, the Productinn Division.

**MR. USKIW:** How many senior positions do we now have? By classification, Mr. Chairman.

**MR. DOWNEY:** Mr. Chairman, we have the positions of Associate Deputy, of Deputy, and 3 ADMs.

**MR. USKIW:** Well, Mr. Chairman, as I look at the Estimates of this department it seems to me that the way it's structured now that the Associate Deputy is responsible for about 90 percent of the department, as I see it. That raises the question of whether or not we have a situation where other people at the top level are going to be underemployed and the one person is going to bear too great a responsibility and load in the affairs of the department. It seems awfully lopsided to me, Mr. Chairman. Perhaps the Minister would want to clarify it.

**MR. DOWNEY:** Mr. Chairman, I think it's quite explainable that the restructuring or reorganization of the department to involve the individual who is responsible for the larger role, will have the support of the regional directors and the reporting to the senior staff. The ratio of individuals reporting to them is going to be quite a manageable type operation and I would say that I think they will be more responsive to the needs of the agricultural community, and I do not feel that it's off balance at all.

**MR. USKIW:** Mr. Chairman, since the restructuring of the department, of course, it became necessary, along with other reasons, to fill vacant positions at the regional director level, could the Minister indicate to me whether all the positions are now full at that level?

**MR. DOWNEY:** Mr. Chairman, there is only one acting left; the rest have been filled on a permanent basis.

**MR. USKIW:** Which one is the acting one?

**MR. DOWNEY:** The Interlake, Mr. Chairman, is the acting one.

**MR. USKIW:** Could the Minister indicate who is in that position now? Who is that position in the Interlake?

**MR. DOWNEY:** Mr. Chairman, the Acting Director is Dougie Barr, in the Interlake area. We are intending, Mr. Chairman, to fill that one very shortly, on a permanent basis.

**MR. USKIW:** Could the Minister indicate to us just who filled the other positions that were vacant, the one in Brandon and the one in Dauphin which was created because of the promotion of Mr. Pringle to an Associate Deputy position?

**MR. DOWNEY:** Yes, Mr. Chairman, the regional director — I would say that it was unfortunate that we lost a good man in the past year in Mr. Bill Uhryniuk, which is very unfortunate, through sickness, and we now have John Neabel as the director in Brandon in the western region, and we have Gus Arnal in the Dauphin office, who I'm sure the Member for Ste. Rose will be familiar with.

**MR. USKIW:** Are these people there on a permanent position?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. USKIW:** Could I then ask the Minister on what criteria or basis he selected those people to take those positions? What were the . . . ?

**MR. DOWNEY:** Mr. Chairman, there was a bulletining within the department.

**MR. USKIW:** So these positions were filled by people that were recommended to the Minister, or does the Minister have any particular knowledge and appreciation of the ability of these people, personally?

**MR. DOWNEY:** Well, Mr. Chairman, I'm quite familiar with the majority of the individuals throughout the province that work for the department, particularly at that level, and I have a general knowledge but did not have the total direct involvement of selecting them. They did have an opportunity to put their names forward, all the individuals that were interested, particularly in the Dauphin one. And in both; I'm informed that it was an executive held competition for them, and as I say I am very confident that they are capable individuals, and proceeded on that basis. I do have a personal knowledge, by the way, of both individuals. Yes, I'm sure Mr. Arnal has been a long-time ag rep in the Ste. Rose area, and Mr. John Neabel has spent many years with the department. They're

both very qualified individuals.

**MR. USKIW:** The Minister would then be satisfied that any advice that would come from those directors would be looked at very seriously, of course.

**MR. DOWNEY:** That is correct.

**MR. USKIW:** He would want to consider very seriously any information and advice that would be coming from the Regional Director. I would then like to ask the Minister whether he would want to consider reinstating or perhaps introducing new programs based on that kind of opinion and advice that would come from his senior staff members, given the fact that the Minister for the last year and a half has been underrating the value of our rural development programs in the past? I happened to seize on this opportunity, Mr. Chairman, to cut out a document or a page out of the Farm Light and Power, where one Gus Arnal spoke to the Agricultural Institute of Canada telling us what a good job we did in the Farm Diversification Program, a program that was very much attacked by this Minister since he has been the Minister.

So we now have a situation where the Minister has appointed people to be his advisors who are in conflict with him in policy. According to this article, that was one of the greatest things that this province did, to assist in the development of our small farms and to bring them up to a par with others in the farming community, and here we have this Minister moving away from these kinds of programs, moving in the direction, very much in the direction, of service to the elite only type of philosophy.

I am rather intrigued by that, Mr. Chairman, because it gives me an opportunity to ponder just how this Minister is going to make his policy decisions, based on the fact that he is now in direct confrontation with the advice that he is receiving from his advisors. It becomes a very unique situation, to say the least, Mr. Chairman, that his advisors would like him to carry on and introduce programs that would deal with those critical problem areas in rural Manitoba, rather than to go back into general programming that is usually taken up and used primarily by those who need the least dependence on the resources of the Department of Agriculture.

So I thought I would mention that, Mr. Chairman, because it's certainly a bit of a dilemma for our Minister to learn that he has been wrong for a year and a half and that he has appointed people that have now told him that he has been wrong. And whether or not that has in any way jeopardized the appointment, Mr. Chairman, the fact that there is a direct conflict in philosophy and thinking between the person in the Dauphin office vis-a-vis the Minister of Agriculture. Is there a direct conflict of policy in view?

**MR. DOWNEY:** Mr. Chairman, I find it quite amusing that the Member for Lac du Bonnet finds that I would find it difficult to appoint a man who is very qualified and has shown his capabilities in the development of agriculture in the area of Ste. Rose. He is a very credible individual, a man who, as far as I am concerned, has a right to his opinions and feels that the program that he worked with is, as the member has indicated, has been reported in the paper. I have no hangups about an individual who makes those kinds of comments. He was a direct employee. He was transferred from the Extension staff to the FDP Program.

The thing, of course, that the member always forgets to bring to light is the fact that it was a program that ended on the end of December of last year and that in fact the assessment by the individual was that it had helped some individuals, I don't deny that, but I also can say that there were a lot of individuals who would say that the type of program . . . The other thing that I guess I'd have to say is that we're not running a dictatorship, such as the last government. We don't dictate to our staff that we, in fact, are demanding that they walk the line, that we do not have room for discussion of programs. As I say, I feel quite comfortable with a man with his opinion.

The other thing is that his job was running to a close at the end of the program and, as I say, he had the right to assess a program in which he was involved in. And if that's his assessment, fine. He won't be reprimanded or thrown out of the job. He is selected on his qualifications and I'm sure that the programs and the directions that are given now — the policy directions — that he will be able to accept. I mean, he's a long-term member of the department and has worked for many administrations, and has done a very good job.

So if the member wants to pick an article out of a newspaper and let on that it will cause some direct conflict, I'm sure that it won't and I'm quite prepared to sit down and debate some of the things with the person who made those comments. He is entitled to his, as I am of mine.

**MR. USKIW:** Well, Mr. Chairman, I just thought I would mention it because I wondered where the

Minister derived his great wealth of wisdom from over the last year and a half in condemning all of those kinds of programs that were carried on in the province, not only by our government, Mr. Chairman, by the Conservative government prior to 1969. And it occurred to me that here we have a situation where the Minister must have sought out and received very valuable information that convinced him that those programs were not worth the effort and that here we have him appointing a person to a key position, an advisory position to himself, who believes just the opposite: That those programs are very valuable and served a useful purpose for the farm community of Manitoba.

So we will be watching with a great degree of interest, Mr. Chairman, as to how this relationship is going to pan out — with a great degree of interest — because we have now obviously some conflict of view as between the advisory people and the Minister as to the direction that the department should follow.

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

**MR. DON ORCHARD:** Thank you, Mr. Chairman. I'd just like to congratulate the Minister at this juncture in being very open and not doctrinaire, shall we say, in his choice of advisory staff, that he saw the advantage in gathering together a multiplicity of opinions in that he can better serve the Department of Agriculture and the agricultural community in Manitoba, and all the agricultural community in Manitoba, and in atteting to do so was not blinded in possibly some, or bigotted in his staffing choices, as the Member for Lac du Bonnet would like to think that we are on this side of the House.

It just goes to prove that this Minister of Agriculture, indeed this government, is a government for the total agricultural community, quite unlike the regime that the previous Minister of Agriculture and his, shall we say, colourful Deputy Minister of Agriculture had imposed upon the agricultural community of Manitoba.

**MR. CHAIRMAN:** 1.(d)(1)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I would like to perhaps receive some guidance here from the Department or the Minister as to where we centre in, in a general way, on the delivery of programs under the new structure of the department. Should we do it here under Management, or should we do it elsewhere?

**MR. DOWNEY:** Mr. Chairman, I think it would be well advised to do it under the divisions as we get to them.

**MR. USKIW:** Perhaps we should pause for a moment, M. Chairman, to see whether it fits in under any of the divisions because the subject is so overlapping as to the department as a whole.

**MR. CHAIRMAN:** Might I suggest to the Member for Lac du Bonnet that under the Minister's Salary, everything can be covered.

**MR. USKIW:** I know that's an easy escape hatch, Mr. Chairman, but we would like to get a kick at the cat more than once. Okay?

**MR. DOWNEY:** Mr. Chairman, on a point of order, I hope he's not referring to me as a cat, that the department is a cat. But I would say, under each division, that he will have an opportunity to debate the . . .

**MR. CHAIRMAN:** 1.(d)(1)—pass; 1.(d)(2)—pass; 1.(e)(1)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** I would like the Minister to tell us just what he is going to do with uninflated appropriations from last year, in this current year, \$107,100, which is some reduction in service from the year before.

**MR. DOWNEY:** Mr. Chairman as the member is well aware, it's the policy studies by the department and there are some unspent moneys in there this year and there was a feeling that we did not need to increase that amount for this coming year.

**MR. USKIW:** Yes. Would the Minister tell us what policy studies were undertaken in the last fiscal

year?

**MR. DOWNEY:** Mr. Chairman, we are discussing the policy studies of the future year, not the past one.

**MR. USKIW:** I know, I know, Mr. Chairman . . .

**MR. DOWNEY:** And I think that it was last year we should have discussed those, this year we'll discuss the ones that I'm asking for the money for.

**MR. USKIW:** Mr. Chairman, talk about accountability. This is a good example. The government talks about accountability. Last year we had approved \$107,100 for research, policy studies, and of course, the Minister last year said, well, there's a whole range of things that we might be looking at and we can't be terribly specific about what we might be using the money for. Today I'm asking him because he can be specific about what he used the money for and how much of it is unused and what he will do with that money. So it's very relevant, Mr. Chairman.

**MR. DOWNEY:** Mr. Chairman, again, we're debating the moneys that we plan on using next year, not the past year. One of the studies that the member is quite aware of, and that is the study that is being carried out by the University. There was a question in the House, it's a contract with an individual at the University to carry out statutory freight rates and how it affects Manitoba producers.

**MR. USKIW:** How much of the \$107,000 was not used last year? In other words, what is the carryover?

**MR. DOWNEY:** Mr. Chairman, I don't have that at this time. The year-end is not completed, so as I say, I'm unable to give him that figure.

**MR. USKIW:** The Minister can take that as notice, however.

**MR. DOWNEY:** Well, I can take it as notice, Mr. Chairman.

**MR. USKIW:** We are satisfied with that. We would like to know what studies were completed or were done in the last fiscal year, though.

**MR. DOWNEY:** One study that was done, Mr. Chairman, was a hog study, there's another one under way that will not be completed until some time later this spring.

**MR. USKIW:** Yes. What were the terms of reference of the hog study. Who was doing the study? Mr. Chairman, perhaps I should ask, is this the place where we debate that?

**MR. DOWNEY:** That is correct, Mr. Chairman. The one study that is being done was done, the Chairman of it was Mr. Gordon Muirhead, an individual on that was Mr. Jack Wright, a producer by the name of David Day, and another individual by the name of Dr. Al Loyns from the University. The terms of reference that he referred to, Mr. Speaker, there was a breakdown in the marketing of hogs in the province, and at that particular time, the packers and the producer board agreed to have individuals look at it, and the terms of reference were to look at the Dutch clock system, the differential in hog pricing between Manitoba and other parts of Canada, how contracting of hogs adversely or in reverse of that, either helped or hindered, or how it affected the marketing of hogs, and the fourth one being the doubling of a delayed kill penalty on the packing plants in the province. That report, Mr. Chairman, I'm sure the member received a copy of it, the Member for Lac du Bonnet. As soon as I made it public, I made it available to those individuals.

The other study which has to do with hogs, is being carried out by Dr. Clay Gilson, who has been an employee or is an employee of the University of Manitob. He is taking a lot broader look at the overall hog industry in Manitoba to really give us some indication what is taking place in the shift of hog production from western Canada to eastern Canada, traditional marketing patterns and really, where is the industry going. So that's basically the studies that are taking place.

**MR. USKIW:** Yes, Mr. Chairman, I'm terribly intrigued with the makeup of that committee. I would wonder why, when we are looking at the question of problems in the marketing of hogs in Manitoba, why that would not involve the Hog Marketing Board on a committee.



**MR. DOWNEY:** Mr. Chairman, the Hog Board were very much in agreement with the people that were involved in the study. They spent quite a bit of time with them, the individuals were discussed prior to the appointing of the committee and they were satisfied with the individuals that were on there.

**MR. USKIW:** Yes. Did the Minister want to elaborate?

**MR. DOWNEY:** Well, the conflict was between the packinghouse industry and the hog board, so it would have been difficult to have one particular side or the other involved in the study.

**MR. USKIW:** Well, but that's the nub of my question, Mr. Chairman. Here, we have a conflict between the Hog Marketing Board and the packing industry, and on this so-called independent study, we have, I don't know if he's an employee today, but certainly a former employee of Canada Packers, in the management field of Canada Packers, on this so-called independent study. And that's why I raised the question, since we have a person from the packing industry on that study, it seemed to me it would have been logical to balance it off with a person from the Hog Marketing Board on that study, on that committee.

**MR. DOWNEY:** Mr. Chairman, the individual from the packing industry was a retired individual, very credible I must say, and we offset that by having a producer, who was also to offset the other individuals. And I really would say that, as it has just been indicated to me, he was recommended by the producer board. To be very straightforward, I think we had a very credible group of people, Mr. Chairman. I think that if the member would like to discuss it with the Hog Board or any individuals, I'm sure that they were individuals who were very fair-minded and it was on a breakdown situation, hogs were not being traded in the province, and it was passed over to the Manitoba Marketing Board, who should have been able to resolve the problem. They were unable to and both sides agreed to have a committee to study it and in that particular period of time, there were several things happen. There was an acceptance of the Dutch clock system, the difference in the hog prices between Manitoba and eastern Canada changed somewhat, there was no further implementation or desire to implement the delayed kill penalty, and the contract which was being disputed between a packing house and the board was not recommended to be changed but to be allowed to continue. We are now in the business of buying and selling and killing and processing pork in Manitoba, without any great problems as I see at this particular time.

However, the other study, which Dr. Gilson is carrying out, is giving us an overall look at the total pork industry and the general shifts from production in western Canada to eastern Canada, which has in fact, been a traditional market for the producers of western Canada. It's an alarming situation, where we see the feed grains from western Canada and actually the movement of jobs for the processing industry being shipped out of western Canada by moving the grain and putting it together in eastern Canada to feed the people. But really, we're sitting in an area that has a very good advantage, really.

**MR. USKIW:** Mr. Chairman, I would accept the the proposition that it probably would be reasonable to have a retired manager from Canada Packers on an independent committee, if we had it balanced off with a retired member of the Hog Marketing Board on an independent committee. That, to me, would make it relatively independent. But given the fact that that is not the case, then I say that the Minister has injected a bias as to the kind of report that he wants out of this committee. And that is unfortunate. That is unfortunate, Mr. Chairman.

The other point that I want to raise is the methodology of the operation of these committees. Because, Mr. Chairman, I am aware that these committees are operating in somewhat of a clandestine style of operation. Yes. Yes. To seek opinion, Mr. Chairman, you would think that these committees would seek opinion and would rely to some degree on the credibility of the Hog Marketing Board and the fact that that board is an elected body, on the fact that that board has districts, and people are elected to those districts and have meetings and make policy decisions. But no, Mr. Chairman, the committee, as I am aware, has gone over the heads of the Hog Marketing Board; has gone over the heads of local participants in the Hog Marketing Board system; and has canvassed the opinions of certain selected individuals in different parts of Manitoba, out of which they then want to formulate a report for this Minister, Mr. Chairman. The Minister obviously has already indicated to the committee the kind of report that he wants brought back. Otherwise, there would be no need for secret meetings, Mr. Chairman, for telephone call meetings with handfuls of people in different parts of the province, but not open public meetings so that all producers in a given area could participate.

So Mr. Chairman, I would like to know what kind of report the Minister is looking for, and what kind of changes he has in mind that he is trying to get out of these reports, because it's obvious to me that the decision is made, it's how do you dress it up? You know, Mr. Chairman, that reminds me very much, very much about the fact that his colleagues, over the years, have always tried to challenge our government when we moved into a marketing board structure with elected representatives —(Interjection)— appointed first, yes, that's historic in this province, doesn't originate with our particular government, or perhaps even yours, but that's historic, but subsequently elected, and where the producers have made their own decisions along the way.

Now we have a government that is sidestepping an organized producers' association, organized throughout the whole province, complete membership, democratically elected people, and this government is sidestepping the opinions of that group and handpicking people in various localities and districts of Manitoba in order that they can get the kind of message that they would want for their own particular philosophy, as far as how we are going to structure the meat industry in this province and how we are going to market the product.

That is really what is happening, Mr. Chairman. The Minister may think that this can be done without having too much public awareness. Well I can tell you that we became aware of it very early in the game, very early in the game, simply because for the Minister to have succeeded he should have at least perhaps not have party-line telephones in the area that he was working in, or whatever. Or at least he should have handpicked his people, that wouldn't say too much after the meeting, at the next coffee break in town the next morning sort of thing. But he didn't assure himself of that. So now we are aware, completely aware, that the Minister has some ideas of how he wants to restructure the industry, the marketing procedures. He wants it to look like it is coming as a recommendation from producer elements but he is handpicking the producers to give him the information.

**MR. DOWNEY:** Mr. Chairman, I am really amazed at how uninformed the Member for Lac du Bonnet is and he is trying to again warp the picture for the people in the Province of Manitoba. I think, Mr. Chairman, that I will put it clear on the record that every hog producer in the Province of Manitoba received a letter to have input into that study, Mr. Chairman, and that when the study was introduced and implemented that I had a press release, a press statement, a press conference. It was totally publicized that this was taking place and all individuals were invited to have input into the study.

Mr. Chairman, the reason for the study was because of the breakdown in the marketing of hogs in Manitoba. I set out the four terms of reference, which was very understandable, except, Mr. Chairman, for the Member for Lac du Bonnet, who cannot get out of his mind that unless you totally warp the picture for the people and you set up a social engineered project, which he was always involved in, something like that kind of a nature.

But, Mr. Chairman, it was totally in the open. It was totally responsive to the producers of Manitoba. The producer individual on the Board — if I'm not correct, I stand to be corrected — is either a Director or has been a Director of the producer organization.

Mr. Chairman, I think it is very plain that the individual who is representing the producers was a very qualified person. They spent a lot of time with the producer Board. I'm sure that they worked very closely to alleviate some of the problems.

Mr. Chairman, I would have to say that we have seen some very positive things happen since that study has been tabled. And I, again, mailed him a copy and every member, or not every member but the majority of the members, a copy of the report. It resolved the problem. It was totally made public at the time, with a press conference, and the individuals, who I'm sure are known by many people in Manitoba, were very credible people. And I'm sure that the problem that was before the industry at the time was resolved somewhat. We will have more of a report. I don't think that the accusations that the member is making that in fact it was a secretive-type study engineered by me, it wasn't that at all. What it in fact was was to resolve the problems that were before the packinghouse industry and the producer Board. There was a committee set up, struck to look into those, given the terms of reference which I outlined earlier. The individuals, I'm sure, as I indicated, mailed a letter to every producer of hogs in the province to have input from them, and I don't know what more I can say, as again the Member for Lac du Bonnet is trying to twist around the whole picture that it was some great plan.

Really the terms of reference, which were set out, as I say, the majority of those things have resolved themselves. There will be more information when the final study comes down by Dr. Gilson, and will be available to the public of Manitoba.

**MR. USKIW:** Well, Mr. Chairman, the Minister can try to dress it up as much as he likes. The fact is that certain events have already taken place, which we are aware of. The other is that we

have Bill 18 before the House, which is very revealing to us, and that is that obviously the Minister wants a means of interfering with the decisions of marketing Boards. That's really what he wants and that's what Bill 18 provides, that where a marketing agency makes a decision that is not acceptable in whole or in part to an element in the industry . . . I will use an example: I know Canada Packers was very upset because the Hog Board entered into an agreement with Burns for the sale of 200,000 hogs, as I recall it. And that particular sale bothered very much the people at Canada Packers. They felt somehow that there shouldn't be a transaction between the Board and one major competing packing company. And they made that point very clear. I'm sure they made representations to this Minister. They made representation to this Committee.

Now, we have Bill 18 before the House that does just that. It permits the Minister to veto such an agreement between any Board and any buyer. —(Interjection)— No, no, the Minister says the power was there; no, it wasn't there.

**MR. DOWNEY:** The Minister always had that power. It has always been there.

**MR. USKIW:** Ministerial discretion, yes, all right. But the Minister is now passing on that authority to a marketing council to replace the Marketing Board, and whenever he gets a complaint from Canada Packers he is going to be in a position to say to the Hog Board that no, no, you can't enter into an agreement with Burns Foods for 200,000 hogs. And you know that's the kind of moneys or that's the kind of programs and policy studies that this Minister is using this appropriation for, is studies on how to undermine organized marketing. Yes, that's what he's doing, Mr. Chairman. If he's not doing that, can he explain to me then why it is that he needs that kind of authority vested in the Marketing Council, which is the body to replace the Manitoba Marketing Board, that may overrule or veto a decision of a Marketing Board? Perhaps he can explain that, Mr. Chairman.

**MR. CHAIRMAN:** Order please. Would this matter possibly be better discussed or debated under the item of Bill 18?

**MR. USKIW:** Mr. Chairman, it can be debated anywhere, including here.

**MR. DOWNEY:** Well, Mr. Chairman, you are allowing some latitude and I don't mind discussing it briefly. As far as I'm concerned, the member brings up Bill 18; I'm not here to debate that, I'm here to discuss the research studies which are taking place, and he is making accusations that in fact we are engineering a system that will undermine orderly marketing. That is not the case at all and I think it's very plain with the Marketing Boards who have been involved in some of the discussions of what really they want as far as The Natural Products Marketing Act is concerned. The details of the Bill certainly were not discussed with the Marketing Board but in fact the general move to clean up The Natural Products Marketing Act somewhat was pretty much supported by the Boards.

But when the member says that the Minister is now getting power to veto or to change the direction of a producer Board, Mr. Chairman, that hasn't changed one iota. That has always been in The Natural Products Marketing Act. He knows that. He is trying to twist it around again to tell the people that now there is some great change, because he did have the power. The Minister had the power, and he is agreeing with me.

The Manitoba Board, in fact, could hear an appeal but were totally at a loss to rule on that appeal. At this particular point, Mr. Chairman, that Board have no more power than to simply reject, if it's an appeal, but not for the packinghouse industry. If there is something that is created or a problem for a producer, who is under the powers of the Board, he has the right to go to the Producer Board or to the Manitoba Marketing Council and have his appeal heard. The appeal can be heard and ruled out and the Board have to either redraw the regulation or in fact bring it back in another form, or they could reintroduce it again.

Mr. Chairman, I'm not here to debate the bill but I am saying that there is no more power given to the Minister than has been in place. In fact it is tidying up The Natural Products Marketing Act so it is in fact a workable appeal system for the producers, which in fact they didn't have before, and, Mr. Chairman, I don't want to get into this particular aspect of the debate. I could get into some of the involvement that the member has had in the past over . . . Too bad he hadn't had more studies and he would have understood the marketing system a little better and we wouldn't have been in some of the situations we maybe were.

But I think, Mr. Chairman, at this point, if we can carry on with the Estimates and debate the Bill, where it should be debated, in the House, fine. If he wants to reiterate it . . . But it's up to you, Mr. Chairman, to make that decision whether we're on the hog study. I really think we're quite

a ways away from it but I don't want it left in the minds of the people that there is any more power given to anybody. In fact it is giving the producers the opportunity to have a better appeal system, a better opportunity to be treated justly in the type of marketing structures that are available to them.

**MR. USKIW:** Mr. Chairman, I guess I owe the Minister an apology. Maybe it's true; maybe this is an appeal body only for producers to appeal to, or is the Minister telling me that others may appeal to that body?

**MR. DOWNEY:** It's a total system.

**MR. USKIW:** Ah, well then I don't owe the Minister an apology, Mr. Chairman. No, because he is now indicating and confirming, and confirming exactly what I had enunciated a moment ago, Mr. Chairman, that that is a measure — it came out of these studies — that is going to interfere with the operations of marketing Boards. And that is fine. If that is the government's policy I accept that. But, Mr. Chairman, the Minister should attempt to hide it.

Now, if the Minister tells me, which I think he just did — and if I am wrong he can correct me — that, no, it is not going to be possible for a packing company to appeal to this agency against an order of the Board, then I am pleased to hear that, Mr. Chairman. And if I am incorrect then the Minister perhaps would correct me.

**MR. DOWNEY:** Mr. Chairman, are you going to allow the debate of Bill 18 at this particular juncture, or do you want to . . . ? As far as the appeal system is concerned, the individuals who are able to appeal to the Manitoba Marketing Council has not changed. It is no different than it was when he was the Minister or when it was introduced at the time, that the individuals who have the right to appeal have been the same and there has been no change. So why is he trying to lead the public to believe that there is a great new system set up that allows the packinghouse industry to appeal and not a producer or vice versa? It is for the people who are involved with the marketing system to appeal if they feel unjustly done. And I have a great deal of confidence — I'm sure he used the Manitoba Board as an appeal system when he was a Minister — that it is an opportunity for people who have had powers granted to them to use over other people in the marketing system, if they feel unduly treated that they have an opportunity to be heard. Mr. Chairman, the Manitoba Marketing Council will not have the power to rewrite regulations or redirect any Producer Board or any individual, that in fact the producers themselves are still running their business, probably more so than they were under his government, he being a supply-management person as he was.

I am sure that the system has to be responsive to the total system of the agricultural sector and I'm sure that it will be, and treated fairly, and that's all I can say. Again we're debating a Bill that is before the House and he has the opportunity in the House.

**MR. USKIW:** No, we're not debating the Bill, no, we're not; we're debating the policy studies that have resulted in the Bill before the House.

Mr. Chairman, I just wanted a clarification from the Minister — and he hasn't dealt with it — is he telling me, can he assure me that an appeal to the Marketing Council on the part of a packing company against an agreement of the Marketing Board with another packing company on the sale of an amount of product would not be an appeal proper before that Council?

**MR. DOWNEY:** No, I cannot.

**MR. USKIW:** You cannot assure that?

**MR. DOWNEY:** I cannot assure that, Mr. Chairman.

**MR. USKIW:** That's just what I thought.

**MR. DOWNEY:** Well, Mr. Chairman, he wants to leave on the record that here is an appeal system set up — it is no different, Mr. Chairman, than it was under his administration. There is no difference at all, under his administration that same packer could appeal to the Board . . .

**MR. USKIW:** And got no reversal.

**MR. DOWNEY:** And it has no reversal here. It has been upheld, Mr. Chairman. It has been upheld.

The contract that is signed is upheld by what has taken place this last few months. There has been no change. There has been a contract signed and upheld. Mr. Chairman, in case the member is again trying to leave the impression that there has been a change, there hasn't been a change, and there won't be a change.

**MR. USKIW:** Mr. Chairman, just to clarify further, because we don't want to have any ambiguity here. Is the Minister saying that a packing company will not be able to, through an appeal, reverse a decision of a marketing board, with respect to a contract with another packing company. Is he saying that that will not be possible?

**MR. DOWNEY:** Mr. Chairman, whoever appeals, whether it be a packing house or a producer, if they appeal to the Manitoba Marketing Council, as it be, the Marketing Council have the authority to rule on that . . .

**MR. USKIW:** For or against, yes, that is correct.

**MR. DOWNEY:** . . . on that regulation, and it is no different than it is now. Except the position that they're in now that the Manitoba Marketing Board have the right to rule, or to hear the appeal and advise the Minister on the action to be taken.

**MR. USKIW:** Right. That is right.

**MR. DOWNEY:** That is the difference. Which, Mr. Chairman, here again goes back to the position of the last government wanting the total social engineering ability to be able to direct, in fact, he would have more ability to overturn the contract of a company than in fact it would be now. They're not responsive to the producers as it is now, but is responsive to how the Minister of the day wanted it.

**MR. USKIW:** This is very intriguing, Mr. Chairman, because we now have the Minister admitting to us that before very long, we are going to have the Minister, who appoints the Marketing Council, sitting back and saying to the Hog Marketing Board, well don't come to me, you have an appeal mechanism. And that board, if it reverses your decision to enter into a contract with Burns, —(Interjection)— or whatever decision they make, if the Marketing Council has the power to change a decision of the board, or to alter whatever they are doing, this Minister is going to be in a position to say, they're the appeal body, whatever they rule goes, but he will appoint the people, Mr. Chairman. He will appoint the people to that body. So he cannot escape the fact that the responsibility is his. No matter how he does it, it is still going to be a ministerial responsibility.

**MR. DOWNEY:** Mr. Chairman, again, I want to go back and say that there has been no change as far as the authority of the Minister is concerned. As far as I'm concerned, my concern is that the producers of this province have the ability to be heard before an appeal committee, and fairly heard. And that is the main objective of this appeal system, and that we are protecting the rights of the producers of Manitoba.

**MR. USKIW:** Mr. Chairman, now that we know why the Minister was so reluctant to tell us what he did with last year's research money, perhaps he can now elaborate on what he is going to do with this appropriation, \$107,100.00.

**MR. DOWNEY:** Mr. Chairman, I have indicated what some of the money is being used for, and that is the overall study of the hog industry, and maybe we will bring to light some of the past history of some of the involvement of the Member for Lac du Bonnet, who was responsible for contracting hogs to Japan that lost somewhere in the neighbourhood of some \$2 million and some hundreds of thousands. —(Interjection)— No, that will be brought to light, Mr. Chairman. That will be another one of the great actions by the then Minister of Agriculture. That isn't the intent, it's to take a look, as I said earlier, and I didn't want to get into that type of thing and I'm not going to, that the study is to take a look at the overall hog industry, —(Interjection)— that is part of this year's appropriation to be used in that matter.

One of the other things, Mr. Chairman, is the study on the statutory rates which the member has been made aware of, and at this particular point, Mr. Chairman, I'm sure that there will be many other items, or could be other areas, that even the Member for Lac du Bonnet might think that should be looked at. As far as I'm concerned, I think we have approximately the right amount



of money in that Estimate for that use and it's for research and he's well aware of what the money can be used for.

**MR. USKIW:** Yes, could the Minister indicate with whom he's entered into a contract on the crowrate study.

**MR. DOWNEY:** Mr. Chairman, the individual is Mr. Ed Tyrchniewicz, who is head of the Ag Economics at the University of Manitoba.

**MR. USKIW:** Yes, is this an arrangement where the University receives the money, or this a personal contract with this person?

**MR. DOWNEY:** The information I have, Mr. Chairman, I'm sure it's the University that's receiving the money.

**MR. USKIW:** I see. And then I'm correct in assuming that the University will then decide on the amount of time that is going to be spent on this study through this person?

**MR. DOWNEY:** That is my understanding on that, Mr. Chairman, and I would think that it's a contract to do a job —(Interjection)— that's right, it's a contract to do a job that is going to involve a certain amount of time and I'm sure that . . .

**MR. USKIW:** And this contract . . .

**MR. DOWNEY:** . . . it will be well done.

**MR. USKIW:** This contract, Mr. Chairman, will then be a public property, or that is the results of it, are we going to be apprised of the findings, or is it going to be a document confined only to the University and the department, or to the individual.

**MR. DOWNEY:** Mr. Chairman, the report will be the property of the Department of Agriculture.

**MR. USKIW:** And there will be no copyright provisions to anyone?

**MR. DOWNEY:** No intent on that matter, Mr. Chairman.

**MR. USKIW:** Well, the Minister says it's not intended to, I would like to know.

**MR. DOWNEY:** Mr. Chairman, the report is to us and it will be our decision whether or not there will be any . . .

**MR. USKIW:** Mr. Chairman, since it is public funds used for research, I would hope that no private individual is going to use the benefit of that research in a way which would enhance them financially at public expense. That's all I'm getting at.

**MR. DOWNEY:** Mr. Chairman, I can assure him that it will be the property of the Department of Agriculture and will be made available to . . .

**MR. CHAIRMAN:** 1.(e). The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, the contract, as I understand it, and the information I have at this point is that we will have the control of the study that is being prepared.

**MR. USKIW:** What is the budget for that study?

**MR. DOWNEY:** Mr. Chairman, I think it's \$30,000, that's what it is.

**MR. USKIW:** Yes. When can we expect the study to be complete.

**MR. DOWNEY:** Mr. Chairman, I think he was answered in the House the other day by the Premier that at some time this fall, September approximately. To put a deadline on it would be unfair if

there were one or two things that had to be finished up.

**MR. USKIW:** My next question has to do with what is the intent of the Minister with respect to the remaining amounts of money, the \$77,000 other than this study, that will be used for research.

**MR. DOWNEY:** Mr. Chairman, as I referred to the other study, the other hog study that's taking place, will be in the neighbourhood of \$15 to \$20,000, and at this particular time, I have no other studies that are planned, but I'm sure as the Member for Lac du Bonnet is quite aware, there are things develop within the year that the money could be needed for a study.

**MR. USKIW:** Mr. Chairman, I think that we are now entering a very critical period with respect to the question of rail-line abandonment, and it would seem logical to me that the Department of Agriculture would want to be very much interested in that question and how it's resolved. And it would follow from that that perhaps there should be an allocation of funds from research studies that would do particular studies on particular lines that may be of particular interest to the province of Manitoba. The ability to know the costs to the province of Manitoba, the costs in particular to agriculture, to farmers, elevator companies, or whatever — I wouldn't worry about the Cargill people, but certainly I would want to worry about the traditional elevator companies that have been here for a long long time and have invested huge sums of money in facilities, as to how it is going to affect those people, and it seemed to me that this would be the right time to have a block of money in here ready to follow up on requests of municipalities or regions that have a particular rail line that is going to be pulled, or something along that nature in co-operation with other departments on this issue. I think Agriculture should have a real input into this question. I don't think it should be left to the transportation departments, per se, so that we might properly protect the legitimate interests of our agriculture community.

**MR. DOWNEY:** Mr. Chairman, the member raises a good point. I'd just like to say that it's unfortunate that when he was the Minister that he didn't have some preparatory work done in this particular area, that rail-line abandonment did not just start in the last few months, but in fact has been taking place over the last few years and it would have probably helped the retention of a lot of lines if he had played a responsible role and done some background work for the people of Manitoba, not only in the area of rail-line abandonment, but particularly in the whole statutory rate business that he's so ready to criticize everyone for, at least taking a look at it so we as a province would know where we're at when we discuss it.

I think another point, and he, as I say, makes a good point, we do have a committee struck between the Department of Economic Development and the Department of Agriculture to work with the communities who are in fact working to retain their rail lines. We're quite prepared to go to work and provide back-up information, to make appearance at the hearings with these people to retain the lines, and I have to say I'm involved in many of those discussions, as are many of my colleagues. It affects a lot of, not only my colleagues, but members of the opposition as well, and I think that it's an infrastructure that's here, it's played a very important role in the development of western Canada. I think it could play a continuing role in supporting the whole agricultural and industrial communities and should not be looked at lightly. Let me assure you, Mr. Chairman, we are not looking at it lightly and are quite prepared to use money in this regard and have done some work to support the farmer.

**MR. USKIW:** Mr. Chairman, who was it that said ignorance was bliss? You know, the Minister obviously hasn't done his research. Because had he done his research, he would know the amounts of work that was done by our government with respect to the whole rail question, Crow, and rail-line abandonment.

**MR. DOWNEY:** Zilch.

**MR. USKIW:** And the Minister, of course, happens to be in the position of not having been around for very long and of course he doesn't want to appreciate the fact that things did happen along the way, interprovincially, as between all levels of government. There were many studies done and many conferences held on that subject. My point was that some of the lines are at a crucial stage where there still may be an opportunity to make some changes to the direction that is being taken, and in particular to back up local communities who may find it extremely difficult to put together all of the information and that they might want to use the expertise of researchers or departmental people, or whatever. I think that it should be possible for the Department of Agriculture to give

some importance to that subject at this point in time, and to allocate some funds to make sure that that happens.

**MR. DOWNEY:** Mr. Chairman, the member, it just doesn't seem to . soak into him. I've told him the priority we've put on it, it will be further discussed in 6.(c), we've put it in that particular part of our Estimates, and will be, in fact, as I indicated in the last five minutes, that we are working towards the strengthening of community's positions who want to retain their rail lines because of the importance of it. He's not sitting here telling me that I'm not aware of the importance of rail lines to farm people. In fact, when he's letting on that he is the great individual who did all the work, I would like to know where his reports are. If he could refer me to some of them, then I think probably we could act a little quicker. But I wouldn't know exactly what reports he is referring to on the crowrate studies that he done for him or in fact the rail-line abandonment. But I do think it is an important issue and we are strengthening our position so that we can help the farm people who are in danger of losing their rail lines.

**MR. USKIW:** Yes, I would like to know from the Minister on what date an agreement was entered with Ed Tyrchniewicz — is it? — from the university, with respect to the Crow Study.

**MR. DOWNEY:** Mr. Chairman, I will have to take that as notice. I will find that out for him, because I don't have that at my fingertips.

**MR. USKIW:** That's fine, that's fine; that is good.

**MR. CHAIRMAN:** 1.(e)(1)—pass — the Member for Ste. Rose.

**MR. ADAM:** Yes, I'd like to ask the Minister one or two questions in regard to the crowrates. Is that the only issue that this committee is going to study? Just the crowrates or are there larger problems involved, such as what was raised by my colleague?

**MR. DOWNEY:** Mr. Chairman, I think it's the compensatory rate, the whole rate structure and how it will affect the Manitoba agricultural economy and industry is the basic study that's taking place, and the individual producers.

**MR. ADAM:** Yes, I know that that is certainly necessary. Saskatchewan has already done such a study.

I would like to also emphasize the desirability of providing some funds to try and retain some of these rail lines because I know that in my area and in areas of members of the government side there are many branch lines that are going to be abandoned, and I believe that the railroads are getting away with some arguments that are not valid. And I think I would like to point one out now because it's important, and since we are going to make some studies. One argument I believe they are getting away with is the rehabilitation of lines. And I don't think that's a valid argument because I'm quite sure that the railroads would be depreciating their lines and they should be up to par, at least for the acceptable standards.

I raise this point, Mr. Chairman, because it is in the comments made by the Minister in his opening statement on Page 5. "Preparation of Marketing Information and Investigation of Issues and Problems Concerning Grain Transportation", and that is why I want to point this out.

There are some arguments that I believe the railways have been getting away with, and they haven't been challenged on it and I think it's time that they were. I can understand them, like for instance the one small branch line from Ochre River to Ste. Rose, which is only 11 miles, they are claiming a cost of \$12 million or more, almost \$13 million, to put that railbed in shape.

**A MEMBER:** For 11 miles only?

**MR. ADAM:** That's right. —(Interjection)— Well, you know, Ste. Rose to —(Interjection)— No, no, no. Well, it could be to Winnipegosis, on that branch line, but I think it has to do with from Ochre River to Ste. Rose. And I accept the fact that if they're going to upgrade the railroad to haul heavier cars, hopper cars, that is fine. I accept the fact that there is maintenance costs involved, but when they start saying that they've got to repair the track, which it should have been repaired right along. They're claiming depreciation, I'm sure, on these rails and there is no reason why they should be getting away with those costs to abandon railroads. And in view of the fact that before very long the cost of road transportation, highway transportation costs are going to escalate year after year after year with the higher costs of vehicles and higher costs of fuel, if there is any fuel at all, I

think it's very important that we such be looking at not a five-year plan but we should be looking into the 90s and I don't think they are.

So I would strongly recommend that the Minister allocate some of those funds to study the branch line as well.

**MR. CHAIRMAN:** 1.(e)(1)—pass — the Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I would like to ask the Minister whether there is any amount in this \$107,000 for Salaries.

**MR. DOWNEY:** No, Mr. Chairman.

**MR. WALDING:** This is all expenditures to outside groups and individuals for studies; would that be correct?

**MR. DOWNEY:** That's basically it.

**MR. WALDING:** Mr. Chairman, the Minister mentioned to us three studies, two on hogs and one on the statutory rates, and he indicated to us that the study on statutory rates would cost in the region of \$30,000 and I assume that is all to come out of this year's appropriation.

**MR. DOWNEY:** That's correct.

**MR. WALDING:** Of the two hog studies . . .

**MR. DOWNEY:** Mr. Chairman, that is partially out of the current and the next year's.

**MR. WALDING:** Could the Minister then give me a breakdown? If there is \$30,000 to come out of this year, how much came out of last year's then

**MR. DOWNEY:** No, approximately \$80,000 in total.

**MR. WALDING:** I see. And how much of that after?

**MR. DOWNEY:** Approximately a third out of last year's and two-thirds o out of next year's.

**MR. WALDING:** So then approximately \$10,000 from last year and \$20,000 from this coming year. I'd like to ask you now about the continuing hog study, and I believe that was the one that he said that there was \$20,000 budgeted for this coming year; is that correct?

**MR. DOWNEY:** Mr. Chairman, approximately \$20,000 and about \$2,000 has been paid out of last year and \$18,000 to be paid out of this coming year.

**MR. WALDING:** Thank you. Of the other study, did the Minister tell the Committee that that study was completed last year?

**MR. DOWNEY:** The first hog study with the four individuals involved, Sir.

**MR. WALDING:** It was completed.

**MR. DOWNEY:** Yes.

**MR. WALDING:** Can the Minister tell me how much was spent on that study?

**MR. DOWNEY:** In the neighbourhood of \$10,000, Mr. Chairman.

**MR. WALDING:** The Minister is then indicating to the Committee that some \$22,000 was spent on studies for last year. Now, is that approximately the sum total or were there other studies that we haven't been apprised of?

**MR. DOWNEY:** Approximately.

**MR. WALDING:** The Minister has then told us that his research cost approximately \$22,000 last year and he foresees an expenditure of approximately \$38,000 in the coming year.

**MR. DOWNEY:** That's what the figures make up to, approximately.

**MR. WALDING:** The question that would arise from that, Mr. Chairman, is the amounts budgeted then, of \$107,000 for last year, given that only a fifth of it was spent, why the Minister is budgeting for the same amount this coming year. I mean, we have been told by different members of the government that this is a very restraint-minded government, and the Cabinet, when it looks over the preliminary Estimates, goes over it with a very sharp pencil and cuts here and trims there and really gets the amounts down, and we find an amount here where over \$100,000 is . . . We have been asked for approval for over \$100,000 yet the Minister can only foresee, he tells us, \$38,000.00. Why the discrepancy?

**MR. DOWNEY:** Mr. Chairman, the members have discussed some of the things that could be done. We are in a situation where we are looking at rail line abandonment. There could be certain areas in this field that could need money and I think it would be . . . Not only in that, I'm sure that the total agricultural industry, generating the amount of money that it does for the province and the importance of it, that it is a very small amount of money to have to perform studies or something of an immediate nature that could come up. I think we're looking at certain areas that it's pretty hard to define at this particular time. There hasn't been an increase. As far as I'm concerned, I think it's a reasonable request and I'm sure he knows that certain studies can cost a lot of money and we'd be better with a little room to move, rather than being in a short situation.

**MR. WALDING:** Does the Minister have any in-House research capacity?

**MR. DOWNEY:** What type of research would the member be referring to?

**MR. WALDING:** I'm referring rather to staff, Mr. Chairman, rather than research projects and such.

**MR. DOWNEY:** Well, Mr. Chairman, we are continually doing an assessment of programs within the departments and it's a continual process, not to do research but to follow up with programs or to assess what is really taking place.

**MR. WALDING:** Given what the Minister has told us about the importance of the agricultural industry in this province and the revenue that it generates to provincial coffers and its general importance, leads me to some surprise that there is no research capacity within the government and also to the fact that the government has apparently identified so few areas needing research. I'm sure that if he were to speak to some of his colleagues from rural areas, they could probably tell him that research was needed in many areas of agriculture, generally.

**MR. DOWNEY:** Well, Mr. Chairman, in referring to that I guess the area in which we could discuss that is in crop production, when he is talking in-House, we are doing ongoing research work, for example, in the reproduction of soybeans and that type of work. As far as the other more general research work in relation to crop production, as you will notice the Agricultural Research Study, the University of Manitoba Agricultural Department, has, over the years, played a fairly important role as far as some of the research work that is done for the Agricultural Department.

**MR. WALDING:** Is the Minister then telling me that he has several research departments within this department? What's the justification for separating research capacity into a number of different slots? Why is it not shown in one lump under one department, one Resolution that is, so that we can see, you know, how many staff are available and what the budget is for these?

**MR. DOWNEY:** Well, Mr. Chairman, the responsibility of staff is to carry out some research work in conjunction with their normal Extension activities, and to lump them in one and draw on that would be, as far as I'm concerned, would be unrelated. I feel it's important that . . . I think we're looking at a type of an industry that you can't totally separate some ongoing research work and policy studies. They are somewhat of a different nature.

**MR. CHAIRMAN:** 1.(e)(1)—pass — the Member for Ste. Rose.



**MR. ADAM:** I just wanted to raise one more question in regard to the \$107,000 last year of which \$20,000 was expended, approximately. That's what I understood.

**MR. DOWNEY:** That's to date, Mr. Chairman.

**MR. ADAM:** It doesn't matter how much. I understood that under the new bookkeeping system that the government was going to use that all unexpended funds would lapse.

**MR. DOWNEY:** That is correct.

**MR. ADAM:** And so the \$87,000 lapsed and why isn't it shown as \$20,000 that's spent, rather than \$107,000.00?

**MR. DOWNEY:** Mr. Chairman, it has lapsed. This is new money that is being voted for policy studies.

**MR. ADAM:** But if you have to request another \$107,000 . . .

**MR. DOWNEY:** That's right.

**MR. ADAM:** What happens to the money that's unexpended? It goes into consolidated — where's the money . . . ?

**MR. DOWNEY:** Well, Mr. Chairman, I think I just have indicated that it lapses. It's not available for expenditure, but it's a lapsed fund. We're revoting it this year for the use in the policy studies.

**MR. CHAIRMAN:** 1.(e)(1)—pass; 1.(e)(2)—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Yes. I notice the figure for the University Research Program is the same as last year, and I would want to know whether the University has asked for any change of funding for this year.

**MR. DOWNEY:** Mr. Chairman, in meeting with the University, I think there was more of a concern and probably as much of a concern that I have that we have a look at the needs on an ongoing basis. I think in meeting with them, they were satisfied to continue on with the same level of funding, always interested in getting more but not pressuring for a larger sum.

**MR. USKIW:** Could the Minister tell us what the University request was, that is, the total figure that they had asked for?

**MR. DOWNEY:** Mr. Chairman, I don't have that exact figure with me . . .

**MR. USKIW:** Well , an approximate figure.

**MR. DOWNEY:** As I was saying, Mr. Chairman, I don't have that figure and I would have to go back and check to see what it is.

**MR. USKIW:** Well, Mr. Chairman, I am not asking the Minister to give us a specific figure, but an approximate idea as to what they were wanting from the department in dollars for this year relative to what they have received. Did they ask for a million, or \$1.1 million, or . . . ?

**MR. DOWNEY:** Well, Mr. Chairman, as I indicated earlier, I think they indicated that they could get along with the moneys that they were getting and they did not specify any amount that they really could use.

**MR. USKIW:** Mr. Chairman, as I recall past practice, the University used to submit a request or a budget and a program. We would then enter into some discussions and arrive at a decision, and usually the request was greater than what the decision was, and I'm just wondering whether that was the procedure used this year.

**MR. DOWNEY:** Mr. Chairman, I think I indicated that, but as far as specific dollars, I don't really

know that specific number.

**MR. USKIW:** That's fine.

**MR. CHAIRMAN:** 1.(e)(2)—pass — the Member for St. Vital.

**MR. WALDING:** May I just ask one question on this? What sort of an accounting does the Minister receive from the University as to the expenditure of this \$800,000.00?

**MR. DOWNEY:** Mr. Chairman, the grant that goes to the University is a direct grant that is in support of the friendly research station at Glenlea that enables them to carry on with their program and their projects of financing and funding that facility.

Another one of the areas in which they work in is the develop— ment of breeding of wheat. Utility wheat, in particular, is one of the programs, forage crop breeding of certain types of crops. I think we could go on into certain other crops and livestock work that they do, but I think a lot of the work that they have done, and are continuing to do, pretty well speaks for itself as far as the record or the reputation that Manitoba University has as far as the Agricultural Department is concerned, the types of wheats, the varieties of wheats, the triticales. One of the top breeders of rape-seed at the university has really led the way in development of these kind of crops, and I'm sure that the work that they have done as far as the development of agricultural production tools or crops, pretty much speak for themselves.

**MR. WALDING:** I thank the Minister for the explanation. It was not quite the question that I was asking. I was asking more along the lines of is there an audited financial statement at the end of the year showing where the \$800,000 went?

**MR. DOWNEY:** Mr. Chairman, I'm sure the member is well aware of the annual report he gets from the University of Manitoba Agriculture Department, which is distributed to the members giving the report of their expenditures, and what they do with the funding from the government. So, it is an annual report and that is the way they report to the government.

**MR. WALDING:** Mr. Chairman, I realize that the university puts out an annual audited report at the end of the year, and I appreciate that they have to account for the money that the government provides for them; I'm asking, is there an audited statement of this \$800,000 that goes to the university, or do they have to account to us for how they spent that \$800,000, as distinct from their global budget for the particular department at the university?

**MR. DOWNEY:** No, it is not audited as a specific amount of money, it is part of their global audit of the university, Mr. Chairman.

**MR. WALDING:** That's what I wanted to know.

**MR. CHAIRMAN:** 1.(e)(2)—pass.

Resolution 7, Item 2, Manitoba Crop Insurance Corporation — the Member for Lac du Bonnet.

**MR. USKIW:** On a point or order, I believe you have to pass the whole section, don't you?

**MR. CHAIRMAN:** No, if I could correct the Member for Lac du Bonnet, there is the Minister's Salary involved, then we come back to Resolution No. 6.

**MR. USKIW:** All right. Well, Mr. Chairman, I would then raise a point of order. I don't believe that the Minister is rushing out to get re-elected tonight, at least he wouldn't dare try today, so it would be a good time to call it a day.

**MR. DOWNEY:** No, Mr. Chairman, we're quite prepared to continue with the Estimates.

**MR. USKIW:** Well, Mr. Chairman, I suggest that only on the basis that not all members have been able to be present here tonight because of the storm, and 11:15 I think is going some and I don't see any particular rush on the part of the Minister and the department, so I would suggest Committee rise at this stage before we get into a large item again.

**MR. CHAIRMAN:** Is the member moving?

**MR. USKIW:** I would move that Committee rise.

**QUESTION put, MOTION defeated.**

**MR. USKIW:** Well, Mr. Chairman, perhaps there is an election that's bothering some people.

**MR. CHAIRMAN:** Resolution 7, Item 2 — the Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I think it should be put on the record that we have accommodated the opposition for the last three days; we started and we waited yesterday, we came in to sit in Committee and the members weren't here; and really, we feel that we've accommodated them somewhat and would like to carry on. I do appreciate the problem with the weather, but it is . . .

**MR. USKIW:** Mr. Chairman, to correct the Minister who has such a short memory, I would like to point out that the original arrangement was that we would meet today for the first time. That was broken by the government who insisted that they wanted to proceed with an opening statement two days ago, and then, Mr. Chairman, they decided to proceed yesterday, even though there was an understanding that we wouldn't get back to Ag Estimates until today. —(Interjections)— Now, Mr. Chairman . . .

**MR. CHAIRMAN:** Order please.

**MR. USKIW:** I only make the point because the Minister is trying to indicate to the Committee that the government has been accommodating to the Opposition while it was just the opposite, Mr. Chairman. We have been accommodating to the government the last two days, and this is the first time that I suggest to the Minister that before we get into another lengthy item of debate, that it might be a good time to consider adjournment for the day being that it is now 11:20, and recognizing the fact that not all members of the Committee are here because of the weather and the fact that some roads have not been opened up to date. So, that makes reasonable sense to me, Mr. Chairman.

**MR. CHAIRMAN:** Order please. The Motion for Committee rise having been defeated, we'll deal with Resolution 7, Item 2—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Well, we can do that. If we want to debate we can debate here all night, there's no problem with that. —(Interjection)— Well, you wouldn't know how to do that anyway.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, on the Estimates of Manitoba Crop Insurance, there is a small increase and a reduction of 2 SMYs. The increase is requested to cover some of the loss adjustment, and also to cover a Corporation Capital Tax, which is increased; also a small charge as far as the conversion to Metric is concerned. So there is a small request made up largely of the loss adjusting request.

**MR. CHAIRMAN:** Pass — the Member for Lac du Bonnet.

**MR. USKIW:** Yes, I believe this would be the time for the Minister to outline the policy of the government with respect to crop insurance as a whole. There are a number of aspects to the Crop Insurance Program and there is, of course, a new Board of Directors, and I would appreciate knowing what policy changes have already been made that have not yet been implemented but intended to be, or what have already been made by way of regulatory changes and that have passed through Cabinet?

**MR. DOWNEY:** Well, Mr. Chairman, as far as any policy changes, there aren't any policy changes as far as the crop insurance are concerned. As far as some of the regulatory changes, as well as housekeeping changes, we have expanded some of the areas in which some of the special crops are able to be insured in the province to try to make it more responsive or update it and keep it responsive to the needs to cover the people of the province of Manitoba, for farmers to insure

their crops.

There was somewhat of a small reduction in the use of the general crop insurance participation last year because of the appearance of a better moisture condition or an increased moisture condition at seeding time, as opposed to the year previous which was an extremely dry spring and there was a larger participation.

But in general, Mr. Chairman, it is fairly responsive and continues to be responsive to the needs of the increased cost of production, and to try to insure the farmers against a crop failure that they are, in fact, able to continue on and operate their businesses.

**MR. USKIW:** Yes, I would like to know, Mr. Chairman, whether there have been any changes with respect to policy on the rating system itself; the way in which the rates are established, the premiums.

**MR. DOWNEY:** No, Mr. Chairman, not that I'm aware of.

**MR. USKIW:** All right, is it contemplated that there would be changes in that area?

**MR. DOWNEY:** Not to my knowledge, Mr. Chairman.

**MR. USKIW:** Okay. I would like to ask the Minister to indicate to me, or to the Committee, whether or not the arrangements with the federal government on cost-sharing are the same and intended to be the same — and I raise that because not too long ago, two years ago — the federal government was trying to put a ceiling on the amount of expenditures for crop insurance on the whole prairie region, which was going to affect us very negatively, and I'm just wondering where that is, or whether that's been dropped?

**MR. DOWNEY:** Well, Mr. Chairman, there has been no change, and it has not been brought to my attention that there will be a change as the member indicates. I think it has been dropped because it has not been brought to my attention, or I am not aware of it at this point, Mr. Chairman.

**MR. USKIW:** The next point I have has to do with the Crop Insurance Corporation managing the compensation program under wildlife arrangements under a federal-provincial agreement. Are we still involved with administering that program?

**MR. DOWNEY:** Mr. Chairman, the involvement of the crop insurance in that Crop Depredation program that the member is referring to, the involvement of the Manitoba crop insurance is the crop loss adjusting.

**MR. USKIW:** Right. It still continues.

**MR. DOWNEY:** It still continues, that's right.

**MR. USKIW:** Can the Minister tell us whether there are any new arrangements, either under way or pending, vis-a-vis the Government of Canada on crop depredation.

**MR. DOWNEY:** Mr. Chairman, we were informed, not too long ago by the federal government that there was a shortage of funds and that they would not be continuing on. However, that is being re-assessed by the federal government and will be going back to treasury board. I think we are pressing them to continue on with their cost-sharing and it is very imperative that they do, really, to share the responsibility of loss by migratory birds.

**MR. USKIW:** I would assume, then, that the Minister would not wish to ponder what he would want to do, should they not come through with their funding, on the basis that they might give them reason not to come through, so I won't pursue it. How many contracts do we have now, in the all-risk program?

**MR. DOWNEY:** Mr. Chairman, in referring to contracts in the all-risk, we have just under 16,000 contracts, 15,900 and some odd contracts.

**MR. USKIW:** How many under spot loss? Does anybody know?

**MR. DOWNEY:** Just under 11,000, Mr. Chairman.

**MR. USKIW:** How many hail insurance contracts under Part II?

**MR. DOWNEY:** Approximately 5,000, Mr. Chairman.

**MR. USKIW:** Could the Minister tell us what percentage that is of the total hail insurance sold in the province of Manitoba.

**MR. DOWNEY:** I don't have that information, Mr. Chairman.

**MR. USKIW:** Mr. Chairman, perhaps it might be worthwhile to assess that to find out just where we are heading with hail insurance. It would be of interest to know whether we have half of the market, or a third of it or three-quarters of it, or whatever, in that it would help us in our policy decision making, to know just where we're going. I wonder if the Minister would take that as notice and come back with the information if he can find the details. I'm sure it's available.

**MR. DOWNEY:** Mr. Chairman, I'll seek out that information.

**MR. USKIW:** Okay. Of the all-risk program, what percentage of the crop is covered? Does anyone have that data? Are we covering half of our crop, or two-thirds of it, or . . .

**MR. DOWNEY:** Of the numbers of insurable people?

**MR. USKIW:** No, not of the numbers of people. The numbers of the acreage, the potential acreage.

**MR. DOWNEY:** Mr. Chairman, the insured acreage is about 4.5 million acres.

**MR. USKIW:** Out of how many?

**MR. DOWNEY:** Out of a total of approximately — I would be estimating this figure, but it's between 10 and 12, about one-third. That's correct.

**MR. USKIW:** And of the number of farms, what percentage would that represent now?

**MR. DOWNEY:** That would be three-quarters, Mr. Chairman. Of those eligible, it would be something like three-quarters of the individuals, Mr. Chairman.

**MR. USKIW:** That's what I mean. Okay. Has there been a substantial drop-off, did the Minister say, in the last year?

**MR. DOWNEY:** No, Mr. Chairman! I said there had been a slight decrease because of some of the moisture conditions this spring as compared to last year. There was quite an increase because of the poor moisture conditions at the planting season a year ago as opposed to last year, but there has not been a significant drop, I believe. I'm sorry, I have the figure here, Mr. Chairman, it was approximately 11 percent drop in the acreage insured.

**MR. USKIW:** What are the reserves of the all-risk program now?

**MR. DOWNEY:** Mr. Chairman, the reserves of the all-risk program are approximately \$14.2 million.

**MR. USKIW:** That's the provincial reserve, is it?

**MR. DOWNEY:** Yes, it is.

**MR. USKIW:** \$14 million.

**MR. DOWNEY:** Yes.

**MR. USKIW:** The federal reinsurance reserve, where are we there, Mr. Chairman? I thought that



was depleted, or one of them was depleted, no?

**MR. DOWNEY:** That, Mr. Chairman, is approximately \$8.5 million.

**MR. USKIW:** \$8.5 million.

**MR. DOWNEY:** Approximately. A little under that, 8.465.

**MR. USKIW:** So we have about \$2.5 million of reserve capacity, plus the premiums that would be collected this year. Is that correct?

**MR. DOWNEY:** Would the member repeat that question?

**MR. USKIW:** Yes, that would add up to \$22.5 million, plus the premium income for 1979. Would that be correct?

**MR. DOWNEY:** Plus the premium income, did the member . . .

**MR. USKIW:** Yes.

**MR. DOWNEY:** I think that would be correct.

**MR. USKIW:** Mr. Chairman, what is the premium income?

**MR. DOWNEY:** The premium income was approximately \$16.5 million.

**MR. USKIW:** So we're talking about almost \$40 million of actual capacity.

**MR. DOWNEY:** Of the total of the two, reserve and the premium income . . . .

**MR. USKIW:** Before we got into a borrowing situation. I see. Now, could the Minister tell us where we are with respect to the Hail Insurance program. Is it in deficit or surplus position?

**MR. DOWNEY:** Mr. Chairman, I believe we're in a deficit position.

**MR. USKIW:** Would the Minister indicate the size of the deficit and what the policy of the government is with respect to it.

**MR. DOWNEY:** The deficit position as of 1978, estimated, the actual 1977 one was \$499,000, the estimated one for 1978 is \$792,000.00.

Mr. Chairman, I want to bring to light of the committee, there has been an increase in premiums to reduce that and it will be the intent to bring it down to where it is manageable, a lot less than what it is. There is a move in place now to cover that.

**MR. USKIW:** Could the Minister tell us whether there was an unusually heavy claims season? What happened?

**MR. DOWNEY:** Yes, there was, Mr. Chairman. It was an extremely heavy hail season, not only for one period of the year, but throughout the summer it was a long hail season and it was for the two years. So it was an extremely bad couple of years for hail and we are moving to bring it back into line with the premium.

**MR. USKIW:** What is the actuary period that is worked on with the hail insurance? Is it a 25 year plan, or what is the . . .

**MR. DOWNEY:** Yes.

**MR. USKIW:** 25 year moving average situation.

**MR. DOWNEY:** Yes.

**MR. USKIW:** I see. It would seem to me logical though — the Minister indicates an increase in

premium based on two bad years in a row. It would seem logical that should the increased rate bring us back into a black position, that there may be a review of the rate again, I would suspect.

**MR. DOWNEY:** Mr. Chairman, it is reviewed every year and it has been increasing since 1974, it has been increasing somewhat.

**MR. USKIW:** Has there been any discussion with respect to rearrangement of district boundaries?

**MR. DOWNEY:** No, Mr. Chairman. Not with me as the Minister.

**MR. USKIW:** Okay, that's fine.

**MR. CHAIRMAN:** 2.—pass. Resolution No. 7, Resolved that there be granted to Her Majesty a sum not exceeding \$2,042,400 for Agriculture, Manitoba Crop Insurance Corporation—pass.  
Motion on committee rise.

**A COUNTED VOTE** was taken, the result being as follows: Yeas, 4; Nays, 6.

**MOTION defeated.**

**MR. CHAIRMAN:** Resolution 8, Item 3, Manitoba Agricultural Credit Corporation—pass — the Member for Lac du Bonnet.

**MR. USKIW:** Yes, Mr. Chairman, this is the area in which I would have expected the Minister would want to give us some indication as to what his plans are with respect to the financing of our agricultural program.

**MR. DOWNEY:** Mr. Chairman, a very short explanation, the staffing of the Manitoba Agricultural Credit Corporation remains the same. There is a small increase due to the corporation capital tax. There is also, as far as the programs that have been introduced by the Manitoba Agricultural Credit Corporation, the direct lending of money for agricultural lands. We are continuing on with a lot of other of the programs, as far as the breeding stock loans are concerned and there haven't been many changes in those programs. We are now in the direct lending of up to \$150,000 per farm, and we have the comprehensive loan guarantee that we're able to guarantee a loan through an approved lending institute.

**MR. USKIW:** Yes, Mr. Chairman, did I hear the Minister say that we're still involved in the direct lending field? Direct loans?

**MR. DOWNEY:** That's correct.

**MR. USKIW:** As well as guaranteed loans?

**MR. DOWNEY:** That's correct.

**MR. USKIW:** What is the distinction between the two?

**MR. DOWNEY:** In direct loans, Mr. Chairman, the corporation takes security on land or machinery or livestock and lends the money directly to the individual to purchase land, equipment or breeding stock and the comprehensive loans, it is a guaranteed loan through an approved lending institute.

**MR. USKIW:** Mr. Chairman, I'm trying to establish a distinction as to which loans are guaranteed or what type of loans, and what type of loans would go under the Direct Loans Program.

**MR. DOWNEY:** Basically the same kind, Mr. Chairman.

**MR. USKIW:** Well, why would we have two systems for the same kind of a client?

**MR. DOWNEY:** It allows the Credit Corporation to service a larger number of farm people.

**MR. USKIW:** Mr. Chairman, perhaps the Minister would elaborate. Maybe we could have a greater number if we had no direct loans. Or vice versa, I don't know what he is saying.

**MR. DOWNEY:** Well, Mr. Chairman, what I'm saying is that the direct lending involves a direct use of money borrowed from the government.

**MR. USKIW:** Right.

**MR. DOWNEY:** And the guaranteed loan is not a direct use of cash funds.

**MR. USKIW:** Yes, it is. Mr. Chairman, as I understand the process, a guaranteed loan is the same as a direct loan in terms of its effect on the Province of Manitoba. Am I wrong?

**MR. DOWNEY:** No, Mr. Chairman, it is not the same.

**MR. USKIW:** The risk is the same; is it not?

**MR. DOWNEY:** Mr. Chairman, the same amount of capital is not required when you go to the lending institute, as opposed to direct lending.

**MR. USKIW:** Would the risk be the same?

**MR. DOWNEY:** Yes.

**MR. USKIW:** Well, Mr. Chairman, how would one decide? Is the Minister saying that after we allocate all of our Capital Authority that after that date all applications then go to the guaranteed loan field, or is he saying that we make distinctions as between different applicants as to which ones fall under guaranteed loans versus the direct loans?

**MR. DOWNEY:** In discussing it with the . . . I believe the question was what is the difference . . .

**MR. USKIW:** What's the procedure?

**MR. DOWNEY:** The procedure, as far as the direct loans are concerned, is that we have the capacity to loan up to \$150,000 on a direct loan basis, and the comprehensive guaranteed loans are up to a maximum of \$200,000.00.

**MR. USKIW:** So then I understand the Minister to say, Mr. Chairman, that the larger loans would fall into the category of the guaranteed loans.

**MR. DOWNEY:** That is correct.

**MR. USKIW:** I see. Could the Minister then tell me how many dollars were allocated under the Guaranteed Loans Program? How many dollars were guaranteed, in other words, and how many loans were made?

**MR. DOWNEY:** Mr. Chairman, it is relatively a new program and I am informed that there is one loan at this particular time.

**MR. USKIW:** Could the Minister indicate to me the size of that loan?

**MR. DOWNEY:** I'm sorry; I misinformed the Committee. The information I have that I thought there was a loan under the comprehensive guarantee but there aren't any under the comprehensive guarantee.

**MR. USKIW:** None yet.

**MR. DOWNEY:** None at this point, that is correct.

**MR. USKIW:** How long has the Guaranteed Loans Program been in effect?

**MR. DOWNEY:** Mr. Chairman, it was introduced something like six months ago. I think, in discussing it with some of the people. . . the people who are involved in lending money have looked at the program and made their assessments and I am aware there are some applications that are now in the process of being looked at.

**MR. USKIW:** Is there a ceiling with respect to the size of a loan under the guaranteed loans provision?

**MR. DOWNEY:** Yes, there is, Mr. Chairman.

**MR. USKIW:** What is the ceiling?

**MR. DOWNEY:** . . . \$200,000.00.

**MR. USKIW:** \$200,000.00. Is that for an individual or a corporation?

**MR. DOWNEY:** Either, Mr. Chairman.

**MR. USKIW:** The ceiling applies to both?

**MR. DOWNEY:** The ceiling applies to both, Mr. Chairman.

**MR. USKIW:** Can the Minister then tell me how many direct loans were made in the last fiscal year, and the amount in dollars?

**MR. DOWNEY:** In the fiscal year . . . ? In what year are you referring to?

**MR. USKIW:** The last fiscal year.

**MR. DOWNEY:** Mr. Chairman, the figure is 620 to February of this past year, of this year.

**MR. USKIW:** I'm sorry, Mr. Chairman; could the Minister repeat that please?

**MR. DOWNEY:** 620, Mr. Chairman.

**MR. USKIW:** Loans?

**MR. DOWNEY:** That's right.

**MR. USKIW:** And what is the total allocation of funds?

**MR. DOWNEY:** Approximately \$15 million to \$16 million, Mr. Chairman.

**MR. USKIW:** Mr. Chairman, the Minister of Highways, who is responsible for keeping our roads open, is informing us that they are not open and that this Minister is going to have to put up all the members of this Committee if he keeps us here any longer, and we appreciate that hospitality.

**MR. DOWNEY:** Well, we might be able to see if MACC could float you a loan for the night.

**MR. USKIW:** Since we've had to two motions turned down to adjourn.

**MR. CHAIRMAN:** The Member for Lakeside on a point of order.

**MR. ENNS:** Mr. Chairman, on a point of order, I was merely indicating to the Member for Lac du Bonnet he has every good reason to proceed. We should keep proceeding with the good work that we're doing. There is not much point in trying to drive home, anyway.

**MR. USKIW:** Well, as long as the Minister will provide us with razors for the morning, I guess we'll be all right.

**MR. ENNS:** Yes, sure.

**MR. USKIW:** Mr. Chairman, what would be the average size of loan?

**MR. DOWNEY:** Approximately \$40,000, Mr. Chairman. I'm sorry; there was a whoops here; we were looking at the wrong column. It's approximately \$25,000 — \$24,300 and some.

**MR. USKIW:** And how many of these would be very large loans in excess of \$100,000.00?

**MR. DOWNEY:** On direct loans, Mr. Chairman, there wouldn't be any.

**MR. USKIW:** None over \$100,000.00?

**MR. DOWNEY:** That's correct.

**MR. USKIW:** All right.

**MR. DOWNEY:** Helping the small farmers.

**MR. USKIW:** Well, you have to be small farmers today with \$100,000, yes. Would the Minister be prepared to table all of the loans that are now outstanding or in effect?

**MR. DOWNEY:** I don't really understand the question. Is he asking if I would be prepared to table all the loans?

**MR. USKIW:** Yes.

**MR. DOWNEY:** No, Mr. Chairman, I don't think I would be.

**MR. USKIW:** Why not?

**MR. DOWNEY:** Well, I think there is a lot of people's business that they've gotten in confidence and borrowed this money. I don't know whether it has been a practice of the MACC or the government's to have tabled them, but I do not feel it would be proper to table the names of the people and the amount of loans which they have received.

**MR. USKIW:** Mr. Chairman, I think what we're looking at here is the fact that we are allocating public funds. It's a loan program. Direct loans are made and loans are guaranteed, and I think it would be in the public interest that the Legislature be aware of the Loan Program in its entirety, as is the Committee on Economic Development with respect to other loans that are made to the private sector by the people of this province, through the MDC and other agencies. And it seems to me logical, MRR. Chairman, that rather than dealing through you, Sir, in the perusal of the MACC Program, that the Committee should really have at its disposal — if not this Committee then another Committee of the Legislature — the management of the corporation, so that the operations of the corporation can be perused in their entirety so that we know who is borrowing money from the province, what the rate of interest is, the amount of the loan, the amount of the arrears, the amount of write-offs. I think that it would be in the general public interest to move in that direction.

**MR. DOWNEY:** Mr. Chairman, we do have a comprehensive Auditor's Report of the loans of Manitoba Agricultural Credit Corporation to in fact report to the public.

**MR. USKIW:** Well, Mr. Chairman, I think the Minister should appreciate the government as a whole functions that way with respect to other loans that are made through other departments of government. I believe this is the only department that does not do that and perhaps it's time that it conformed with the rest of the system of government, so that the Legislature, which votes sums of money annually, would know what they are voting for, would know precisely the financial position of the lender relative to the position of the program, and so that we are in a position to more carefully analyse what the government is doing with public funds. It's not as if these are not public funds, Mr. Chairman.

**MR. CHAIRMAN, Mr. Morris McGregor (Virden):** The Honourable Minister of Highways.



**MR. ENNS:** Mr. Chairman, I am intrigued by the Member for Lac du Bonnet's suggestion. I have just left the other Committee where we're dealing with the Estimates of the Department of Health and Social Development. I would assume that he would then also want a listing and a publication of all those persons in Manitoba receiving welfare assistance, that they be published anyway.

**MR. USKIW:** They are published. Sure, you can get an Order For Return.

**MR. ENNS:** And I would think that certainly no members on this side of the House would particularly want that kind of information. There is, after all, some areas where courtesy and confidentiality have a purpose and I would think that the purpose of the corporation as a lending agency would be severely hampered if the kind of suggestion that the Honourable Member for Lac du Bonnet were in fact acted upon. But I would just enter the debate because I would be interested; I would assume that, to be consistent, you would be making the same request from the Minister of Health and Social Development in the other committee.

**MR. USKIW:** Well, Mr. Chairman, I am very much intrigued by the nuances of the Minister of Highways when he tries to equate the welfare program with loans to farmers. I didn't know this was a welfare program, sir, until just about a minute ago. Now we know it's a welfare program, and so really it's most interesting to me to find that the Conservative Party deems loans to agriculture as welfare assistance. That's really what the Minister of Highways has suggested. And, Mr. Chairman, it is not that. We know that it compares more favourably with loans made by other agencies of other departments and therefore the analogy has to be agencies such as the MDC, which has to come here and present its case to the members of this Assembly or to the Committee of this Assembly, and properly so. The loans are scrutinized. And by the way, it might interest members to remember that it was our government that uncovered the MDC for what it was in fact doing. And by the way it was to some discomfort from time to time. But notwithstanding that, it was the right thing to do because it was the use of public funds that was involved and it was in the public interest to know what was happening to those funds, whether the loans were being repaid, whether the companies that were financed were managing their affairs in order that they could repay these loans, or whether they were problem companies.

I think that that's the way it should be, and I don't see any difference between that and loans to anyone, whether they be farmers, or businessmen, or whatever — there's no difference. There's no difference. I believe that the Minister of Industry, or Economic Development, who has now embarked on a give-away program of some millions of dollars to businessmen, I believe that he should come before the committee and tell us how many forgivable loans were made, how many were repaid, how many were forgiven — which in turn meant that they became grants, so that we know, when we are approving these Estimates, what we are indeed approving.

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

**MR. ADAM:** Yes, Mr. Chairman, I think I agree that it's been a practice, at least by the previous administration, to call the Committee of Economic Development to come in and answer questions from the members on both sides of the House. I recall very well that the then opposition had a field day with some of the information that was coming out, and we didn't mind that at all, because we think that there were many loans that members opposite, when they were in opposition, questioned — and rightfully so. And I see no difference in this particular area, either. This is another loan, and we appear to be going more into this type of financing, and into higher amounts every year. Some, I believe, are forgivable loans. I see here where they're including the direct loan which is designed to encourage approved farm units.

Long-term rebates — I would like to know just what the provisions are for loan rebates on direct term loans? Now, I would like to ask the Minister of the \$15 million that have been made in direct loans, how many of these loans were for land purchases, and how many were for other items — equipment, or whatever?

- MR. DOWNEY:** Mr. Chairman, approximately \$4.5 million for land — that covers the period over the last ten months.
- MR. ADAM:** And the average size of loan in this particular area is \$40,000?
- MR. DOWNEY:** In all the areas, the average size of the loan, Mr. Chairman, is \$24,500.00.
- MR. ADAM:** Twenty-four?
- MR. DOWNEY:** Twenty-four thousand.
- MR. ADAM:** Oh, I understood \$40,000.00.
- MR. DOWNEY:** No, there was a mistake. It was a figure that I read from the wrong column here, Mr. Chairman.
- MR. ADAM:** Well, I'm glad I asked that question. At least we got . . .
- MR. DOWNEY:** And I corrected it.
- MR. ADAM:** Did you have it clarified? Well, I heard the first . . . I didn't . . .
- MR. DOWNEY:** Sorry, my apologies to the Member for St. Rose.
- MR. ADAM:** Now, on the direct loans and the land — how many have defaulted, or has there any defaulted yet, or . . .?
- MR. DOWNEY:** No, it hasn't had time to default yet, Mr. Chairman.
- MR. ADAM:** There's none that hasn't defaulted?
- MR. DOWNEY:** None defaulted at all, no.
- MR. ADAM:** Is MACC still purchasing . . . there must be some defaults, surely.
- MR. DOWNEY:** Okay, out of a total of just under 5,000 loans, there is \$1,855,000 outstanding.
- MR. USKIW:** In default, or arrears?
- MR. DOWNEY:** In arrears.
- MR. ADAM:** Yes, and for how long ?
- MR. DOWNEY:** That is from the start of the Corporation in 1959 to a date at this particular time.
- MR. ADAM:** And what was the figure?
- MR. DOWNEY:** \$1,855,000 from a period in 1959 to approximately this date.
- MR. ADAM:** On 5,000 loans?
- MR. DOWNEY:** On approximately 5,000 loans.
- MR. ADAM:** And how much money?
- MR. DOWNEY:** On a total of \$109,797,000, which is a very small percentage, it says a lot for the credibility of the farms of Manitoba.
- MR. ADAM:** How many . . . is this all for land, or . . . ?

**MR. DOWNEY:** No, Mr. Chairman .

**MR. ADAM:** And how much land has had to be repossessed' if any , over the years?

**MR. DOWNEY:** I would say that a very small percentage, Mr. Chairman. As I say, a very small percentage of the total. We don't have that figure, but we can make . . .

**MR. ADAM:** Is the government no longer purchasing farmland?

**MR. DOWNEY:** That's correct, Mr. Chairman.

**MR. ADAM:** When did this program cease?

**MR. DOWNEY:** The purchase of farmland through Land Lease Program? About October the 26th, or something, of 1977. Shortly after the election; shortly after we became government. I don't have the exact date, but I can get it for the member if he would like.

**MR. ADAM:** Well, the reason I raised that point, Mr, Chairman, . . .

**MR. DOWNEY:** Well, that's right, there were some purchases in the mill, some offers, and we carried through to finish out those ones that . . .

**MR. ADAM:** The reason I raised that point was to . . .

**MR. DOWNEY:** But we did not enter into any new offers to purchase from about the end of October on.

**MR. ADAM:** I raised that point, Mr. Chairman, because I do know that there was some land that was purchased after the election that had been turned down on two or three occasions by the Chairman of MACC because of the price. The price was felt to be too high. I think I'm speaking of about six quarter-sections, or four quarter-sections, somewhere up in the Teulon area, I believe it is, or Stonewall area, and it was turned down on one or two occasions by the Chairman at a cost of \$180,000. And this was purchased, I believe, on the day of the election, anticipating that the new government would be willing to pay more money than the previous administration. And that's why I raised that point, I just wanted the record to show that there was land purchased at a higher price than the previous administration would pay for it, that we had turned down.

**MR. DOWNEY:** Mr. Chairman, I think the member is making some accusations that . . .

**MR. ADAM:** I'm not making any accusations, I'm just stating facts.

**MR. DOWNEY:** I don't know what substantiation he has for the accusations that he's making. I would find that very difficult to believe, and if there are any anomalies or something like that taking place, I'm sure that it would have been brought to my attention by the Manager or any individuals within the Board. The Board of Directors were responsible for the administration of the MACC, and they didn't change. They were the same. You're referring to the date of the election — the Board of Directors continued on for several months following the election, so the date of the election would mean nothing as far as the purchase of land and the individuals who were applying to have it bought and sold.

**MR. ADAM:** In spite of the fact, Mr. Chairman, that this offer of sale of lands, despite the fact that the sale of this land had been turned down twice by the Chairman of MACC, was purchased by the . . . sure, it was still the same Board.

**MR. DOWNEY:** And the same appraisers.

**MR. ADAM:** And the same appraisers, but it was turned down twice because the price was felt to be too high. But . . .

**MR. ORCHARD (Pembina):** Yes, but after the election, everything took a . . . jump . . .

**MR. ADAM:** That is right. That is right. They felt it was . . .

**MR. ORCHARD:** Optimism was there.

**MR. ADAM:** And I understand that the best parcel . . . Mr. Chairman, I wonder if you can contain the Member for Pembina? He has a habit of interrupting constantly from the seat of his pants without having the floor. It's getting kind of monotonous.

**MR. CHAIRMAN:** Order please, could we have one speaker at a time. Could the members of the committee address their remarks to the chair? The Member for St. Rose.

**MR. USKIW:** Mr. Chairman, on a Point of Order. The Member for St. Rose was really objecting to the fact that the member was speaking from the seat of his pants.

**MR. CHAIRMAN:** The Member for Lac du Bonnet did not have a point of order. I was trying to draw the members of the committee's attention to the fact that we should have one speaker at a time. The Member for St. Rose, please.

**MR. ADAM:** Yes, I understand that one of these parcels has now been sold, one of the quarters, for \$50,000, presumably the best parcel of the lot that was purchased. I don't know who it was sold to, but I understand he was a staunch supporter of the Conservative Party.

**A MEMBER:** Hearsay, hearsay.

**MR. ADAM:** You know, if the Minister wants to verify some of my comments, he should perhaps enquire from the Board of the MACC. I understand that that has taken place, and there's Orders-in-Council to show . . . this just shows that the Orders-in-Council are going by the Minister without his knowledge. What's happening?

I think that these loans should be made public, and —(Interjection)— can't you contain these people? These guys want to sit here all night, but they want to talk . . .

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

**MR. ADAM:** I'm prepared to yield the floor to any of those that want to . . .

**MR. CHAIRMAN:** The Member for St. Rose has the floor.

**MR. ADAM:** Well, I want to again point out to the Minister that I think that these loans should be made public. They should be made public — in spite of the fact that perhaps they were not made public before, they should be made public the same as all the MDC loans; Economic Development loans are public, open to scrutiny, and that is the way we thought it should be under the previous open government that we had; this government feels that it should not be, and I don't think that it's right. The public has a right to know where their money is going. Now, in the event that there are defaults, the big, bad Crown government becomes owner of this land, is that correct? Any defaults, and any repossessions of land, the big, bad Crown becomes the owner of the assets, is that correct? The same as the Lord Selkirk that we had to take back from the Conservative loans, and CFI and Columbia Forest Products? Is that correct, Mr. Chairman. That any land that would be taken back would then belong to the Crown?

**MR. DOWNEY:** That is correct.

**MR. ADAM:** Any lands that are . . . what happens to the Comprehensive Loans, I believe, which the Crown guarantees, what is this situation?

**MR. DOWNEY:** Mr. Chairman, they belong to the Credit Corporation, not the Crown. The guarantees are put forward by the Credit Corporation.

**MR. ADAM:** And that is the Crown?

**MR. DOWNEY:** Well, it's a corporation.

**MR. ADAM:** So it's not a separate corporation like the Manitoba Hydro and Manitoba Telephone.

**MR. DOWNEY:** Sure it is.

**MR. ADAM:** That's what we'd like it to be, so that we wouldn't question . . .

**MR. DOWNEY:** That's what it is, Mr. Chairman, that's what it is. e

**MR. ADAM:** That is why we are asking so that there be a review of the loans.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, it is a separate corporation.

**MR. ADAM:** Mr. Chairman, I want to ask once again, if the loans are made by the banks or the lending institutions; any of those loans that go into default?

**A MEMBER:** There aren't any out yet.

**MR. ADAM:** No, there haven't been any. It's surprising that in six months there hasn't been any loans, so it just shows that there isn't that great a need for that particular program. But I have had people coming in and asking me just what their alternatives are. They no longer have the land lease program and I had a farmer in here the other day and I think he went in to see the Minister — I don't know if he was able to see him; I don't think he did — that he wanted to find out how he could sell his land to his son and obtain enough money to retire in town. And he could have done so under the land lease program. He wasn't aware, I suppose, that there was funds available now, but I believe that what happened was that the Minister burnt the bridge before he crossed great the river. He was in a hurry to do away with the land lease program, and they cut it off — I believe one of the members here said: "On election day, that's when it was cut off". I heard a comment from the government side — and they cut off the land lease program, without anything to replace it and left all these farmers — and that is what you call very responsible government. That is what they want the people to believe, that that was a responsible government. We had a farmer in here the other day from Ste. Rose, and he said: "I've been waiting and waiting and waiting to find out how I can get out; I have to quit, I want my son to take over, he's getting discouraged, nothing is happening, we don't hear anything. What am I supposed to do?"

So I say to the Minister that he could tell us now why people are still going around the province trying to find out why there isn't programs available to them. Well, would the Minister then tell us how these rebates are going to work? What are the provisions for the loan rebates on direct loans?

**MR. DOWNEY:** Mr. Chairman, an individual who qualifies will get a 4 percent rebate up to \$50,000 for a period of the first five years, so it makes a maximum of \$10,000 rebate on the interest.

**MR. CHAIRMAN:** Order please. If I could ask the indulgence of the committee for a minute or so while the transcriber changes tapes.

Order please.

The Member for Ste. Rose.

**MR. ADAM:** I'll pass for a while, Mr. Chairman.

**MR. CHAIRMAN:** Item 3—pass — the Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Chairman. When we discussed the last couple of items there, I seem to recall hearing from down the end of the table, and I believe it was from the Member for Wolseley, something about open government, and I wonder if he had been here earlier when the discussion was going on about the loans from MACC and the request from my colleagues here that the details of those loans or at least the names and the amounts to whom those loans were made, should be made public in the same way that the Manitoba Development Corporation publishes in the Gazette, I believe, details of loans and loan guarantees that have been made, and also the way that the Communities Economic Development Fund publishes similar information?

My colleagues were asking that, using those two instances as analogies that the Manitoba Agricultural Credit Corporation should do the same sort of thing. We didn't get very much of an encouraging reply from the Minister, but knowing the concerns of the Member for Wolseley — Honest



Bob, I think, was a term that was used in the . . . Thrifty Bob, that's right — and as a very conscientious member of the Public Accounts Committee, I'm sure that he would join my colleagues and me in pressing for such public disclosure, then we would in fact move one step further to that open government that he feels so proud of. However, I'll leave him to respond to that if he so wishes, Mr. Chairman.

I wanted to ask the Minister, he mentioned a figure of 622 loans under the direct loan scheme. Was that for the year 1978-79?

**MR. DOWNEY:** For the first eleven months, Mr. Chairman.

**MR. WALDING:** Thank you. He mentioned that the amount involved was something like \$15 million to \$16 million, as I recall, of which about 25 percent of it was for land and the balance for other purposes.

**MR. DOWNEY:** I think I said about \$4.5 million for land, Mr. Chairman.

**MR. WALDING:** Thank you. Will the Minister inform the committee what the terms of those direct loans were? Interest rate, term, etc.?

**MR. DOWNEY:** Mr. Chairman, the length of the term of the loan is for 31 years. I am informed that the interest is 11 percent. Those land loans would qualify for the interest rebate, which is 4 percent on the first \$50,000 for five years, for people in the young farmer category which is under 39.

**MR. WALDING:** Were all of those amounts for 31 year terms, or could they be less if it was for a small amount?

**MR. DOWNEY:** The maximum is 31 years; it's up to 31 years, but it would be the option of the borrower to pay it off quicker, but that is the length of term it can go to.

**MR. WALDING:** Is that then, an open loan, where it can be paid off any amount at any time, Mr. Chairman?

**MR. DOWNEY:** Yes.

**MR. WALDING:** Is the amount of the interest fixed at the beginning of the year for the whole year or does it vary as the bank rate fluctuates?

**MR. DOWNEY:** Mr. Chairman, the interest is fixed quarterly by the corporation.

**MR. WALDING:** I see. I would like to ask the Minister about the guaranteed loan program. He did mention earlier to the committee, I believe, that no loans had been yet made under this program over the last six months but there had been some applications for it. Can he tell the committee what the terms of that program are?

**MR. DOWNEY:** Mr. Chairman, the terms of the comprehensive guaranteed loans, I think I said earlier, the maximum amount was \$200,000, that the term could extend up to 31 years. They'd have to be for conventional farming purposes; the interest rate not to exceed 1.5 percent over the prime rate. I think that's pretty well it as far as the terms of the loan are concerned.

**MR. WALDING:** I take it that the borrower can obtain his loan from any loan agency or are there approved lending agencies for these loans?

**MR. DOWNEY:** Approved lending agency, Mr. Chairman.

**MR. WALDING:** Is there any charge made for the loan guarantee?

**MR. DOWNEY:** No, Mr. Chairman.

**MR. WALDING:** Can I ask the Minister how many applications are presently being considered by the corporation under this guaranteed loan section?

**MR. DOWNEY:** It's indicated to me that there are three or four being considered at this time, Mr. Chairman.

**MR. WALDING:** I would like to ask the Minister what security is taken on these different types of loans; the direct loans specifically . . . secured.

**MR. DOWNEY:** Mr. Chairman, on the direct loans, 60 percent must be in land. The balance can be . . . 40 percent in livestock, and 20 percent in machinery.

**MR. WALDING:** Does the corporation have first claim on the secured loan in case of default.

**MR. DOWNEY:** Yes and no. Mr. Chairman, not on the guarantee; on the direct loans they do have.

**MR. WALDING:** I wanted to move on to some other figures that the Minister gave us. He mentioned some 5,000 loans going back to the beginning of the program in 1959. Is the 5,000 the total that are outstanding or the total number of loans that have been made since 1959, or is it the same figure?

**MR. DOWNEY:** Mr. Chairman, it's indicated to me that the 4,900 and some are the number of farmers that have participated in the MACC programs.

**MR. WALDING:** Can the Minister indicate to the committee how many of them are presently extant?

**MR. DOWNEY:** Mr. Chairman, for further clarification, there are approximately 8,000 accounts. The almost 5,000 that's indicated are farmers and there are approximately 8,000 accounts.

**MR. WALDING:** Would that indicate then that some farmers have more than one account with the corporation?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. WALDING:** Would these be for subsequent pieces of land that are . . . ?

**MR. DOWNEY:** . . . or machinery or livestock.

**MR. WALDING:** I see. Can the Minister indicate to the committee how many loans have been taken out and fully paid back since the scheme came in in 1959?

**MR. DOWNEY:** There has been approximately, out of 109 million, 700 and some thousand dollars that I indicated was the total amount that had been loaned out, there has been approximately \$52 million repaid out of that total amount.

**MR. WALDING:** How many accounts would that indicate, have been fully paid up?

**MR. DOWNEY:** I don't have that figure at this time. We could make that available to you, Mr. Chairman.

**MR. WALDING:** Did the Minister give us the figure of how much he expected to loan out under this scheme in this coming year?

**MR. DOWNEY:** The estimate figure would be in the neighbourhood of \$30 million, Mr. Chairman.

**MR. WALDING:** Mr. Chairman, the Minister gave us a figure of some \$15 to \$16 million for the year just ended. Can he give us an explanation of why he expects that to double in the present year?

**MR. DOWNEY:** Mr. Chairman, the figure of \$15 million, I think, was indicated was for a period of approximately 10 months. The figure for this past year will be somewhat over \$20 million for the total of the 12 month period.

**MR. WALDING:** According to my arithmetic, Mr. Chairman, that would still seem to be an increase if you add 10 percent to make up for a year would be probably somewhere around 18 percent — the Minister now indicates in excess of 20, well he told me 30 just now.

**MR. DOWNEY:** No, Mr. Chairman, I want to indicate to the Committee, because we're now in the area of lending money for land purchases, there's a larger use of capital or a larger requirement of capital. I have indicated that for the 10 month period there was approximately \$15 million, I believe, to \$16 million out. When the year end figures come it will be in excess of \$20 million and with the use of the program we're anticipating the use of approximately \$30 million in that range \$30 to \$32 million. It's a projected figure, of course.

**MR. WALDING:** Yes, I realize that. The question then is why is the Minister projecting an increase of approximately 50 percent in the coming year?

**MR. DOWNEY:** Mr. Chairman, as I indicated we've only been in the direct lending for land for a period of something like 6 months and we're now lending money to a larger number of people for land and it uses a larger supply of capital because of the land lending program.

**MR. WALDING:** I'm a little puzzled, Mr. Chairman. The Minister has told us that the program goes back to 1959 and that money is loaned out for land, machinery, buildings, livestock and that sort of thing yet now he's saying that it's only been in effect for 6 months on land?

**MR. DOWNEY:** Mr. Chairman, there was a period of time when you had a land lease program in place, the last government had a land lease program in place where you weren't in fact lending money for land. Now we have re-introduced a lending program in which we are now lending money to farmers and it's accelerated. The use of the money has increased because of the price of the land values and the numbers of people that are borrowing money.

**MR. WALDING:** Is the Minister then telling me that there was no direct loans during the time of the land lease program?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. WALDING:** Okay, I see. Mr. Chairman, the \$30 million that the Minister say will be loaned out in the coming year, I presume that that is a net amount — netted against the amount of interest repayments.

**MR. DOWNEY:** No, Mr. Chairman, that is the gross amount.

**MR. WALDING:** Can the Minister then tell me what he expects MACC to received so as to give me a net amount.

**MR. DOWNEY:** Approximately \$7 million, Mr. Chairman.

**MR. WALDING:** So as to leave a net amount of \$22 million approximately.

**MR. DOWNEY:** \$22 to \$25 million.

**MR. WALDING:** Is this amount to be raised out of taxation or is it to be borrowed money?

**MR. DOWNEY:** It will be capital moneys borrowed.

**MR. WALDING:** Now I want to move just briefly to the land lease program. Can the Minister give me an up-to-date figure as to how many acres or how many farmers, how many farms, the government presently, or the corporation, owns under this program?

**MR. DOWNEY:** Mr. Chairman, the figures is approximately 437.

**MR. WALDING:** 437 what?

**MR. DOWNEY:** Numbers of properties from the land lease program.

**MR. WALDING:** Amounting to approximately how many acres?

**MR. DOWNEY:** Yes, approximately 167,000 acres.

**MR. WALDING:** I ask if any properties have been sold by the Corporation since this Minister took office?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. WALDING:** And how many?

**MR. DOWNEY:** The figures give to me here, Mr. Chairman, are 121 since February 15.

**MR. WALDING:** Were these properties that were being farmed at the time that the Minister took over?

**MR. DOWNEY:** The majority, Mr. Chairman, yes.

**MR. WALDING:** So 121 farmers gave up farming or moved somewhere else or gave up their rental on the property. Would that be correct?

**MR. DOWNEY:** No, Mr. Chairman, that is not correct. They are people who were under the land lease program who have now reverted to, instead of leasing the land they have purchased the land from the Credit Corporation. Instead of leasing it they are now the owners of it.

**MR. WALDING:** Was that true of all 121 cases or were there some that moved away or gave up?

**MR. DOWNEY:** There could be a little bit of a variance on that. The information I have available to me here, Mr. Chairman, is that they are 121 that are bought by the people who were farming it, the lease people.

**MR. WALDING:** I'm pleased to hear that

**MR. CHAIRMAN:** The Honourable member for Ste. Rose.

**MR. ADAM:** Thank you, Mr. Chairman. I've a few more questions to ask. I believe the Minister said there was 415 or 427 was it?

**MR. DOWNEY:** 437.

**MR. ADAM:** 437 still on the land lease program.

**MR. DOWNEY:** The number of properties that are still owned from the Land Lease Program.

**MR. ADAM:** Yes. Those are all under lease and operating at the present time.

**MR. DOWNEY:** Yes.

**MR. AJM:** Or are some of these lands vacant or on hand?

**MR. DOWNEY:** All under lease, Mr. Chairman.

**MR. ADAM:** All under lease. There are none that are unsold, unoccupied and unsold that have had to be taken back?

**MR. DOWNEY:** The question that was asked, I believe, was are they any unoccupied or any lands that are not leased?

**MR. ADAM:** I'm not talking about Crov land, I'm talking about land lease.

**MR. DOWNEY:** No, I know you're talking about MACC — we're debating the MACC, that is what you are asking. I think maybe 15 that do not have tenets on them and have been tendered for sale.

**MR. ADAM:** I see. They are tendered for sale. Is there a reserve bid placed on these lands when they are tendered for sale?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. ADAM:** What would that reserve bid be? In relation to the purchase price of the land by the Crown, what would the reserve bid be?

**MR. DOWNEY:** Mr. Chairman, the reserve bid, that figure is not made public. It's the cost to date that the corporation has on that land or the reappraised value of that property, whichever is the greater. **MR. ADAM:** I just want to get this clear. I want to get this perfectly clear now as to what we are debating because we do purchase land. . .

**MR. DOWNEY:** No, we don't purchase land.

**MR. ADAM:** We did purchase land — oh, you did purchase land, I brought to your attention 6 quarters that had been purchased by your government. I can give you the keys of the quarter sections in all, if you want? The land that the lessee has let go and has reverted back to the Crown is tendered?

**MR. DOWNEY:** Yes, Mr. Chairman.

**MR. ADAM:** Okay. If we pay \$75,000 for say a couple of quarters, half a section, and it's put up for tender — are you saying that you will take the highest bidder?

**MR. DOWNEY:** No, Mr. Chairman.

**MR. ADAM:** Then how is this tendered?

**MR. DOWNEY:** It's offered for sale by tender. I will state, as stated before and I'll state it now, the corporation gets the amount of money, the cost to date that it has in it or the appraised value, whichever is the higher. We will not sell it for less than what the corporation has in it or the appraised value.

**MR. ADAM:** Could the Minister tell us, on the lands that have been tendered and sold, how much profit has been made by the people of Manitoba through these sales? And surely you can be able to give us that information?

**MR. DOWNEY:** I don't have that figure available to me, Mr. Chairman. I don't know really what it is at this particular point.

**MR. ADAM:** Would the Minister undertake to provide us with that information. Could he tell us first of all, how many such parcels of land have been tendered since the election of this government, since he took office?

**MR. DOWNEY:** Approximately 15 to 20, Mr. Chairman.

**MR. ADAM:** 15 or 20?

**MR. DOWNEY:** 15 to 20, Mr. Chairman. I said an approximate figure is 15 to 20.

**MR. ADAM:** 15 to 20 could the Minister undertake to give us a breakdown on the parcels of land that have been tendered, how many bids were received on each parcel of land and the amounts of the bids of each individual who tendered on these lands? And we would like to have this information whether the highest bidder is necessarily accepted?

**MR. DOWNEY:** Mr. Chairman, I have no problems with that. If I understand the member correctly he is wanting to know the numbers of people that have bid on each property and I could attempt to make that information available to him.



**MR. CHAIRMAN:** The Member for Lac du Bonnet on a Point of order.

**MR. USKIW:** Yes, it seems that the minister has difficulty in providing us with the information for purposes of debate here this evening, yet he wants to insist on proceeding with the Estimates Review and since the minister is not in a position to give us the information asked for, I would suggest that the Committee rise. —(INTERJECTION)— Well, then we should have the information.

**MR. DOWNEY:** Well, Mr. Chairman, I have some information for the Member for Lac du Bonnet already that he had asked from the crop insurance, and I would give him that information at this time — what percentage of the insurance, the total hail insurance that we have in the province and it's between 45 and 50 percent, so I would think that he should retract his statement on the speed with which he's getting information.

**MR. USKIW:** Mr. Chairman, if the minister is indicating that the questions that are now being put, will be answered during the course of today's or tonight's or this morning's discussion, then that's fine, I accept that, but if he is indicating to us that he won't have the information readily available and that we may not get it till the next sitting, then I suggest that it's futile to continue this sitting.

**MR. DOWNEY:** Mr. Chairman, as the member is well aware of any sales of land by the credit corporation by Order-in-Council and it is their public record which they are able to . . .

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

**MR. ADAM:** Mr. Chairman, we are being asked now by the minister and the department, we're asked by the minister to pass probably one of the biggest items in his Estimates. It's one of the most important items in his Estimates. It's probably the biggest change in his program and we are asking him a simple question as to the method used and we would like to know, we would like to have this information before we can pass \$1,837,900.00. I would like to know because, Mr. Chairman, if you want to know the reason that I'm asking this question, I believe that some of the land was sold for less than we paid for it. I would ask the member to contain himself because there are some lands that I would question the value that they were sold for. There are other parcels of land that the people of Manitoba paid \$75,000 for and were sold for \$143,000, doubled their money on the sale of lands. But there are others that appeared to be abnormally low. —(Interjection)— Well, Mr. Chairman, we were accused, the government was criticized by the then opposition of inflating the prices of land which I think averaged out to \$110 an acre, if I recall correctly. Now, we find that some of these lands that have come back to the Crown, to the people of Manitoba, have been sold for double the price that they were purchased for by the Crown, and we're very happy that the public has made money. By the same token, Mr. Chairman, we're asking the minister — we want the information because there are some lands that appear to have been sold at a very low price and that is why we want to get a full breakdown of how this was handled because we feel it is very important and we're prepared to stay here till 11 o'clock tomorrow morning. We'll stay here till 10 o'clock tomorrow morning when the sitting opens in the House if that is what is required, but we have to get that information before this item is finished. If that is what is required, we will speak here till 10 o'clock tomorrow morning and this item will not pass or we can rise and come back tomorrow when everybody's rested up and in a good frame of mind. We're starting to get edgy now, we have discovered some . . . —(Interjection)—

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

**MR. ENNS:** Thank you, Mr. Chairman. I know our Minister of Agriculture has been extremely generous in offering the kind of information, but surely the request from members on this side is unreasonable. It is entirely appropriate for members to ask what is the general policy of MACC and in their handling of these lands, in the nature of how lands are disposed or sold and it's also within reason that the government or MACC supply specific information if members or if a member feels that he has a particular case in mind that he wants to ascertain this specific information.

But as I understand the request to have all possible tenders and firsts, seconds, and thirds and fourths and names listed, I think that is entirely beyond all reason. Certainly it wasn't the case in the eight years that the former Minister of Agriculture presided over the purchase of a great deal of land. It was never made available to the public as to who and how many offers for a piece of land might have been made and by whom. The minister of the day at that time described the

general policy of the land-lase program and proceeded on that course. I think, Mr. Chirman, and I don't want to disappoint the Member for Ste. Rose, but you can well sit here until 10 o'clock in the morning but quite frankly, I don't think you will get the information. I think the information that you are requesting is unreasonable.

Let's also be very clear on this matter. There is a fundamental policy difference. The fact of the matter is that under this Minister of Agriculture, under this government we intend to borrow money as has been the case in the past through the offices of the Manitoba Agricultural Credit Corporation. The previous administration moved away from that area of direct loaning to farmers and we wish that program to succeed. I have every reason to believe it will succeed, but surely, one of the measures that will guarantee its success is to assure the borrowers some confidentiality, that his personal and private business isn't going to be publicized in this manner.

Now, I know that grates my friends the wrong way and they will not agree with that, they take the position that it is public money, but I simply say that there is a difference. I invite the former Minister of Agriculture to go and travel through the width and breadth of Manitoba to make that argument among farm communities. When they come to their government for some support, that it will then be waved from every doorstep — Farmer Jones has received \$33,000 and a number — now Mr. Jones I know that is your policy and that is your position and I quite frankly wish that the Honourable Member for Lac du Bonnet continues to pursue that position. It will just ensure and guarantee that in successive elections, honourable gentlemen from the Conservative Party will continue to represent rural Manitoba.

It indicates a sorrowful lack of understanding of what the agricultural community and what the farmers of Manitoba want and how they would like their Department of Agriculture to respond to their needs. So let's agree to disagree on that fundamental point. The Honourable Member for Lac du Bonnet, I can accept his philosophical position on the question that it is public money and as such public money could well be given the further information on. But it simply won't happen at this Committee. I don't think the Minister of Agriculture has any intention of violating the confidences that individual farmers place when they're making application for a credit under the Credit Corporation and it's for that reason, I think, Mr. Chairman, that honourable members and the minister ought to make that clearly understood to the honourable members that that kind of information is not going to be coming.

**MR. USKIW:** Well, Mr. Chairman, we can sit here and listen to the Minister of Highways and from time to time we enjoy his contribution. But you know, it isn't too long ago that with respect to a speech was made a big project at The Pas, exactly the kind of speech that was just now made; that there is a need for confidentiality to protect the borrower who has competitors and other people shouldn't know his business affairs and so on. And of course, at that time the Conservative government went a little further to build this shroud of secrecy around their operations by indicating that they were not prepared to even divulge the operations of the MDC period. Well, not only were they not prepared, the Act prevented them from doing so.

**MR. CHAIRMAN:** Order please. Could I ask the member to try and stay within the realm of the item that we are discussing?

**MR. USKIW:** Mr. Chairman, I appreciate the fact that it is now 10 minutes to one and perhaps it's difficult for you to follow the debate. Yes, perhaps it is difficult. We were talking about confidentiality with respect to the use of public funds and that is what we are talking about now, the appropriation of \$1,817,900 of public funds that are going to the private sector and we're talking about confidentiality of those funds. So the Minister of Highways entered into the debate, suggesting to us that it should be kept confidential and we are indicating to him, Sir, through you that the last time that argument was made, Manitoba lost about \$100 million over it because the then Conservative Minister of Finance said that it was in the public interest to keep it confidential. Furthermore, he said to the House that there was no provincial money involved when there was provincial money involved by the tens of millions of dollars, Mr. Chairman.

So I am just point out to the Member for Lakeside that confidentiality in the end defeats the people who want confidentiality, and so the Member for Lakeside would now want to get us back into the position of the Conservative Party of the 1960s which got them into a lot of trouble, that's fine, that's his policy. We know that they want confidentiality because we know that they want to express a bias as to how funds are administered and as to who has an opportunity to use public funds. Yes, we understand that, Mr. Chairman, and that is why — yes, I will explain — the Member for Ste. Rose would like to know the methods of disposing of Crown lands, Crown assets and, Mr. Chairman, I would like to know and I will give the minister a specific. I would like to know whether or not the land that was bought from his corporation by one Mr. Ransom in Boissevain, is he

the Ransom that is a member of this assembly? I would like to know that.

**MR. DOWNEY:** No, Mr. Chairman, he is not.

**MR. USKIW:** Well, I would then like to know, Mr. Chairman, whether he is related to the Ransom that is a member of this assembly.

**MR. DOWNEY:** Yes, Mr. Chairman, he is.

**MR. USKIW:** All right, well then, Mr. Chairman, that establishes the reason for my colleague's question. It is public money and we want to know, Mr. Chairman, how these lands are disposed of and whether or not, Mr. Chairman, it was the highest bid, whether it was somewhere in the middle or whether it was the lowest bid and whether there was a reserve bid. We would want to know that.

**MR. DOWNEY:** Well, Mr. Chairman, I want to make it very plain and I've said it before and I will say it again that the procedure in which the land lease land is being sold, is sold by public tender, that there is a reserve on the land that the corporation gets the money out of the land, all the costs that they have incurred, or the appraised value which is the higher. And the accusations that the members want to make are totally unfounded. I am sure that we are discussing the operations of the Credit Corporation; I can assure you, Mr. Chairman, and members of the committee, that that is the procedure that has been carried out, and that is the procedure that will be carried out. I am sure, as the members are well aware, we are responsible for the lands and I know that under certain circumstances, there might be some individuals who, if they wanted to check with, did not in fact purchase land and I do not feel that it is the responsibility of government to disclose that information. I think that it's being handled in a very fair and open manner and I am sure that to look at the whole Credit Corporation sales of land that we could go right back and table the whole purchase and all the acquisitions of land that took place.

Now, I don't think we have to get into that, Mr. Chairman. I can assure them that what I have said; we have a board of directors that run the corporation or are responsible to the people of Manitoba and to the government, and I am quite confident that it's being handled in a very equitable manner.

**MR. USKIW:** Well, Mr. Chairman, is the Minister assuring me that there was, in this example that I indicated to him; that's only one example there are others, whether there was a reserve bid on that parcel of land that was sold to the Ransom family? And I would like to know how much the reserve bid was?

**MR. DOWNEY:** Mr. Chairman, I don't have that information, but I want to assure members of the Assembly and of this committee, that there was no connection between the member, who is a member of the Legislative Assembly, and that land sale that took place in the Boissevain area that the member refers to. I can assure him that, other than the fact that they are brothers and I am sure that we live in a society where we are not responsible for what our brothers do, and as I say, I want to assure members that there is no connection. As far as the reserve bid is concerned, Mr. Chairman, I have said it, I have said it many times in this committee tonight that we either got the total cost to the Corporation, or the appraised value. I'm sure that's the way it's being administered; that's the way that the policy is set. So there is no question, Mr. Chairman, it's consistent, they're all handled and I am sure, as has the members been indicated, can look at the order. It's a public document.

**MR. URUSKI:** Mr. Chairman, the Minister tries to have us believe that an Order-in-Council would give us the information that we are seeking, which is not correct. The Order-in-Council simply indicates the terms of the purchase. It doesn't indicate at all whether there was a reserve bid; it doesn't indicate who the other bidders were and what the bids were; it doesn't indicate the appraised value; it indicates an agreement of purchase, and that's not what we are asking. We know that by looking at the O/C. We want to know whether there is a conflict of interest somewhere along the way. We want to know whether someone had an inside track on the purchase; whether rules were waived with respect to the purchase. That's the nature of the question that the Member for Ste. Rose puts, and if the government would table these documents for purusal of the Committee of the Legislature, we wouldn't have to zero in on one or two that we are aware of. But because the government is unwilling to operate openly with the Assembly, with members of this committee, then we have to unfortunately bring out examples and point fingers at people that may be totally



innocent in the transaction, but happen to be the ones that are known about, and that is unfair to everyone, Mr. Chairman.

It's unfair to the committee to have to be put in that position and it's unfair to the people that are caught in the middle of this debate, and therefore, I suggest that it would be in the public interest if all was known about these transactions. The committee would have an opportunity to peruse and to ask questions, and that would be open government, Mr. Chairman. We wouldn't have to worry about whether this Minister is hiding something from the public that he should not be. —(Interjection)— Oh, nonsense, nonsense.

The Member for Minnedosa is very knowledgeable about the business of loans, Mr. Chairman.

**A MEMBER:** Confidentiality.

**MR. USKIW:** No, no, there is no confidentiality and he knows it. When you, sir, want to borrow money from a bank, they will know all of your outstanding obligations within the whole financial system in this world, Mr. Chairman, before they agree to that loan, so when he talks about confidentiality, that's a bunch of nonsense; that's a bunch of nonsense. —(Interjection)— Well, the member says they're the only ones that know. Yes, it is their funds and therefore they should know, and these, Mr. Chairman, are our funds, and therefore, we should we know. It's exactly analogous to. . .

**A MEMBER:** I have at least twelve conversions a week.

**MR. ADAM:** We want the same thing as you want.

**MR. URUSKI:** We want the same protection for the public who is putting up money, as the Royal Bank wants for its shareholders when they make loan transactions to the community.

**A MEMBER:** File an order for return. .

**MR. URUSKI:** That's right; that's what we're talking about, because the people of Manitoba, Mr. Chairman, are the shareholders of the MACC, and they are the ones that stand to lose money if this Minister mismanages the operations of the MACC.

**A MEMBER:** You had eight years to make it public, Sam.

**MR. USKIW:** You didn't ask for it.

**MR. CHAIRMAN:** Order please. The Honourable Member for Ste. Rose. —(Interjection)— Order please. Would the members of the committee address their remarks to the Chair.

The Member for Ste. Rose.

**MR. ADAM:** Yes, Mr. Chairman, the fact that the Minister does not want to provide this information for us which we think is very important and pertinent at this point in time, sort up leaves us suspect, you know. He arouses more suspicion than we already have, and we start to suspect whether there isn't some irregularities that have taken place, because, Mr. Chairman, I happened to speak to a farmer up in that area who is familiar with the lands bought by the Ransom family, and he advised me — well, whoever it was; part of the Ransom family — and he feels that that land was undersold for the land in the area. He says that seems to be quite low.

Now, you can't blame us, Mr. Chairman, to try and get this information, because you know, the Minister says that he has a lot of confidence in the Board of Directors, but I brought to his attention the fact that this Board of Directors purchased six parcels of land, south, north, east, or northwest of here, at a price that had been turned down twice prior to that by the previous manager. So we have a lot of confidence, but we want facts, Mr. Chairman. We want to know, when our request is not unreasonable; there are only 15 or 20 parcels involved, we want to know how much money the people of Manitoba made, how much profit was made on the sale and how much was lost on each parcel. We want to know who bid on these parcels of land; what were the bids? That information should be available, and why does the Minister refused to give it to us. Is the Minister prepared to give us that information so we can proceed?

**MR. DOWNEY:** Well, Mr. Chairman, I explained the policy, the sale policy of the land. I don't think there is any need to go into it in any more detail. There is a Board of Directors who are responsible

for the operations of the Manitoba Agricultural Credit Corporation. I can assure you that what I have said is the way the land sales have taken place, and as far as the allowing of information to be made available, through all the sales of land, I think we would have to go completely back through the whole system and table the whole purchasing of the whole thing. It would be a total. . .

**MR. ADAM:** There is nothing wrong with that. There is nothing wrong in going into all the transactions of land that were made by the Crown. It's public money; sure, we should know it. But what I was specifically asking for was the 15 or 20 parcels of land that were sold by the Crown by tender. Now, that shouldn't be very difficult. We would like to have that at this particular time. If we could have that information we could proceed on maybe to the next item, or whatever it is, otherwise, I don't see us advancing very far on this point. We want to have that information; it's available, it wouldn't be difficult for the Minister to get it. I believe that information could be brought to us here; could be tabled the first thing tomorrow when we meet here in committee after the Question Period. We will be here at 10:00 o'clock in the morning, and I don't know whether we go into committee I expect we will till 4:30, and after the Question Period, and if the Minister would undertake to give us that information, we think it's relevant and it's important to have it at this particular time.

And the fact that this has been brought out at this particular time and we have discussed it at length already, and if the Minister doesn't provide us with this information he leaves an aura of suspicion, he leaves the whole thing open to question. We think that the air should be cleared; we don't want any innocent parties to feel injured, but we have a right, the public a right to know, so we think it would be to the advantage of the people of Manitoba and to — particularly since Mr. Ransom's name has been mentioned — we want to know. We don't want the people to think that there has been anything irregular there in that transaction, but we want the facts. Because as I say, Mr. Chairman, that parcel of land was sold well below all the other parcels of land that were sold.

**MR. DOWNEY:** Well, Mr. Chairman, I can assure the members that the land sales are all treated the same. As I have said prior to the member speaking again on bringing out points, as far as I am concerned there is a Board of Directors that completely approves the sales; they have recommended to the government the ones to proceed with and I can assure the members of the committee and the opposition and the people of Manitoba, that everything is completely in line with the policies and there aren't any ones that are of any different nature.

**MR. ADAM:** Is the Minister saying that he does not intend to give us that - information; that he refuses to give that information to the people of Manitoba; is that what the Minister is saying? That he will not tell the people of Manitoba how much money we made on those lands; how much they cost us; and who were the bidders? Is he saying that? Is he refusing to give us that information?

**MR. DOWNEY:** Mr. Chairman, I think I have indicated figures here on numbers of land lease farms and the total picture, and I, Mr. Chairman, think that there has been a pretty good explanation of what has taken place. To get into those kind of specifics, and I know the members opposite are trying to create some kind of . . . going on a witch hunt of some kind . . . but it's the same type of story they're trying to paint as they've done for the past year and a half, really.

To discuss the MACC Estimates, it's the operation we're spending; we're estimating not the capital operations of it; and the members will have an opportunity, I'm sure, in the Minister's Salary to come back on it again if they feel they haven't derived the information. I see no point in holding it up at this particular time, it's been pretty thoroughly discussed.

**MR. ADAM:** We understand the policy. The Minister has given an explanation of what has happened — we understand that — that's not what we want. We want the exact information of what took place. It's not too much to ask, and the Minister refuses to give us the information. I say that it is not a healthy situation to leave that hanging in the air. It's got to be brought out and clarified, and that is not too much to ask; the longer the Minister delays to present that information to the Committee, the worse it's going to look to the people of Manitoba.

**A MEMBER:** They'll have to destroy the tapes. —(Interjections)—

**MR. ADAM:** And I suppose the Minister will be running to destroy papers tomorrow morning. —(Interjections)—



**MR. DOWNEY:** Yes, Mr. Chairman, the Member for Ste. Rose is painting a great black picture, a dark cloud. Let me assure you, Mr. Chairman, that as far as the total information on specifics, I don't really think that there's anything to gain by the Committee to disclose that information. —(Interjections)— Well, Mr. Chairman, I'm speaking, and I feel that as far as the Board of Directors are concerned of the Credit Corporation, as far as the actions taken by it are totally handled responsibly, and we'll leave it at that. I think we're consistent with all these land sales; there is no question that it hasn't been handled in the proper manner.

**MR. CHAIRMAN:** Pass — the Member for Lac du Bonnet.

**MR. USKIW:** Well, Mr. Chairman, the Minister is obviously suffering from something here this evening. He hasn't been able to make a distinction in his mind, at this hour of 12 minutes after 1:00, I can't fault him perhaps, Mr. Chairman, he hasn't been able to make a distinction between a normal account — and whether that should be made public — and an account over which there has been a tender procedure. And that what the Member for Ste. Rose has been asking for, is to have the data on all the transactions that were sold by tender — and there's quite a difference, Mr. Chairman, between the regular operations of MACC and the regular clientele, and those transactions that were handled by way of public tender which there were bids received and on which there was some judgment made and some people were fortunate in being the successful bidders.

But I think it's obvious to anyone that, under a tender system, there should be no hesitancy in giving us the detail as to the number of tenders; the amounts of each one; and whether or not it was a reserved bid; and whether or not the successful bidder was the highest bidder. That is standard procedure; that is to be expected; that's a norm; and this Minister doesn't want to do that, so I don't blame the Member for Ste. Rose for suggesting that perhaps he has to destroy some evidence somewhere, because he has an embarrassment. I don't blame the Member for Ste. Rose for suggesting that, Mr. Chairman, because the Minister is unable to provide what is normally provided whenever a public body, whether it's a municipality, or whether it's a city or a town or a government, does business by tender. —(Interjection)—

But, Mr. Chairman, we have no access to that information, and this Minister refuses to give us access to that information with respect to a handful of properties that were sold in that way — and that really is an incredible performance of this Minister, Mr. Chairman. —(Interjection)—

**MR. CHAIRMAN:** Pass . . .

**MR. USKIW:** No, Mr. Chairman, we are not passing.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, let me get this clear. I think, if I understand the request properly and the questions that have been asked . . . am I correct in assuming that the Members of the Opposition are requesting to see the tenders of the property that have been sold, or are we looking at the total picture of making available to the public all the farm loans that are made on a one-on-one basis, that it's a public document that anyone can go and peruse it? Now, I want to get that clarification, because I think it's important to me as a the Minister to know just exactly the detail.

As far as the tenders on which the land has been sold . . . —(Interjection)— . . . that's right, Mr. Chairman, as far as I'm concerned, I said I would give consideration to giving that information to the . . . Mr. Chairman, I think that to set a precedent in making a wide open type tender, I would definitely want to see what precedent has been set as far as public tendering is concerned; and I have no hang-up, Mr. Chairman, about showing the members of the Committee the bids on public tendering of that type of thing — no hang-up whatsoever — but I do have — and this is my reservation, Mr. Chairman — that I do not want to get into the position of having to show the public all the moneys that have been lent or being lent by the Manitoba Agriculture Credit Corporation, on an individual one-on-one basis. I think it would be a total irresponsible move by a Corporation that are in the business of lending money, and I think that that is the hang-up that I have. As far as the actual perusal of the tender system, and how the lands have been sold, I will go back again and say as I did in the beginning, that I will give serious consideration to it, to see what precedent has been set, to see how public tenders have been — the information that has been made available from them — I have no hang-up on that.

**MR. CHAIRMAN:** The Member for Lac du Bonnet.

**MR. USKIW:** Then if the Minister agrees that he will furnish to this Committee all of the documents relative to those parcels of land that have been sold by tender, that will be satisfactory to our members on this Committee, but he hasn't said that. He said he will think about it, and that's quite a lot of difference before we pass this item, Mr. Chairman.

**MR. DOWNEY:** Well, Mr. Chairman, I think I said exactly these words, that I would look at any precedent that has been set as far as that kind of public information that has been made available, I have no hang-up. I'm sure that it would clear the air, if this is what the members are concerned about, if there's specific ones I think it could be quite easily cleared up. To make it a blanket policy, I would want to see again what precedent has been set, but there's no reason to create clouds of doubt over this Committee meeting. As I said, there's no irregularities —(Interjection)— Well, Mr. Chairman, I said that I am quite prepared —(Interjection)— Well, Mr. Chairman, that's the member's prerogative, but I've clearly . . .

**MR. USKIW:** You keep saying that but you refuse to furnish information.

**MR. DOWNEY:** Well, Mr. Chairman, we're in a Committee meeting, and we're discussing the Estimates of a Corporation that has nothing to do with the capital expenditures of that, it's the operational portion of the MACC, and I think that there will be under my salary an opportunity to come back and discuss this very issue, and at that particular time I will have an opportunity to have looked at precedence as far as the public tendering is concerned — I have no hang-up about it, I'm telling you that right now — I'm sure that there is a complete . . . but I want to be assured that the type of procedure that is followed is one that has been followed in the past, and I don't think that there is any question that that would be the proper approach.

**MR. USKIW:** Well, Mr. Chairman, I'm not prepared to have this item pass without knowing whether we are going to receive that information, and since the Minister is not in a position to tell us, then it's a good point to call it a day, Mr. Chairman.

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

**MR. WALDING:** Did I not hear a motion, Committee rise?

**MR. CHAIRMAN:** I did not hear a motion, Committee rise.

**MR. WALDING:** Perhaps I can assist the Minister, Mr. Chairman. There seems to be two matters that the Committee is discussing in this particular instance: One of them being a request by my colleagues that the borrowers of funds from MACC be made public, in the same way that borrowers from the MDC and CDF are made public and published, and that is an accurate analogy rather than the analogy that the Minister of Highways gave in comparing it with recipients of welfare. That's one matter. Okay, the Minister has indicated that he doesn't want to do that.

The other matter is the matter that the Member for Ste. Rose raised with the Minister, which I understood earlier that the Minister would accede to, but not at this moment, but maybe tomorrow he would produce these documents. And then he seemed to change his position and say, well, no he wouldn't, and then he said he would consider it, but he would want to know what the precedents were for publishing government tenders; and that is something I think I can assist him with, having just been given an example of it by one of his colleagues in the House. And I asked the Minister if he would supply to me the tendered amounts for the supply of fire insurance coverage on government buildings. I think the Minister was a little bashful about giving it to me, because it was slightly embarrassing to him; it showed that MPIC had bid the lowest amount, but he did give me the figures. The document showed, as I recall, that invitations to tender went out to nine different brokers and that four or possibly five of them had sent in a tender. The amounts of each tender were given, and it showed of course that the broker representing the Manitoba Public Insurance Company was the lowest one.

So I would throw that out to the Minister as one example of the government releasing, you know, public tender information to the Members of the Opposition on request, and it seems to be what my colleague for Ste. Rose is asking for, is a little wider information than that. He's asking about some 15 or 20 properties, rather than just one tender, but if the Minister is prepared to give one tender on one property, the same principle should apply to the 15 or 20, and it seems that that is what he is asking for.

He's also asking for the reserved price, which is part of the tendering process, and that seems reasonable that it should be given. Now if the Minister wants 5, 10 minutes to consider it, we will be very glad to recess and stretch our legs for a minute, if that what he considers to be a consideration of it. But we are asking for some commitment from the Minister. We don't want to rely on what he said a few minutes ago, that coming back to my salary I believe were the words he used, and getting the information at that time, which seems like a commitment that he will give us the information then, but he won't give us a commitment now that he will give it to us. Now, that little confusing, and maybe that's not quite the way that was a the Minister meant it, but I have given him an instance, Mr. Chairman, where his colleagues have acceded to this.

I would give him one further example too. I filed with the government last year an order for return asking for details of the tendering procedure for the Lord Selkirk Cruise Boat, and the various other ancillary assets that went along with it.

**MR. CHAIRMAN:** Order please. The Member for St. Vital. Order please. Would the members direct their remarks to the cbar. The Member for St. Vital.

**MR. WALDING:** I believe I was starting to tell the Minister about an Order for Return that I had filed last year. —(Interjection)— Well, I won't be put off, Mr. Chairman. If I keep getting these remarks, I can certainly go back to the beginning of the story and begin to tell it again.

The story begins back about a year ago, Mr. Chairman, when I filed with the government an Order for Return asking for details of the tenders received by the Department of Industry and Commerce, I believe it was at that time, on bids received for the assets of the Lord Selkirk, the Lady Selkirk, and the various other assets involved at the time. The government undertook to provide that for me. Again, they've been little tardy in supplying that information, and I am still waiting for it, but the commitment is there from the Treasury Bench that they will, in fact, produce that information, and I suggest for the Minister's information that that is one further example of the Treasury Bench acceding to requests from the opposition for details of tenders.

**MR. DOWNEY:** Mr. Chairman, the member refers to the purchase, or to the tendering by an insurance company, and the area that I'm discussing, as far as I'm concerned, is the responsibility by a Board of Directors to the government. And as I said, I have no hang-up about making available the information, as long as it's within the restrictions or the way in which I am able to move. As far as the information that's available, there's nothing concerning me in that matter, it's just in the procedural move by government to make that information available.

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

**MR. ENNS:** Well, Mr. Chairman, I just had the feeling that we could keep on this wheel for a while. The Minister has indicated his position to the committee, I think it's an acceptable one, and perhaps this would be an appropriate time for the committee to rise.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY — HEALTH AND COMMUNITY SERVICES

**MR. CHAIRMAN, Mr. Arnold Brown (Rhineland):** We are on Social Services and Community Health, Resolution 64, Health and Community Services, Item (q)(1)—pass — the Honourable Member for Swan River.

**MR. DOUG GOURLAY (Swan River):** Thank you, Mr. Chairman. I was not present in the House earlier this afternoon, when the Honourable Member for The Pas was making some reference to the communities of Pelican Rapids and Barrows, which happen to be in my community, and I'm vitally concerned about those communities despite the comments by the honourable member.

He indicated that I had not approached the Minister of Health regarding the cutbacks in the MANWOP program, and purposely I did not contact the Minister, because this program has been in effect for a number of years, and it has not proved successful. There has been many thousands of dollars spent on this particular program, and I concur with the Minister's decision to cut back, and I can only say that I would have been much more pleased if the whole program, probably, had been more seriously reviewed.

After many years, this program has not proved successful, as most of the members will know. The MANWOP program is set up as a training program to train the local people so that they can become gainfully employed in the types of employment, such as logging and that type of work in

those areas. And I just forget now number of positions that were involved — I think it's some 15 positions — in each one of those communities, and I have talked to the people in the areas. They have been concerned that this program has not been successful, but thousands of dollars, over the number of years, have been pumped in there and it has become nothing more than a glorified welfare program.

I think that those people on welfare, and certainly not degrading those people because there is a problem with work in those communities, it isn't easy for people to get employment in Barrows and Pelican Rapids, but I don't think that people on this side of the House will continue to throw money at this particular situation such as the MANWOP program that was not doing the job that it was supposed to do. It is a wonder to my knowledge that the federal government — they were contributing to this program and it was not in their definition to be a welfare type program, that it would be a meaningful training program that these people could eventually become gainfully employed in the areas of Pelican and Barrows.

So, I don't know just what the Member for The Pas was getting at when he was concerned that I hadn't talked to the Minister about the cutbacks in these programs, because I certainly concur with the action that was taken. I'm not happy with the situation in those communities, but certainly the MANWOP Program was not doing the job that it was intended to do, and I guess it's just another example of the previous administration throwing money at a situation that was not producing the goods it was intended to do.

The member also made numerous references to the road into Pelican Rapids, and for heaven sakes, he was a member of the government for eight years that could have had the opportunity to improve that road. He said it was only recently that the Northlands Agreement was getting to a point where improvements would be made to . . .

**A MEMBER:** We wrote and asked for it every year.

**MR. GOURLAY:** I didn't bring up this question of the road into Pelican Rapids, it was the Member for The Pas. And he kept, not only once, but two or three times, he brought up reference to this road, and I certainly know what the road is like. It's not one that is one that I like to travel over very often. I'm sure the Member for The Pas was concerned and I know that he did put an effort into upgrading this road. But certainly with a government for eight years that did as little as the previous administration did, I wonder at the comments that he has made about it.

He also made reference to an RCMP car that went in there and overturned, and I don't recall that happening since I have been elected. But I just wanted to go on the record as indicating that within the last year, the Northern Affairs Department has spent some \$10,000 clearing the right-of-way so that you could at least see to go around the curves, and that more money is going to be spent this year by the provincial government to upgrade this road.

**A MEMBER:** Hear, hear.

**MR. CHAIRMAN:** (q)(1) — the Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, this is an extension of another debate going on in the House, because when the Member for Swan River says he doesn't understand, it becomes obvious — and it's regrettable — because he talks about throwing money at things. And I guess some of us wouldn't object to the use of this phrase if the members opposite were consistent.

I used an example the other day of people in the dairy industry being subsidized, because for some reason or other, they're not able to produce milk on an economic basis, that we as taxpayers buy from the farmers milk at over 70¢ a pound, and we sell it on the International Market at less than 30¢ a pound. But nevertheless, if you use your same . . . and I don't object to that, I don't object to that. It is necessary for us to have a good viable agricultural industrial base in this province, and in this country. But nevertheless, here again is the Conservative philosophy being imposed in this province, under the guise of throwing money at something.

Before we adjourned for the Private Members' Hour, Mr. Chairman, the Member for Rock Lake was making the case, and he was making it very well and stating a problem, that he related to the House that there was an employer in the North who had ten positions available, and only one person applied. I wonder why? After a hundred years of ignoring these people, I wonder why there was only one?

One of my friends across on the other side of the street and I were discussing something in a private conversation, so I won't identify him, but nevertheless we both agreed, if we could find this button we push to motivate people, it would be wonderful. But we haven't come up with it

yet. The Minister himself said that some of these programs, and I think he used the term "there were only 28 percent successful". Mr. Chairman, the miracle is that it is successful at all. This is what we're talking about on this appropriation of moneys, is trying to deal with some of the social development problems of this province. And if you have a better plan, if you have a better approach, for gosh sakes tell us. Tell the people of the province what you're going to use as a program to deal with these problems. I know what one of the former Conservative people in the government prior to '69 said. He said they haven't got any welfare cases up in our community. Why not? Because they chased them into the city, into my area. So you know, for gosh sakes, we have to put our differences aside and solve the problems. Because you keep packing these people into the city with no skills, no way to live. I see how you solved the problem. Over on another appropriation, Mr. Chairman, they've increased the appropriation for hiring policemen by \$2 million.

And for gosh sakes, you know, I don't mind you people arguing with us on a philosophical difference, but how are you going to solve the problem? You expect these people all of a sudden, who have been ignored, to get up out of bed like we do and go to work. A very good example of how, after a period of time, they were reaching a degree of success, and through no fault of their own the program was cut back, and we too were guilty of it. We had to cut it back because ManFor couldn't sell their fence posts. But nevertheless, Mr. Chairman, I would argue it was better to take the darned fence posts and burn them than pay the social cost of those people sitting on unemployment insurance. Because the biggest thing that you people are taking away from the people in the north is hope.

And here again we keep going on and on and on, point after point in these Estimates, the Conservative philosophy is being imposed upon the people of the province of Manitoba in the name of a meaningless term, restraint. Because it is not restraint. Evidence has been compiled all over the world that you're being pound foolish and penny wise. That ad for Fram Filters, you either pay me now or you pay me later. You pay me \$10 now or you pay me \$300 later. That's your philosophy. And for the members to say that here is but another program where we're throwing money at the problem. Or use the same argument as some of the other problems of industry. Here in the paper industry, where those trees can't go anywhere else, the Federal government comes along and says, "We're going to throw \$300 million at that program" and we don't get a squawk. We come along and we talk about the Crowsnest Pass rates, and I for one, until we solve this problem, would support the farmers that we don't shift one iota from that position because the CPR has taken every advantage that we gave them, we, you and I, on both sides of this House, to build a railway. We gave them all of these advantages; we give them minerals; we give them land; we give them everything else to build that railway, and they're taken everything over and put it under CPI Investments, Marathon Realty. They take all of the advantages and stick you and me with the losers.

But we don't hear a squawk about it. We don't hear, "Well, you are throwing money at the private sector". We're talking about people. We're talking about people and I don't know how long. Some people in this province think that because you're born of native ancestry, or you happen to live in the north, that when something dies up there you have to, you know, come into the city and beg for welfare, because that's what we have sentenced these people to over the years. And what do we hear? We hear condemnation of these people, that only one person out of ten — one person out of ten — applied for the job. The miracle is that one applied. The miracle is that 28 percent success rate. And if we can persist in this direction we'll solve the problem, but to pull back because it is only 28 percent, Mr. Chairman, is ludicrous. Hire more policemen.

I was at dinner tonight with some friends of mine, and they told me about a window being broken, so they went down to the police station, and they said: "Well, I'd like this man charged for breaking my window". Well in the police kind of didn't want to lay charges because they're backed up so much in the system that they don't want to address themselves to this minor problem. If you people are creating social unrest. The First Minister stood up here and really lectured us on class warfare. You people are causing the class warfare, because you take the hope away from all of the individuals in the north, and in the remote communities, who haven't been part of the traditional scheme of life, and you people are going to reap the benefits of it. And I'm sorry to say, Mr. Chairman, and so are the rest of us.

But for members opposite to continue this debate, that we were throwing money at it; if you have a better solution, for gosh sakes, come up with it, because the problem is not going to go away. And I guess the Member for The Pas was tempted to mention the road to Pelican Rapids, because during the Thompson campaign one of the Conservatives was running around saying on 391 he has the solution to that settling into the bog all the time.

But, Mr. Chairman, sitting on this side of the House, to hear, after the past eighteen months, this restraint, restraint, restraint; that's a bogey man, that's a bogey man. The Conservative Government is imposing Conservative philosophy on the people of Manitoba, and it's back to the



basics, and if you go through that one system and you're lucky enough to catch the brass ring, fine; but if you're not, then, tough.

Mr. Chairman, the world is shrinking too fast for us, as elected representatives representing one million people, to sit quietly and let this happen.

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

**MR. DESJARDINS:** Mr. Chairman, I thought that by now this item would be passed, but there are certain things that were said in this House before the dinner hour that can't go without being challenged.

I've asked on a number of occasions during the last two years, where it was that in this Department of Health and Social Development, we had thrown money away; where we had wasted and I was genuinely interested because it was my responsibility for the last two to three years before the government changed, and finally, it took a couple of backbenchers to tell us that here's one program, and the last member that spoke, the Member for Swan River, quite clearly, quite loudly, told us that this was one area where money was being thrown at a problem instead of dealing with it.

Mr. Chairman, when the Honourable Member for Rock Lake stood up and he started talking, I couldn't believe my ears. The misunderstanding, and also some of the statements he made. Now you remember, Mr. Chairman, if you were here before the dinner hour when I spoke, at no time did I blame the government at all. I took the trouble to explain that this was a problem. We'll always have problems in society. It's certainly not a perfect society, but I was trying to recommend certain actions to the government, and this is our responsibility and felt that they could at least do a little bit, do something.

I agreed that this was not the program that would necessarily change everything, there is no doubt about that. And I agree that as far as if we were just basing ourselves like the last member that spoke from the government side, if he measured everything in dollars and money and if that was his god, well then it might not serve as such a successful program, but even there that it was a pretty good program and certainly by cutting it that you were not saving money, even by his standard you were losing money, you were wasting money. And if the member had been here, you remember that I said that "I can't come back here next year and say to the Minister I told you, you'll have more people in jail and so on, these people lost their jobs and they went to jail". But does my honourable friend know how much it costs to keep somebody in jail? Do you know that? How much?

**A MEMBER:** Too much.

**MR. DESJARDINS:** Too much. Well, that's a safe answer for any Conservative. Everything is too much, but in this case, I certainly agree with you. Too much. But you measure the success of this program by those that will get a job that you will call a productive job. That's all. And you don't worry about people when I said that you're dealing with the real losers in society, and if you can help some of them stay away from jail and get the discipline or the understanding or the love that they will never get — and I'm talking about the young adults now who were not as fortunate as the members of this House, as any of the members of this House. That might have come from a broken home or a home where alcohol was the main supply of nourishment for some of the members. —(Interjection)— Well then you should understand, then shame on you. Mr. Chairman, then shame on you if you live in that area. If you live in that area, and if you want to turn your back on them, well shame on you because that is all you're concerned about. And when we talked about the losers in society, there was a member from the other side, I think it was a member from Minnedosa, looked around and he said, you're losers. And that got all the applause from the other side, and maybe, maybe we're losers. But if somebody dare say something for the underprivileged, for the people at the bottom of the ladder, well then everybody is lumped together. Socialism, that means that all these guys, you're responsible for everybody on welfare, you're responsible for all the losers in society. But we as capitalists, we're responsible for all these people at the, what? — at the Manitoba Club, in those areas. You know, that's where the line is drawn.

Everything wrong in society is socialism. You want me to tell you something. That I was probably tougher on welfare people than any minister on this side with me. Do you want to know that when I was elected, and I was sent to take over this department, oh, the things I was going to do. I was going to be a real crusader on my white charger, and I was going to fix these people on welfare once and for all. Lo and behold, I didn't find that much abuse. I'm sorry if I disappoint you. And your Minister, last year, said exactly the same thing. We agreed, and all the members that were here during that debate last year agreed, that there wasn't that much abuse but you single one



out. Anybody can make up a story, it's true. I don't deny that there's some abuse, I don't deny that at all. It's minimum, and we should be very proud of it.

You know, just because somebody is poor or illiterate or without a job, that doesn't mean that it's all their fault and that they have no ambition; it doesn't mean that at all. You know you are always ready to talk about the people on welfare, and to add the abuse. Did I hear one of you, one of you to get up, it would be so refreshing to hear one of you get up some day and tell me about the abuse of the people who are beating the income tax system by not paying tax in this country. —(Interjection)—

You don't hear us saying that every day, about individuals . . . There are none? There are a hell of a lot more than are abusing the welfare system, Mr. Chairman, a hell of a lot more. And, Mr. Chairman, we don't hear about that, because in their minds those are your associates. I've got no associates as far as I'm concerned, but people here are all deserving of the best break. make all these statements about the people in society that can't defend themselves, the people at the very bottom of the ladder. Why don't you take the trouble of sitting down with your Minister and look at — I'll even tell you the area that we passed just the other day — and look at Income Security on Page 49, and look at Social Allowances and tell the Minister to cut down, to tell you how many people are on Mothers' Allowances . Well, is that wrong — Mother's Allowance's? Is that throwing money at somebody? Do you feel that we should withdraw this Mother's Allowances Program? You're not sure. Well, I doubt that even you would want to cut that down.

And then look at the Aged Allowance and the Long Term Disability and the Blind, and then tell me where the abuses are and how

Now, I guess that the fault of Socialism is that you say there are certain people that are not educated enough, that are not intelligent enough, that are not healthy enough, that haven't got the means, that are not organized, and they can't fight their battles, and we — all right, call it specialize, call it whatever you do — but we centre our attention maybe a little more on those people. I don't think that the president of Great West Life needs me to defend him to make a living. I don't think that many of these people, I'm sure that many of these people don't need that . At no time did I say there's no abuse and Mr. Chairman, I want to tell my Honourable Friend from Swan River something, that if I'd had my way and some of the members of Cabinet, we would have had everybody on Welfare come in and either work, and if they could work — because some of them could — come in to a classroom or pick up papers around the Legislative Building or do some work to get their cheques, or we would have given some incentive to these people to get off Welfare, but we couldn't because of the policy of the Federal Government. It was the same thing as I mentioned a while ago on the hospital. If you're in an acute hospital, and if you're charged as a person that should be in a Personal Care Home, well then, we don't cover Personal Care Homes. You don't get anything. Now, this year you can charge for that. We couldn't. And that was one of the areas.

Take the trouble before you come in and open your mouth and many, how many of them, which program that you would discontinue on Social Allowance? And you brought in the question of Social Allowance.

You know, Mr. Chairman, in the days of these wasteful, Socialist, Marxist, Communist, Red, NDP that the welfare roll was going down and that in your second year of office, your roll is going up and I'm not blaming you, I'm just stating a fact. I don't know all the circumstances.

Now Mr. Chairman, my honourable friend did not understand this. We were not talking only about Welfare, we were talking about the people right at the bottom and even lower, and you are trying to instill in them some reason to work, and if 28 percent can come in and get meaningful employment, that's pretty damn good. Just think, 1 percent or 2 percent of those might have ended up in jail if they hadn't had this program and been given this chance and you multiply that by \$25,000 per year to keep these people. I'm repeating myself, you weren't here before supper, and this is one of the concerns that we have.

And look around, and if you saw the program on CBC about the Mafia, the crime element and where the people tell you that the one that scares the hell out of us are the young adults and the people in motorcycle gangs and so on who do not get love and understanding, certainly the members from this side of the House, they're politicians who were probably born with a silver spoon in their mouth and don't understand what it is to lack this love and this understanding and to be kicked out of their home, maybe at 15 years old and have no place to go because the Children's Aid Society are not interested in getting people at that age. So where do they end up? They end up getting beaten up by other kids, or joining the gang so they can belong. And you don't realize how important it is for these people to belong. And you say you come from that area and you say that you feel that this is right, to stop these programs.

There might be some better programs, Mr. Chairman, but don't throw this away which is the best that we have right now until you've got something better because you're dealing with a crowd

that has not too much sex appeal, I'm sure. You won't have too much complaint from them, but what about you? Don't you feel anything for these people? If you know them, remember you're the one that knows them, you come from that area, you know, we talk about this great society of ours, you know we've got our own set of rules and we're civilized people. Our civilization. And we disrupted a civilization that had way less problems. I don't think there were too many suicides in those days nor psychiatrists to go to, you weren't that mixed up. Mind you the dollar sign wasn't worshipped, wasn't tacked on the wall with candles burning the way it seems to be in society today.

And the people worked to get enough to clothe and feed their family, and then if they didn't, they'd borrow or take from the neighbor because the neighbor would do the same thing. That was that kind of civilization. But we come here, we tell them to put clothes on, something that was purely, they were satisfied, nobody thought they were immoral in those days, but we imposed our civilization, like somebody said this afternoon, we took their land and we partitioned that and now we're going to tell them what to do. We took everything from them, even their self-respect and we're now telling them what to do and the member who knows these people has the gall to come here and say that this was money wasted, thrown away. He doesn't realize that this is probably dealing with the toughest problem of them all.

You're right, people that can't keep a job for many reasons, not necessarily that there's no jobs for them, and that's what makes it worse. It's kind of a sickness, I guess. We agree that this is the case, but you're going to stand up and you're going to say "We're going to fix those people, the hell with them," you're not going to throw money at them, so therefore, you're closing your eyes, the problem doesn't exist any more. It's very convenient, it's not going to bother your conscience, the problem doesn't exist or it is only because of them. It might be, it might be. But there's different sicknesses in society, there's many different sicknesses. You can break an arm, you know you feel sorry for somebody with only one arm, you'd oh gosh, no, society's got to do something for them, but you don't realize that there's a hell of a lot worse than broken arms, a heck of a lot worse, and they need a little bit of, if not your love at least a little bit of recognition, you know, knowing that they exist and understanding and maybe a little help because collectively you and I are guilty, you know, we might have driven these people where they are today.

It's always nice to say like your Premier who got up in the House and say, "You know, don't divide the classes." You know, when you're on top, it's the best bloody saying you can say. It's terrific, but let's reverse the roles and let's see you or your children in a predicament like that, and what would you say? You know, don't rock the boat, those who are getting \$75,000 can get an average of 10-15 percent increase, that's fine, but those who are getting \$10,000 — aren't we good? You know, even with all this restraint we give them 6 percent. The worst thing, Mr. Chairman, is that I don't doubt the sincerity of the Member for Swan River, nor the Member for Rock Lake and that is what scares the heck out of me because I'm sure these people are sincere, but they just don't understand, they just don't understand and if they think in all cases, you take a hard stand — we had one who even topped them, he refused to sit there. I think he wanted to line them up, all the people on Welfare against the wall and shoot them. —(Interjection)—

**A MEMBER:** Why not let them starve?

**MR. DESJARDINS:** You know, or let them starve. Let them starve. So, Mr. Chairman, let's remember that we're not dealing with Welfare. I agree with the member that there is some abuse, somewhere.

You're talking about the losers in society and if the people that have been given everything, that have high IQs, that have all the degrees in the world, that were born with a silver spoon in their mouth, if they can still steal, or try to fool, not pay their fair share, and if they get away with it it's perfectly all right, and some of the very well respected names in society, in Canadian society not only in Winnipeg, are people that probably made enough money their first cache, by doing illegal things. —(Interjection)—. I don't have to name them, you can name a few George, you know you can. And more power to them. And because you have some people in here, you're going to save a million dollars and you're going to lecture us that fine, in fact, you should cut it even more. Well, Sir, I don't doubt your sincerity, but I say you don't understand or I say you don't really know what these people are going through, or that you're just mouthing certain things that you've heard from some of the members of the front bench.

I can't see where anybody like you who say they come from this area could be so hard on people in society that need a little bit of help and that you're going to judge them by the same rate that you're going to judge others and that the only thing in society, the only programs that the government should be in — forget people need people, if you have time. But it is cost, being productive, the almighty dollar.

Well, Mr. Chairman, if we have a society, and there's not Socialist government, there's not too many Socialist governments in North America — and if you have a society like we have here, where it's not even safe to go for a stroll in Central Park, well then, maybe it is because God, our God is being the almighty dollar.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Speaker, it's pretty hard to come to grips with, or grapple with, the kinds of arguments, and the kinds of positions that are put forward by the Honourable Member for St. Boniface and his colleague, the Honourable Member for The Pas and the Honourable Member for Winnipeg Centre and others because nobody, nobody in this House on either side, or in any corner of this House, can argue, or wants to argue with motherhood. And what they're talking about is motherhood. And it's easy to get up and philosophize and theorize and postulate about motherhood, and you put people in a position where you're dealing in non-sequiturs, there's nothing you can come to grips with because they're saying the obvious, they're saying the sort of thing that everybody believes in, but it is not addressing itself to the central issue when we're looking at a project like Work Activity Projects. The Meer for St. Boniface talks about the disadvantaged and the losers in society. I don't think there's anybody on this side of the House who is any less concerned about the so-called losers in society than he, or anybody on that side of the House.

Mr. Chairman, as you know, Sir, and as the Member for St. Boniface knows, the whole Department of Health and Community Services deals in large part, through its \$702 million budget, with people who are either the losers of society or the unfortunate in some form or another — it may be unfortunate in terms of physical affliction and illness, but it's the unfortunate in some form or another and that's what the whole Budget of the Department of Health and Community Services is directed to. He knows, he knows that there is program after program, service after service, geared to those who need support, who need service, who need medical care, who need attention, who need counselling, and they range into the dozens — they range into the hundreds. He knows that we're dealing with disadvantaged children, we're dealing with mentally retarded children, we're dealing with the aged, we're dealing with the crippled, we're dealing with parents who carry the burden of looking after multiply-handicapped children. One doesn't need to enumerate the multitude of programs that the taxpayers of Manitoba are called upon to support, and willingly support, through the revenues expended by this department, and to sketch the whole scenario of the Work Activities Project, or Work Activities Program and suggest even by implication that this is the area in which we are able to deal with all the social ills of the province, this is the area in which we have to cope with social ills, and improve the province's society is, I think, at the very least an exaggeration, Mr. Chairman. It misses the mark entirely, of the fact that there is program after program meeting social ills, trying to cope and struggle with social ills. The Work Activities Project concept is only one of that multitude.

Now, he talks about cost. Well, I don't know any Health Minister before me, and I include the Member for St. Boniface, the minister in the previous administration, who had to concern himself with . . . I do't know any previous Minister of Health, who didn't have to concern himself with cost. When you're dealing with a Budget the size of ours today or a budget the size of his a few years ago, one has to concern himself with cost or herself with cost, because if you don't have the money to provide for certain of these services and programs in the other areas I've talked about, then they, those losers in society, in that category, suffer. And the attempt is made always, and I would suggest that all administrations are very much alike in this respect, in the area of health and community services. The attempt is made always to be as equitable as possible in that distribution of funding to measure effectiveness and to try to allocate the funds where you get the most effective return in providing that kind of service.

Thus, one comes to examine programs such as this Work Activities Project program and puts it up against a set of criteria that have to be invoked in the interests of responsible government and responsible trusteeship of the public's money. And responsible support for that myriad of other programs where there are so many other losers, to use the Honourable Member for St. Boniface's word.

The Work Activities Projects, Mr. Chairman, do not justify themselves, do not recommend themselves in terms of effectiveness, of effective use of the dollar to the extent of the dollars that have been spent on them. We are not eliminating the programs but we are sharply reducing them because as I've stated before, but it bears repeating, they were reaching a point where they were threatening to fall out of qualification status for federal cost-sharing. A great deal of emphasis is made and placed by the Member for The Pas, on the employment that is involved here, the employment that is being threatened by the elimination of these particular work activity projects, the jobs that



are being eliminated. Well, Mr. Chairman, the work activities projects were never set up as employment institutions. They were never intended to be employment institutions. As a matter of fact, they were originally set up for what was expected and intended to be a three-year duration. They were supposed to be self-supporting, self-sustaining after three years. In any event, Mr. Chairman, regardless of what kind of time parameters are placed on them, they are not sheltered work shops. They were never intended to be and if they become so they cease to qualify for federal funding. They are not designed to give people jobs; they are designed to rehabilitate people or train people and move them out, and then those people are supposed to become self-supporting, hopefully, through jobs that they seek and obtain.

Now, Mr. Chairman, what has happened and we have done an exhaustive examination of the Work Activities Projects, and I don't say that they have not been successful in part. But what has happened is a little too great a degree, is that the participant turnover, which is the essential ingredient in terms of measuring them against the cost-sharing formula and the cost-sharing support, the participant turnover has not been sufficient — it has not been satisfactory.

At the Barrows Work Base for example, and I want to tell the Member for The Pas this, the low volume of participants entering and leaving the project is too small relative to the required expenditures. In addition to that, it has turned into effectively what is a make-work project, and jurisdictions all across this country are re-examining the whole concept of make-work projects, and my honourable friends know that.

As far as Pelican Rapids is concerned, the mill operation is now exclusively make work. The turnover of participants is very low, and the work base will not be eligible for cost-sharing eventually. This work base will be terminated on September 30, 1979. However, there is an effort under way now that appears fairly optimistic to transfer the saw mill, to transfer the mill to Renewable Resources, as a forest management activity.

There's also the possibility of transferring it to LEAP, as has been with other projects. Discussions are under way on that so that the work opportunity may be preserved and protected in that way.

The Dauphin work base, Mr. Chairman, staffing levels are . . .

**MR. CHAIRMAN:** Order. If I could just caution the minister that Item No. 4 is Work Activity Projects and we'll probably be doing this all over again if we don't get into the specifics until we get to Item No. 4 which is Work Activity Projects. We're on (q)(1)Salaries. (q)(1)—pass.

**MR. McBRIDE:** Well, Mr. Chairman, the item of Salaries is quite often where the main debate takes place under item because, of course, the Salaries that you're paying out are for the project and therefore you can talk about the project when you talk about the salaries of the people that are administering the particular project. So, Mr. Chairman, I would like to invite the minister to finish because I wanted to respond to his particular comments, so if he's not going to finish, then I'll go ahead and respond to some of the other comments that his colleagues have made. —(Interjection)—.

**MR. CHAIRMAN:** The Honourable House Leader.

**MR. JORGENSON:** Well, Mr. Chairman, I must agree that my honourable friends can't have it both ways. There's not only one, but there are several opportunities that are available to my honourable friends to debate this item, but they're only going to debate it on one occasion, and if they want to debate it now, then when we come to Item No. 4 there will be no debate. —(Interjection)—. Well, they can't have it both ways. They can't have it both ways. If they want to debate it now, that's fine with me, but they're not going to then re-open the debate and repeat it all over again when we come to Item 4. —(Interjection)—.

**MR. CHAIRMAN:** The Member for St. Boniface with a Point of Order.

**MR. DESJARDINS:** Yes, Mr. Chairman, the House Leader, I don't know about yourself' but the House Leader knows exactly what has been going on in this Committee. I think that when we started when you named two of the Employment Services, that we talked about the principle and then when that was finished, at no time was there an argument or a debate on anything else. When we were going to come back though, I want to make that quite clear, when we come back to Work Activity Projects, there is nothing that is going to prevent us from asking how many, or how many are there, now we're debating the question of principle. We will do exactly what we did before, Mr. Chairman, and in all fairness to the minister, we were allowed to talk about the principle, and we talked about different work activities and projects.

In general, he has to talk about them if he feels that we don't understand the program and I think we should be allowed to continue.

**MR. CHAIRMAN:** I would like to caution the members that we have to proceed in an orderly fashion and if the members want to get down to specifics, the Work Activity Projects, all they have to do is pass three items and we'll be on Work Activity Projects. In the meantime, I will recognize the minister.

**MR. SHERMAN:** Thank you, Mr. Chairman, and thank all those who participated in discussion of the point. I think we really have been dealing right since the beginning of this item yesterday afternoon, in a general way, with the whole subject under the Salaries line, so I was merely carrying on in that vein.

On the Dauphin Work Base, I want to advise the Honourable Member for The Pas that the staffing levels are too high, this is our assessment, but I'm reporting it to him as we found it. The staffing levels are too high in relation to the average number of participants. The project can function at a participant level of 20 and maintain satisfactory turnover. The staff level has been 9 while the number of participants has never reached 20. In the reduction in front of us we're calling for a reduction at Dauphin from 30 participants to 20, a reduction by 10. Up to this point in time, it's never even reached 20. The administrative demands will be significantly reduced because of the closure of the satellite work bases, and a staff level of 9 is not necessary, a staff level of 4 is considered appropriate. Some administrative duties will be picked up by staff of the Westbran Project in Brandon.

The same kind of assessment has been applied to all the five that were in existence and the reasons for the reductions in clients and in staffing and in funding for the 4 that remain in operation Whip, Westbran, Central and Dauphin are all based on that kind of an application of that kind of principle and that kind of criteria.

The Honourable Member for St. Boniface has talked about the social opportunities that are denied people in this particular level or category of our society if there aren't programs and projects of this kind available to them.

But I must insist, Mr. Chairman, that the effectiveness of the program must be measured, that the ability of the program to maintain the criteria under which it's cost-shared must be taken into account and that there is another element in society who, perhaps, is all too frequently overlooked by those who talk about the totally disadvantaged and those who might be classified more specifically as "losers". That element is the so-called working poor and it's been a long time since any jurisdictions in this country, provincial or federal in our view, stopped to take account of what has been happening to the working poor in the last twenty years across Canada, the so-called working poor, the man or woman with a couple of children to support and a very limited income who has had to cope and grapple with inflation and the cost of living, the spiral in food costs, the increase in taxes and who asks himself or herself, from time to time, "Why do I get up out of bed and go to work in the morning and bother? Why do I do it?"

We can't go on asking that component of our society, the people who go out to work every day for \$800 or \$900 a month and support their children and fulfill their responsibilities as citizens, to ask them to go on and on carrying an ever-greater burden, an ever-greater share, an ever-greater load in terms of cost of living and in terms of taxes.

They're asking for some accounting, too. They contribute as much to the maintenance of these programs as any of us at higher income levels do, perhaps far far more, certainly in terms of their energy, in terms of their lifelong commitment, they probably contribute far far more. It's time, Mr. Chairman, that we stopped and looked at that element in society as well as the so-called "losers".

No one is repudiating the so-called "losers". The programs that are in place across the spectrum of the department work on behalf of many of those persons, but the whole system of public spending in this country, not only in this province but in this country, has resulted in an enormously crushing and unfair burden for the average working person, the average working man or woman on a limited income with a family to support. They can't go on spending, spending, spending at the beck and whim of governments in an unaccountable way.

So we have tried to rationalize, we've tried to make sure that our money is spent in the proper places, and as the Member for St. Boniface has often said, "There is a limit. There is a limit to my budget." Here is an area where there is perfectly —(Interjection)—. The Member for St. Boniface has frequently said that there is a limit, and there is a limit to my budget, and here is an area where there is absolute justification, here is an area where, The people who are involved in this program for the most part, Mr. Chairman, are people who are staying in it, who should not be in it because it is not set up as a welfare program, or a sheltered workshop. Those who are successful

in being permanently placed are costing an inordinately high amount of money for that successful placement, inordinately by any measurement, and it's that kind of condition that we have to consider with respect to that element that I've referred to as the working poor, the working man in the country who is supporting all these programs.

There is perfect justification for making some rationalizations and this program commends itself to that kind of rationalization, particularly insofar as it is now threatened by withdrawal of federal funding for failure to meet those cost-sharing criteria. —(Interjection)— Well, Mr. Chairman, we can assure honourable members opposite that programs in Winnipeg, in Brandon, in Dauphin and in Portage la Prairie, will be continuing at a reasonable level. But they're not going to be continued at a level that is not justifiable from the point of view of the burden that the average taxpayer has to bear. The persons who are served by this program so-called, are persons who are served in a multitude of ways by programs in effect in this department. We hope the money can be more effectively spent to serve them in other ways. And we're not the only jurisdiction looking at this kind of thing, the whole concept of make work projects is in question. Everybody is looking at better ways to make use of funding, to take it, to utilize and develop the skills of those who are perhaps only minimally trained, who are in low paying jobs, to elevate them to better paying jobs, rather than putting them into what essentially have turned out to be welfare programs and don't qualify for the funding that is specifically designated for work activity.

So, Mr. Chairman, I just want honourable members opposite to know that this is not a result of pressure or of failing to win an argument; this is an initiative being taken by the Minister of Health and Community Services and by the Department of Health and Community Services. In a Budget of over \$700 million there was some money here that was being wasted, and we don't intend to continue wasting it.

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

**MR. McBRYDE:** Yes, Mr. Chairman, I think that we certainly have to give the Minister credit for trying. We have to give him some credit for that effort. I also now having listened to his colleagues, the Member for Rock Lake and the Member for Swan River and the mutterings of the minister who sits behind him — I have to have some sympathy for the situation in which he finds himself within that particular group across the way.

Mr. Chairman, I'm a little bit disappointed that the Member for Rock Lake wasn't here this evening to continue his devastating attack, because I guess I've been spared now the blow that was coming to me, my colleague had to take most of it this afternoon. Mr. Chairman, I think that maybe I should start with some of the minister's comments. Certainly when the minister gets into a bit of trouble he uses the restraint idea, which as my colleague for Winnipeg Centre pointed out, is basically the implementation of Conservative philosophy, and I think that every time we see the word restraint we have to cross that word out and write in implementation of Conservative philosophy, because that's basically, Mr. Chairman, what we are dealing with.

The member who spoke this afternoon mentioned that he knew of a case of someone in Northern Manitoba, Mr. Chairman, where the situation arose where a person needed 10 people to go to work and the . . . oh, I am sorry it was in the Member for Rock Lake's constituency. I thought he was talking about a situation that occurred in Northern Manitoba, and I wasn't aware of it so I assumed though that he did have an example from Northern Manitoba.

Mr. Chairman, I have another exale, a more recent one of an employer that needed only three people because there's not that much activity taking place in Northern Manitoba now under the present government — where he had 28 people apply for those three jobs that were available. So, Mr. Chairman, I suppose you could say that it works both ways. Certainly the Member for Rock Lake was arguing with the Minister of Community Services because the Minister of Community Services, in his Annual Report, states that, "Experience has shown that given the opportunity or provided with alternatives, disadvantaged persons will not choose to depend upon public assistance." The program is therefore, both preventative and remedial.

Mr. Chairman, I think that concurs with my experience in terms of employment programs and economic development programs in the north. In fact, Mr. Chairman, my colleague for St. Boniface touched a bit on this this afternoon when he talked about going to see some of the projects. And the amazing thing, and the encouraging thing, and the satifying thing that often happens, is the change in the psychological attitude of people, the pride that people have when they're able to be productive and do something worthwhile and look after their own families. Now, Mr. Chairman, it's a real joy to be able to see that take place, when people who have been dependent upon welfare, when people who have been dependent upon the public purse, when people who have been dependent upon other taxpayers, are in a situation to become taxpayers themselves — and the rride they feel for having made that jump, from the welfare system to a productive system or being



allowed to enter into the mainstream of society. But as my colleague for St. Boniface pointed out, with many people in Manitoba that step is not an easy one, and there has to be considerable assistance in terms of training, in terms of counselling, in terms of trying and trying again. And, Mr. Chairman, that is what has to happen for those people to be reached and for those people to have the opportunity to enter into the mainstream of our society, and become productive and become taxpayers in the Province of Manitoba.

Mr. Chairman, a few years ago we negotiated an agreement with the Sherritt-Gordon Mining Company, to place people from remote communities in the mining operation. When we were negotiating with them, we tried to figure out some measurement of whether or not the program would be successful with these people from the mine, as well as people who had experience with employment placement in the north in a situation where people had not been in that type of employment before but had been in seasonal employment or had been unemployed. We set the goal that if 25 percent of those relocated were successfully relocated, then we could say that the program was successful. And, Mr. Chairman, that turned out to be a realistic figure, a little bit low in terms of a figure, but that was the realization I looked at from both sides, from the company side and from our side, as a reasonable expectation that could be expected. In this case, Mr. Chairman, we're looking at a success rate from the minister's most recent figure of 28 percent, of his report figure of 43 percent, which probably includes placement in educational institutions, or people going on for further learning and further training and further education, which I am assuming, Mr. Chairman, that if they were able to get that further training, they're probably now in an employment situation.

What we have, I think, that the Member for Swan River and the Member for Rock Lake should be aware of and that the minister is aware of but tries to cover up, what's happening is this Conservative government is becoming the welfare government. Their approach, their attitude was in the past, is now, and will probably continue to be, whether at the federal or provincial level, a welfare government because, Mr. Chairman, in this program we had before us is simply what happens if these people are not in the work activity project, they are going to go back onto welfare. Mr. Chairman, that is what's happened in northern Manitoba.

The Member for St. Boniface this afternoon said "You're going to see this problem and that problem and this other problem coming up if you eliminate this kind of program that meets the needs of this segment of society to bring them into the mainstream of society." Mr. Chairman, it's already happening in northern Manitoba. We're starting to see it, the figures are starting to show up after just a year and a half of Conservative government with the cutbacks and the changes in the economic development and employment programs in northern Manitoba. So it's not something away in the future, Mr. Chairman, maybe it is in the City of Winnipeg away in the future, but in the remote areas of northern Manitoba and in the City of Thompson itself those signs are already becoming evident, the information is now there.

Mr. Chairman, the Member for Swan River pointed out that there were some weaknesses in this program and the minister has pointed out there were some weaknesses in this program and, Mr. Chairman, I believe there were some weaknesses in this program. Mr. Chairman, a number of years ago the then Minister of Health wanted to transfer this program to the Department of Northern Affairs, and I was the minister and I said "No" because there are some weaknesses in that program and we have enough problems in our own economic development programs at this time that we don't want to take on additional projects where there has to be some work done to improve, straighten up, smarten up the way those programs are operated.

Mr. Chairman, what I suspect has happened from this minister and from this government because it would bear out with my other experience is that during the period of the year and half that they've been in government, that they probably made no effort to improve that program, to ensure that that program would meet all the federal requirements, to ensure that program was administratively as tight as possible, to ensure that the goals of the program as set out were being met, because, Mr. Chairman, what they did in programs in northern Manitoba which had more possibility of being self-sustaining, which were designed so they could become self-sustaining was to leave those programs hang in the air with no direction, with no input on the part of the new government.

But, what they did do though, Mr. Chairman, is cut out some of the funds available, cut out some of the travel available for staff to get into the communities to assist those particular programs, and so, Mr. Chairman, when the time came to implement their Conservative philosophy and call it restraint, they could say, well, that program was not effective. Well, Mr. Chairman, of course it wasn't effective. They had had no direction for a year and they became very ineffective. We had civil servants earning lots of money sitting on their hands in northern Manitoba for a year, while the government made up their mind. Mr. Chairman, we now have a contribution to the debate from the Member for Roblin and I invite him to join in when I sit down, and make a contribution as

the Member for Rock Lake did and the Member for Swan River did.

Mr. Chairman, I think if there was lots of options open to the minister if he believes as his report believes that this kind of project as one of the ways, as one small part of the package to improve the situation of underprivileged people in our province that he could have found ways to improve the program to meet any concerns that he might have had, to meet any concerns that the federal government might have had, perhaps even to meet concerns that the MEMBER FOR Swan River might have had so that the program would in fact have been productive and useful.

But, Mr. Chairman, the biggest condemnation that I can make of the comments of the Member for Swan River and the minister, Mr. Chairman, what was touched on by the Member for Winnipeg Centre is that they have no alternatives. They're taking a program that was moving along moderately successful, quite successful if you take it from the book, moderately successful if you take it from the minister, completely unsuccessful if you take it from the Member for Swan River. So in between those is the moderately successful position taken by the minister.

You have a moderately successful program that is being cut back, that is putting 133 people or perhaps, Mr. Chairman, 500 people if those 133 people are breadwinners within the family back on welfare, back into a welfare situation, 133 less people will have the opportunity for training, counselling and job placement that was offered by this program at a moderately successful level. So the Member for Swan River stands up and says he is concerned about those communities but what options does he have? Does he have a better program to take the place of this one, Mr. Chairman? Does he have ways to improve this one? Does he have a new program of the Conservative government to assist in employment creation and training in Manitoba? Does he have that, Mr. Chairman? Mr. Chairman, I would say he doesn't. Because there are programs that were even self-sustaining programs creating employment, creating economic development in northern Manitoba that his colleagues have done away with, they've eliminated.

Minago Contractors, the last two years profit position and operation returned \$1 million in assets when sold by this government, assets that have gone back into the General Treasury, assets that the Member for Swan River should have convinced his colleagues that should be re-invested in his constituency and in mine in order to help people with economic development and employment creation.

But no, where does it go to? Back into general revenue, back to make up the losses from the elimination of the Estate Taxes, that's where the money goes to. So, Mr. Chairman, the Member for Swan River has no option, the minister appears to have no option and, Mr. Chairman, that's why this Conservative government is the welfare government, the welfare party.

And Mr. Chairman, I really wish the Member for Rock Lake were here because he doesn't understand that. He doesn't know that his Party is the welfare political party, that the efforts of our government was to get people off welfare, to make people productive. So far, the actions of this government has been to put people onto welfare and make them socially more expensive. Mr. Speaker, I'm willing to talk to the minister on the basis of just cost effectiveness and to have him do a social cost benefit analysis on these projects, to see what is the social cost benefit analysis.

And, Mr. Chairman, if he can show that the projects at Barrows was not as effective as it could be, then he could come up with an option that is more effective, or he could change the existing program or come up with a new program that would be more effective, and meet a cost benefit analysis, and not just, Mr. Chairman, eliminate this program because the people who are benefiting from it are the least able to protest when he eliminates the program. And, Mr. Chairman, when he has the encouragement of the representative for the area, to eliminate the program with no other options.

Now, Mr. Chairman, the minister did read from his book that there were some possible options. He said there is the LEAP option, the Federal Government option. Mr. Chairman, you know, we have to be a little bit thankful that there is a Federal Government, and the Federal Government spends money with wild abandon, like drunken sailors, and they throw money at the problems because, Mr. Chairman, if it hadn't been for the Federal Government, with its LEAP program, the other communities where the Work Activities Project has ended, the Community of Camperville, the Community of Crane River, the Community of Amaranth and the Community of Duck Bay. There would be no more employment there either, but, Mr. Chairman, what happened was that the Work Activities Project trained people, got them into the work habits necessary so that they could create their own operation. The federal program helped them set up that operation, and helped that operation to continue.

Now, Mr. Chairman, the only problem is, that the Federal Government has now adopted the Conservative policies and these programs are being tightened up, that is, there are less funds available for employment creation and economic development programs. Mr. Chairman, I think you could call that tightening up, or as the Member for Winnipeg Centre calls it, being penny wise and

pound foolish.

So, Mr. Chairman, that option is not there. The federal LEAP program is not going to be able to pick up everything that this government pulls out of. They're able to pick up projects in four communities out of 50-55 communities. So, Mr. Chairman, that is not an option.

The other option that the minister mentioned was that perhaps the Department of Renewable Resources will come along in its system under the Forestry Development Program. The former Minister of Renewable Resources is here. He should have a smile on his face. The Minister of Health and Community Services says that the Department of Resources is going to come along and pick up this community development project, this economic development project. Mr. Chairman, the minister knows not whereof he speaks because any program that that department has had, to assist communities, has been cut and eliminated. Mr. Chairman, I could list the communities where there was assistance being given through the Department of Resources, and through the Special Northern Employment Program, the SNEP program, to assist communities to provide employment during certain seasons of the year to deliver pulpwood. Mr. Chairman, are those communities going to cut wood this year? It doesn't look like it. It doesn't look like it, because there was some assistance needed to get the effort off the ground, and there was in fact, Mr. Chairman, a small direct subsidy needed. Like in one case, \$5,000 was needed to produce 25 jobs for eight months — \$5,000 to produce 25 jobs for eight months. On a cost benefit analysis, on effectiveness, Mr. Chairman, I don't think you could get very much more effective, and certainly, Mr. Chairman, that \$5,000 would be saved in welfare payments very, very quickly. But those programs have been eliminated by his colleagues. Those programs have been eliminated by his colleagues. So, Mr. Chairman, maybe he should take his pen and cross those notes out in his book as other options because those options are not there. There are no options.

So even though this was only amoderately successful program — the reason I am so critical is hhat there are no other options. He has no other options, no improvements for it, just cut it. He has no other new programs and none of his colleagues has a new program or an existing program that could cover over, and make sure there was employment available, it just does not exist, Mr. Chairman, the programs that have been cut, and, Mr. Chairman, as I mentioned, many of them were even self-sustaining, that were cut by this government. But, Mr. Chairman, in my mind I developed sort of a categorical list in terms of the disadvantaged people we were talking about, in terms of the remote northern communities, to say that the least, the least preferable way was welfare. Like that's a last resort — yes, there are some people that need welfare, they are the categories my colleague mentioned. But for the unemployed employable category the welfare was the least best way, the poorest way, the most destructive way to keep people from starving.

Mr. Chairman, the First Minister and this government is often critical of a make work project. But, Mr. Chairman, on my scale, a make work project is better than welfare, and the member on this side, who just spoke, when the fishery was affected by mercury contamination, in our discussions, myself, him, other members said, "We don't want to give out just payments to keep people from starving because of that contamination. We'll create work projects that'll have some community benefit, that'll be helpful and useful for the community, but they will not be self-sustaining employment projects." Mr. Chairman, that was far better than welfare, and I'm sure the Member for Rock Lake would prefer that to welfare. —(Interjection)— Well, Mr. Chairman, maybe I am mistaken because maybe then —(Interjection)— that's right, I think that what evolves from the philosophy from the Member for Swan River and the Member for Rock Lake, is called blaming the victim. That is, you say it's their own fault that they're in the situation they're in, and there's no role for government in assisting them to change that situation.

Mr. Chairman, so the worst form is the welfare system, the next worst is the make work kind of project, the next and this starts to become beneficial, is some sort of sheltered workshop, or in the case of the remote northern communities a more accurate description would be subsidized creation employment or subsidized economic development. Whereas the example I used of the community with the pulpwood operation, where for very little direct provincial input it was able to be enough to assist them to have that kind of an operation going. In another community it was the matter of the cost of a, what's called a cherry picker, to load and unload pulpwood. Now, Mr. Chairman, that's a bit more expensive, that was about \$12,000, but then there were more people in the community employed in the project, and that money could be spent over the number of years that that particular device was available to assist the community.

So a subsidized operation is certainly a lot better than welfare. I think the minister was not that far from disagreeing with me. But, maybe, perhaps the Member for Swan River and the Member for Rock Lake are a long way from disagreeing with me. And of course, Mr. Chairman, the best is a self-sustaining — what we would like to see in these communities, in a situation like where MANWOP is, is self-sustaining economic activity, and, Mr. Chairman, there were programs within the Provincial Government, and there are still a couple within the Federal Government, to help the



fledgling, the starting out local enterprise to become self-sustaining but in the initial stages there is often a subsidy, training subsidy, counselling subsidy, and even an operational subsidy necessary to carry for the first couple of years.

So, Mr. Chairman, I think that there is a reasonable way of approaching the situation, but this government has chosen the least reasonable way. Put them back on Welfare. Keep them on Welfare. And that way we can see them, they're visible, and we can complain about them that they won't get off Welfare, instead of taking the risk that's necessary when you assist in subsidizing or assisting a fledgling economic development activity in these communities.

Mr. Chairman, I don't quarrel with the Minister that in some cases there might be an opportunity to reduce one or two staff, that in some cases there might be an opportunity to cut a program providing you can replace it with something that's going to work better, but Mr. Chairman, the Minister has said where they could cut one or two staff but that was mostly because they cut a program with nothing to replace that particular program.

Then, Mr. Chairman, where I have to part company much further with the Minister is when he began to talk and try and divert the subject on to the situation of the working poor who would have to pay taxes to assist with the employment creation, the training, that we're talking about under this Item. Of course, Mr. Chairman, they also have to pay taxes to pay the Welfare or the training doesn't go on. They also have to pay taxes for the Police services. They have to pay taxes for the hospital services. They have to pay taxes for the Court services that these people will have more need of as the Minister eliminates his programs.

But Mr. Chairman, then the Minister started to express his concern about the working poor in Manitoba and that he has great concern for them. Mr. Chairman, I think that we can see that this Conservative Government of the Province of Manitoba has a great concern for the working poor of Manitoba. Mr. Chairman, we can see clearly the concern for the working poor with the minimum wage. Requested and requested and requested, this government will not deal with the minimum wage and are proud of the fact that they have now the third lowest minimum wage in Canada, and they're trying to become No. 1, and that reflects, Mr. Chairman, the great concern with the working poor. Mr. Chairman, I think that their cutbacks, their drastic cutbacks and almost elimination at one stage of the Critical Home Repair Program available to low-income people in Manitoba shows their great concern for the working poor in the Province of Manitoba.

And Mr. Chairman, their review now of the tax credit system designed to assist, to redress the balance, and give the working poor some more income in their pockets, is being reviewed by them, and may even be eliminated by them, shows their great concern for the working poor in this province.

Mr. Chairman, their whole stance in terms of the labour movement, the organization of working people in the Province of Manitoba, shows their great concern for the working people and the working poor of this Province of Manitoba. The anti-union attitudes that they exhibit on a regular basis in this House shows their great concern for the working poor.

Mr. Chairman, their tax reduction, their Income Tax changes, which gave 2 percent to the wealthiest people in the Province of Manitoba, 2 percent to the working poor, shows their great concern for the working poor in the Province of Manitoba. Mr. Chairman, the Minister's argument in that regard just doesn't wash, as it doesn't wash in his excuses and his colleagues' excuses for the elimination of this program. Mr. Chairman, if this program is only moderately successful, then improve the program so it is more than moderately successful, so that it is more effective. And if you can't do that within this existing program, then come up with a new program or reestablish one of the other programs that could assist communities of the type we're talking about here, the more remote and native communities. Reestablish some of those programs that your colleagues have eliminated, that the First Minister has eliminated in order to implement the Conservative philosophy — not to implement a restraint program, Mr. Chairman, in order to implement the Conservative philosophy.

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

**MR. SIDNEY GREEN:** Mr. Chairman, I rise at the risk of being somewhat repetitious but —(Interjection)— Pardon me? Well, Mr. Chairman, I'll introduce maybe my argument with a suggestion to my colleague, the Member for The Pas, and my colleague, the Member for St. Boniface, that they have not carefully read what the Member for Roblin has before us as a Resolution in this House, and if they did, they would have realized that they are fighting a stone wall; that it's not a question of motivation, it's a question of direction and direct purpose; that there is no pretense here; that we are both seeking the same objective and seeking different means to obtain it; that the Conservative Party has declared unequivocally and articulately that they do not intend to have any government programs, they do not intend to institute programs in the public or the private

sectors which will see to it that every person in our society seeking employment will have the opportunity of obtaining same.

There is presently a Motion on the Order Paper moved by the Member for Roblin that says that he wants to eliminate this work activity project, and that being the case, wouldn't it be natural that the Minister of Health would come in with a reduction from \$3.2 million to \$1.9 million of a program which is essentially designed to provide to people in the Province of Manitoba the right to work. That's what this program is intended to provide, but the Member for Roblin has come in and said, We are moving, the Conservative Party are moving, that the government eliminate public and private programs which would ensure that every person in our society seeking employment will have the opportunity of obtaining same, and this is the result of that elimination.

They wouldn't pass a resolution that the people in the province have the opportunity of obtaining employment. Indeed, they would wipe out any suggestion to that effect. And the resolution is on the Order Paper and the implementation of the resolution is in the Estimates, so it's entirely consistent with the regressive Conservative philosophy which is now governing this province, and I really think that my friend, the Member for St. Boniface, and my friend, the Member for The Pas, are doing too much credit to this Administration. They seem to feel that if they plead with the Minister, that if they pour out their hearts, that if they convince him that he is engaged in a plot to destroy the dignity and the will to create of human beings in the Province of Manitoba that his heart will soften, that he will listen to them, and that he will restore the money.

Mr. Chairman, I say to my friends and colleagues, you know not what they do. It's not that they don't know what they are doing, they know exactly what they are doing. They intend to do it, and they are proceeding in that direction, and the resolution on the Order Paper is coupled with the implementation of the program. Now, Mr. Chairman, that's what they're saying about the resolution that was moved in this House, and they will continue to reject any notion that the Conservative Administration in the Province of Manitoba will provide means for citizens of enhancing themselves and realizing themselves by being productive to our society. They have indicated that they don't want it and we are going to give them during the course of this Session five or six opportunities to vote against it, and they will vote against it each time.

The first vote will be on the Member for Roblin's resolution which calls for the elimination of programs which will provide an opportunity for citizens of Manitoba to enhance themselves through meaningful employment. We will move another amendment, the Speaker will try to save the government by ruling it out of order, but eventually we will rule another one which will be in order, and they will vote against that one. And I suggest to you, Mr. Speaker, that as long as we are here they are going to be voting against resolutions either in Estimates or on the Order Paper which will, in any way, assert by them that people in the Province of Manitoba have to be given the opportunity of obtaining meaningful employment and thereby enhancing themselves and enhancing our society. Because, Mr. Chairman, just as they are wedded to a policy of unemployment, and my friend from The Pas has put it very well, they are also wedded, believe in, and will hang on for dear life to a program which will see to it that there are certain people in our society who are in a dependency status because that makes them feel superior. That makes the Member for Rock Lake being able to say, "Those lazy people on Welfare," and that makes it for the Member for Swan River to be able to say that those people should not have this kind of government assistance, or what made it so wonderful and made the Member for Pembina, the foreman, feels so good about saying, "Let them starve." It's not that he wanted them to starve. It's just that it made him feel superior, that he was somebody who was productive and there were —(Interjection)— He said, "Let them starve a little." Well, that's true, you know, even that was self-serving because if they starved entirely they wouldn't be around for him to be able to see them and feel superior that they are there and that they are still alive. —(Interjection)—

Mr. Chairman, the Member for Sturgeon Creek says it's straight stupidity. We'll see how the Member for Sturgeon Creek will vote on the following proposition. Let him put his intelligence where his mouth is. That's right. Let's hear how he will vote for the resolution. —(Interjection)— Mr. Chairman, oh, it's getting to him, it's getting to him. We don't even say how, Mr. Chairman. Mr. Chairman, listen to me, we don't even say how, we let it be done through Capitalism. We let it be done through economic development. We let it be done through anything that you can dream of, but we are going to ask you to vote that there be implemented in our society such public and private programs as will ensure that every person in our society seeking employment will have the opportunity of obtaining same.

We don't say we should do it by Bolshevism. We don't say we should do it by Social Credit philosophy. We say do it. But you, the Member for Sturgeon Creek who says that I am talking stupidity, is going to vote against that proposition. I am predicting to you that he will vote against that proposition and I ask him, what stupidity — what stupidity has fallen upon him as will cause him to say that he will not agree with the principle that public and private programs be implemented

that ensure people the opportunity of obtaining employment. Mr. Chairman, it's not stupidity that has descended upon them; it's firm belief that we need unemployment and that we need dependency, because if we do not have employment we are liable to see wages go up a little bit, and if we do not have dependency, then all of our superior people in our society will not have that feeling of superiority ensured and buttressed by the fact that there are people around who haven't made it. And that's why they want them both and that's why they will vote against the resolution and, Mr. Chairman, that's not stupidity, that's Progressive Conservatism which —(Interjection)— we are getting in this, oh yes, excuse me, my friends have indicated to me that the two are synonymous. I don't know that they are synonymous because I have to say that for years mankind has fought about these two different philosophies and the fact that they both have had such articulate spokesmen on either side for years and years would indicate that, although I don't agree with it, there may be something in it and I give that allowance to the Member for Sturgeon Creek, but I tell him that that is the position of his Party and he can prove me wrong. He can prove me wrong.

I want to know from the Member for Sturgeon Creek what is there about the desire to implement public and private programs as will ensure that every person in our society seeking employment will have the opportunity of obtaining same because he's going to vote to eliminate that. He does not want that. He wants to eliminate programs in our society which will ensure and, as a matter of fact, here is the Estimate item which eliminates it.

Now, Mr. Speaker, I have to say that the Member for The Pas has given what I think is a real excellent priority-type of scale as to how you deal with people who are in a dependency status, and he says, welfare is the worst, that that's the least acceptable, that if you had to choose between Welfare and Work Activity, you would choose work activity of whatever variety, and the Member for St. Boniface let out to you people that some of the things that we were talking about even if it meant going to a school and learning while you were receiving dependency cheques, that it would be better than straight Welfare. It would be engaging in a meaningful activity, even if it meant beautifying parts of your own community or parts of your city which would otherwise remain unbeautified, and look, look at the absurdity of the free enterprise philosophy. We can afford 8 percent unemployment, or 7 percent, or in Manitoba let's make it between 5.5 percent and 6.5 percent, we can afford that, as a matter of fact, we will induce it because we say that front lawns of boulevards should not be cut, we would rather have people unemployed. That's exactly what we say, am I not right?

We say that the city Budget has to be cut down. We cannot have the boulevards clean because we cannot afford to, but we will put the people who would have done it out of work. Well just St. James is saying that, Mr. Chairman. I get that from the Minister of Health, I get it in this item — Work Activity Projects \$3.2 million down to \$1.9 million and you know, he's even got a rationale for it. Last year, a program which was designed to have 30 only had 20 and this year it will have 20 and therefore nothing really has been cut down. Well, why don't we get up to 30, why don't you do what the Member for The Pas says, get up to 30? You say you don't know how? Well, Mr. Chairman, I —(Interjection)— Pardon me?

**MR. SHERMAN:** I'll tell you the effort has been made.

**MR. GREEN:** Well, if the effort has been made, I see that the Budget has been reduced so that you are not charging people with saying that you're — are you telling me that the number of people who could benefit by these programs has been exhausted? Because that's not true.

**MR. SHERMAN:** In some centres, yes.

**MR. GREEN:** Well, Mr. Chairman, he says "in some centres", if you want the centres identified where we have in this province 75 percent dependency rates, they will be provided to you and we're not talking about 10 people, we're talking about hundreds of them.

**MR. SHERMAN:** That is right, but we'll talk about where the Work Activity Projects have been.

**MR. GREEN:** Mr. Chairman, if my honourable friend is really saying that he has been so successful in this area, that there are no more people in this area, then take it to another area, don't eliminate the \$1.3 million, take it to another area. And look what has happened by virtue of this. Listen, my Conservative friends. Moose Lake Logging started off as a Work Activity program. For years it started off, as a matter of fact, under the Conservative administration. They were the first ones to set up Moose Lake Logging. It is a community that had absolutely no, or virtually, no industrial



or economic work base, work oriented base. For years, there was difficulty in getting a transition from a dependency community to a work oriented community because it would go in spurts, but it was persisted in, persisted in and now, it is an economic organization. It is showing a profit, but more than that, the government admits, that it is showing a viable profit, in other words, it's not a spurt, it's not a sudden windfall, —(Interjection)— Mr. Chairman, the honourable member says . . . supposed to do. Because the item fails, you don't remove it from the Budget, you try something in the hope that the next one will work —(Interjection)—

**MR. SHERMAN:** Even beyond the criteria for the programs.

**MR. GREEN:** Mr. Chairman, I don't understand. Is the honourable member saying that there is no one in his department who can show him how to spend \$1.3 million on roughly 30,000 people in northern Manitoba who are unemployed, that there is nobody over there who can tell you how you can spend \$1.3 million to deal with some of those 30,000 people?

**MR. SHERMAN:** I can tell you where I'm spending that \$1.3 million.

**MR. GREEN:** Well, Mr. Chairman, I can see, I'm going to tell the honourable member where he is spending that \$1.3 million. It's not in his Budget, it's out. It is a reduction, so it's not being spent. The Work Activity Program is up from \$1.9 million to \$3.2 million, is that the figure that ? —(Interjection)— I'm almost believing that I'm wrong. I looked at \$3.2 million to \$1.9 million and I got a reduction.

**MR. SHERMAN:** Department budget.

**MR. GREEN:** Mr. Chairman, surely the minister shouldn't scare me like that into thinking that I'd made a mistake and something has gone up that has really gone down. Yes, but the Work Activity is down.

**MR. SHERMAN:** Of course it is. The Departmental Budget is up by \$48 million and I can show you where I'm spending that \$1.9 million.

**MR. GREEN:** Well, I'll tell you where the money is being spent.

**MR. SHERMAN:** I'll show you where I'm spending the money.

**MR. GREEN:** First of all, I'll show you where I think it's being spent. My honourable friend says that this money is being spent by allowing money to the working poor, that what he's doing is saving the working poor oom money, that's what he said, he said that the working poor are tired of paying this money, and therefore, they're going to be saved this money.

**MR. SHERMAN:** That's right.

**MR. GREEN:** Well, so the real purpose of the program is not to spend in another area, it's to save the taxpayer money, that's what you said. You said that the taxpayer who you said was the working poor is the one who you were trying to protect by getting this from \$3.2 million to \$1.9 million. So that's where the money is being spent.

**MR. SHERMAN:** That is right. The effective allocation in spending of the money. The Department Budget is up \$48 million. Do you want it to be up \$49.3 million?

**MR. GREEN:** The effective allocation (Interjection) — Mr. Chairman, if you're going to keep on talking that way, you're going to say to the Public of Manitoba that this Restraint Program really doesn't exist. The restraint is here \$3.2 million to \$1.9 million and it's done to help the working poor.

**MR. SHERMAN:** That's right.

**MR. GREEN:** Well, Mr. Chairman, we looked at the taxes that went down. Here are the taxes that went down to help the working poor: the Corporation Capital Taxes went down, that's from I think, Mr. Miller, my friend the Member for Seven Oaks says it went down by \$1.8 million, so those are the working poor, that's \$1.3 million and the working poor namely the Corporation Capital Tax cut

\$1.8 million. The Estate Tax, those working poor went down by \$8 million, the Income Tax to the working poor went down, I suggest to you, not more than the price of \$30.00 a year which is 98 cents a week, 98 cents a week. By the way that's a little bit above the working poor, the \$15,000 a year man in our society, I'm not saying it's a lot of money, but there are people in the working poor category who are working for \$10,000 and \$12,000, and they didn't get 98 cents a week whereas people who are in the upper income groups got \$500 a year or much higher. So here are the working poor that got this big break from the elimination of \$1.3 million. The corporations, the people who were working poor enough to inherit if they were widows, \$250 thousand in which case they paid no tax, and if you really felt sorry for the widow and they did pay a tax, you go into your Ministerial Chambers and you write a write-off of that tax so even they don't pay that —(Interjection)— but, yes, those are the working poor.

**MR. SHERMAN:** And what came out of it all? About 12,000 more jobs.

**MR. GREEN:** Mr. Chairman, you know, if the honourable member is suggesting that the reduction of this item from \$3.2 million to \$1.9 million or that those changes in taxes resulted in 12,000 jobs, then I have to tell my honourable friend that I could point to him during the years between 1970 and 1978 increases in jobs of the same consequence, without those kind of tax breaks to the so-called working poor. Now here is something that happened to people who are apparently not in the category of the working poor. The transit fares for these working poor went up by roughly \$30 dollars a year, 4 mills if we take the city tax bill. The gas tax, Mr. Chairman, for the working poor went up within three months of that government taking office that every man who drives a car who is in the category of the working poor went up 2 cents a gallon, so where are these tax breaks for the working poor that come out of this appropriation of reducing Work Activity projects from \$3.2 million to \$1.9 million.

It just doesn't add up, Mr. Chairman. It has nothing to do with relieving the working poor. It has something to do with maintaining unemployment and maintaining dependency, both of which concepts are concepts which are treasured by the Conservative administration, and that's why they feel that it's so vital to eliminate this type of program. Mr. Chairman, I want to say that I agree entirely with what the Member for The Pas said about his ratio in dealing with programs, that dependency is the worst possible condition, that Work Activity programs are not as good as programs which result in viable economic activities but they are better than dependency, and that all the things that society did when it found that it had to create these things, these types of programs, made us richer, not poorer. The honourable member knows that in 1935 this capitalist country was broke, not like Saunders Aircraft went broke, not like Flyer Industries was in trouble, but the entire, glorious, free enterprise system went down the drain and was completely bankrupt. What happened when we were bankrupt? I mean, this was not an incompetent manager, this was not one business that was a Socialist experiment, this was an entire system which went totally bankrupt. What did we do when we were bankrupt?

We found that when we were bankrupt we could afford something that we could never afford when we were riding high. The Salter Bridge was built as a Work Activity Program. We were bankrupt, that was the only reason we could afford to build it. If we weren't bankrupt, we couldn't afford to build it, but we were bankrupt, and therefore we could afford to build it and I'm sure that the member would say that society has been poorer by it. The Winnipeg Auditorium was built when the free enterprise system went bankrupt, failed, proved to be incompetent, proved to not be able to manage a peanut stand. —(Interjection)— The Federal Building was built under the same conditions of poverty. The —(Interjection)— no the treatment plant in North Kildonan was built because we were bankrupt. If we would've been rich, as we are now, we would've cancelled all those projects. When we are wealthy, we cut those projects out because they make us poorer. And, of course, if we had been wealthy during the 30s we would have no Salter Bridge, we would have no treatment plant in North Kildonan, we would have no Winnipeg Auditorium, we would have no Federal Building. And we would have been much better off.

And that's the philosophy which is governing this minister, when he takes an item like that and eliminates it. If, Mr. Chairman, it could have been proved, if it could have been proved to me, and I say this without any embarrassment whatsoever, if it could have been proved to me that the 500 employees in Saunders Aircraft, that were building airplanes, would if they were not building those airplanes, be on dependency, on welfare, I would never have encouraged the discontinuance of that program. Because 500 people at \$20,000 a year, what's that \$10 million? \$10 million a year in wages to me is far better than \$7 million a year in welfare. The only thing is that it couldn't be proved to me that those 500 workers would have been totally part of the dependency feature of our society if they were not employed. And that's the reason Saunders was stopped. But, Mr. Chairman, that's not the case. That's not the case, that's not the case with this \$1.3 million. The

people that you are dealing with you can almost identify, that everyone of them would be in a dependency situation if they were not employed. And they were as a matter of fact taken off the welfare role.

And I say, Mr. Chairman, that you know, it's a relatively small item but it is very symbolic of what is occurring; it is very indicative of the philosophy of the administration and in the last analysis, it will make us much poorer. But the real poverty, the real poverty, Mr. Chairman, will not show up on any of the statistics that are trotted out by the Minister of Finance when he deals with his Budget. Because he will deal with GNP, he will deal with retail sales, he will deal with manufacturing investment, he will deal with other such global macro-economic figures and micro-economic figures, and all of those things that will be used. But a human being named John Angus, or whatever you want to call him, who could have had some pride in being, but was denied that by result of the discontinuance of this kind of program, will not appear in any statistic. He will be lost to the world, lost to the budgetary figures, and worst of all, lost to himself. And we're not talking about hypothetical things. The minister has had an opportunity of seeing them. And the action that he is taking with respect to this particular item cannot be over-emphasized insofar as its importance to ordinary people in the Province of Manitoba. And that's why despite, despite the fact that it's repetitious, despite the fact that my friend, the Member for St. Boniface, made what I think was a very moving and powerful appeal, with respect to this particular matter; despite the fact that my friend, the Member for The Pas, was entirely logical and articulate in everything that he said — I don't think that it does any harm in being repetitious on this item.

And I think, Mr. Chairman, that there is some value in seeing how this item dovetails with other things that are occurring under this administration, and in particular it is significant that this item comes up today on the same day that the Speaker has made a ruling which makes it possible for the Conservatives to think that they will get away with voting for the principle of the right to work, and also, at the same time, get away with eliminating, rather than implementing, with a resolution which will eliminate public and private programs, which would ensure that every person in our society seeking employment will have the opportunity of obtaining same. Well, I think it bears saying that the two positions on these items lead to the same type of thing, that the clearer it becomes, that that is where we are headed, as far as I am concerned, the clearer it will be when the people of Manitoba have to choose again as to their direction, and I feel that the kind of objective that we had for us, that one out of every ten Manitobans has to switch from Conservative or Liberal to New Democratic is closer and closer at hand, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Winnipeg Centre.

**MR. BOYCE:** Well, Mr. Chairman, I want to disassociate myself a little bit with what the former minister, my friend from Inkster said initially, that we shouldn't continue to hope that we would change the views of some members opposite, at least that's what I interpreted. I am sorry, I have to continue because I have hope. And really it was a refreshing experience the other day when I read in the paper that the Minister of Health didn't know how much he had to deal with, that the Minister of Finance hadn't told him. Because I don't think he's part of the plot. Now I would just like to put this point on the record, that I don't think Manitobans are aware of what it is going to cost them to pick up the tab of this kind of thrust of the government.

Now, it really doesn't make any difference to the individual whether they're getting welfare or unemployment insurance, because it is just a difference between being boiled or fried. But, Mr. Chairman, this is but another part of the economic thrust of the government because what is happening is these people, the working poor that are being squeezed out of the employment market — they're first of all being squeezed out of unemployment insurance, and the First Minister himself in this House told us this. And this is 100 percent dollar picked up by the Federal Government.

We're going to pick up the cost of this next year because these people will have exhausted all of the unemployment insurance benefits that they have acquired through many of these Work Activity Projects, and through having been employed as working poor in the Province of Manitoba. And these are the ones that unemployment hit first, and they exhaust all their unemployment insurance benefits, then they go on the welfare roles. The difference is, that initially the Federal Government picks up 100-cent dollars and then the government, the Province of Manitoba has to pick them up on 50-cent dollars. But you're going to pick up the 50 cent cost next year. And this is being thrust upon you. And when I said earlier, Mr. Chairman, when the Minister of Health tells us how he feels and believes, I believe him. Knowing the honourable gentleman for the past ten years, I think that he sincerely believes that he is working as best he can, within the constraints given him by the Minister of Finance, but nevertheless he isn't being told exactly where this kind of program is leading us. That the fact that the numbers of people who are going to end up on

the welfare roles, not on the unemployment insurance roles because they're exhausting all of those benefits. We had one example of it here recently up in Easterville of the frustrations of people, who really don't want unemployment insurance, who don't want welfare, they want meaningful employment.

And when you talk about the 10,000 people who leave the province, these are the able people, these are the people who are portable, these are the people who can get a job anywhere. And some of us are very fortunate, I believe in life, that we never have been out of work or looked for a job. We've always had something to go to. And I consider myself one of them, regardless of the system I would find something to do. But nevertheless we're talking about when the . . . my colleague from St. Boniface talks about the losers, yes, those people are included in there, but also it's the people at the lower end of the scale, as far as education and dexterity and all of the things which make people employable. And these are the people that, first of all, are being squeezed onto the unemployment insurance roles, but ultimately, Mr. Chairman, these people will be picked up by 50-cent dollars next year. And this is one of the reasons that this \$1.3 million — the minister said he has an increase of \$48 million. Well, he's going to have to increase that income security and the rest of it next year. Not only to take into account inflation and the rest of it, but because of the added people that are being thrust upon the roles by the philosophy of this government.

And I think it's finally getting through to the public, Mr. Chairman, that we haven't got a Progressive Conservative government in the Province of Manitoba, they're going back even prior to the depression days to pick up where that was left off. And this is why I use the term of regressive preservative because it's just horrendous, some of the things that they're doing. And they keep using this name of restraint. And when the minister rebuts an argument, as he did earlier in response to the Member for St. Boniface, The Pas and myself, he seized this one to slough over that we're not talking about dollars — we're not talking about cost-benefit analysis. And we are. And as the Member for Inkster just pointed out, we're talking about people. And in this House it is not usual to bandy names about, but there's Petes and Sues and Sams and Janes and Mary cache s and Bills and everything else, that are falling into the system of correctional institutions and the rest of it, because of your thrust.

And I think, Mr. Chairman, that the Minister of Health is being used as a patsy in this regard, that he's not told how much money he gets from the Federal Government, 15.8, 14.2 over the past two years increase, and he comes out and says he's going to give Manitobans 2.2 percent increase. I don't think he really comprehends exactly what the philosophy of this government is leading him and us into. Because when he talks the way he does about these Work Activity Projects, I don't think that he sees the final cost dollars when you talk about cost analysis. We keep telling you, you know, we could provide names of these people, where they were — you have the staff to go and do this kind of follow-up work. From the projects that you have stopped, where are these people now? I think that you'll find many of them are receiving higher benefits, as far as dollars are concerned, than they were under these projects.

Manitobans, Mr. Chairman, shouldn't be deluded into thinking that this kind of a cut — a \$1.3 million, is going to save them money. It may look good for this one year, but the cost that we're going to have to pick up in ensuing years, because of this particular policy, is going to pale into insignificance.

**MR. CHAIRMAN:** The Minister.

**MR. SHERMAN:** Mr. Chairman, you know the Member for Inkster thinks he cuts me to the quick by suggesting that this is indicative of the philosophy of the Conservative government. That doesn't cut me to the quick, it doesn't cut me at all, Mr. Chairman. Of course, it's indicative of the philosophy of the Conservative government. I assume that that's what this exercise was all about, and it certainly was all about that in the eight years that I was in opposition and that he was in government, and it certainly was all about that in October 1977. We simply do not, and will not, and make no pretense about it, will not embrace the philosophy of the New Democratic Party. And if they think that we are going to suddenly come rushing into the bosom of the New Democratic philosophy then they're going to have a long, long wait.

We're here because we're Progressive Conservatives and that's exactly the philosophy that we're expounding. I see nothing wrong with that. Is that not essentially the fundamental essence of political debate, political disagreement? So, Mr. Chairman, I'm not in the least disturbed that it should be interpreted as Conservative philosophy. We have questioned the philosophy and in fact I would suggest that even our New Democratic friends have questioned the philosophy and the effectiveness and the value of these work activity projects. They're not admitting it now, because they're in Opposition, and I don't expect them to admit it. Well, perhaps the Member for St. Boniface did,



but I'm firmly convinced, Mr. Chairman, that they had very serious questions about whether the work activity projects should be continued themselves.

And we're not eliminating the work activity projects as such. They are being reduced to a level of effectiveness that is measurable and that is justifiable. You know, when the Honourable Member for Inkster talks about the collapse of the Great Free Enterprise system in 1935 in the effusive terms that he is wont to describe that sort of thing and with the kind of implied scathing criticism of the Free Enterprise philosophy, certainly the Free Enterprise philosophy and approach has failed from time to time. It has also succeeded from time to time. And what is he recommending to us in its place? The kind of philosophy that has driven Great Britain to her knees? The kind of philosophy that has eliminated and successfully destroyed for the most part the incentive and the opportunity to people that reflects the systems in place in eastern Europe? Certainly there have been failures of the Free Enterprise system, but if he wants to stand up here in this House and espouse a better one, then that's his perfect right, that's his liberty. But he's not going to convince me and he's not going to persuade us on this side and he's not going to persuade half the people in this province that there's a better way than the Free Enterprise and the freedom of opportunity system.

If he can demonstrate that that great system it's been in vogue in Britain for the last 20 years is the salvation and the answer to all these problems, then he's a much better debater, a much better advocate and a much better parliamentarian than I even think he is, and I think he's pretty good in all three of those categories, but he'll never convince anybody of that fact.

Mr. Chairman, when the member and his colleagues deride my reference to the working poor by dragging out items having to do with taxation changes, taxation changes and fiscal changes in the province, they obscure the basic point that I'm trying to make, and that is that it is the working person in this province, the taxpaying man and woman in this province who has to support the entire budget. Now members opposite, the Member for The Pas says to me, "You've got no alternatives. You've got no alternatives." I've got thirteen alternatives, and I don't mind reading them into the record, but I'm not going to take the time of the committee to do it. But I've got thirteen alternatives to those work activity projects that are being phased out. They range all the way from expansion of the Hearing Conservation Program; to initiatives in child welfare; to expansion of the dental services program into the north; to mental health and rehabilitative services initiatives; to forty new spaces in workshops for the mentally ill; to increases to the Eden Mental Health Centre; to provide a pharmacy service there — yes, these are alternatives to that \$1.3 million. Exactly. Exactly. We don't think that that \$1.3 million on those work activity projects that are being phased out is being spent as effectively as it's going to be spent in these other areas of social service. And that's what this department is all about. So don't tell me I haven't got any alternatives. I've got alternatives there, and I've got alternatives under the MHSC program.

And that is where the money is going, because that is where the money is going to produce the most effective value for the taxpayers of this province. These are programs that have not just justified themselves, in many cases they are an excuse, a smokescreen for welfare, in many cases it's been demonstrated they discourage people from actively looking for jobs. The people go into the programs and stay in the programs rather than look for jobs, and a reduction in them is fully and totally justified, and I get that information not merely from talking in an ivory tower to my department officials, but discussing it with counsellors in the field who worked in the work activities programs themselves. So these are not arbitrary positions or decisions that are being pulled out of the air. What is being left is what we think is effective and demonstrable. What is being eliminated is what has outlived its usefulness.

And when you talk about the burden being carried by the working poor, we are talking about the \$702 million health and community services budget in total. In fact we're talking about the \$1.3 billion provincial budget in total. Now if the Member for Inkster wants me to increase that by \$1.3 million, which we think is not justified, then that is where we come into the argument about the burden on the working poor. No one is saying that the elimination of the \$1.3 million from the work activities projects by itself is going to be of any benefit to the working poor. What is of benefit to the working poor is control of the expansion of the budget in total. And if I want to expand in the thirteen areas that I am expanding in and do some of the initiative programs that we're bringing in under MHSC, I've got to have the money. And if I want to do that and continue with \$1.3 million that is ineffectively spent in work activities projects, then I've got to have \$1.3 million more.

And that makes for a bigger budget, that makes for a bigger burden for the working poor. The service that has to be performed for the people of this province is a service that ensures that the \$702 million in health and community services are spent as effectively as possible. And sure, we'll never get a full dollar for every dollar spent, because none of us does, in anything we do. But we want to get 90 cents instead of 85 cents, or 90 cents instead of 80 cents, or whatever. And we're not getting a dollar's worth of investment out of those work activity projects. There are very few provinces in this country that even have programs of this kind. What are we? Are we the

of North America? Are we the New York of North America? Can we afford all these grandiose programs that other jurisdictions far richer, far more powerful, far more economically sound than Manitoba, decide in their wisdom they can't afford? Oh, sure, we can because we've got a million people who can do all of this, who can pay all of this.

You know, pay for everything. You know why, Mr. Chairman? Because out in the back yard there stands the wonderful, marvellous NDP money tree. It's always been there, it's continually in flower, the fruit drops off it like apples off an apple tree, the wonderful NDP money tree. Buy everything, spend everything, do all these programs. Other jurisdictions aren't unrealistic enough to embark on those kinds of things. We have got to cut our cloth accordingly. We have got to do things in health and community services that need doing, and there's \$1,300,000 in work activity projects that don't need doing. We're not getting the return for them, we're not putting people into the work force by doing them. He are discouraging some people from actively looking for work. We are keeping people in sheltered workshops that do not qualify for Federal cost-sharing, and as far as the references of the Member for Winnipeg Centre to the wind-up, the eventual wind-up of all these people on Unemployment Insurance, there is no proof whatever that a lot of those people in those work activity projects, who, finding tomorrow or next month that there's no longer a work activity project, will not go out and look for a job. What akes you think they're going to go on Unemployment Insurance or welfare? They may very well go out and look for a job. There are jobs in this province. There are lots of jobs going begging in this province.

There's no proof whateVer, that is a myth at this juncture that they will necessarily wind up on Unemployment Insurance or welfare. Nor, I might say to the Member for Winnipeg Centre, is there any proof that they'll wind up in jail. What makes him think that because we don't have the work activities projects that the jails are suddenly going to become bulging at the seams by virtue of having to hold these people? But that is to imply that all these people on work activity have only two choices, in that they're either going to be on work activity or they're going to be in jail and I don't accept that. I don't accept that. How do you know that they're not going to go out and look for work and find work somewhere, meaningful work that they can do? They don't necessarily need to be in a sheltered workshop environment. It's a classic example of the socialist philosophy that says we've got to do everything for everybody.

California can't do everything for everybody. Since when can the province of Manitoba do everything for everybody. We are going to help who we can, where we can to the best of our ability. We are going to continue in the course of trying to create more jobs in this province, which will fuel the economy, which will provide for a reduction in taxes, which will take some of the burden off the backs of the working poor, which will provide greater services for all these people. But we have to start at square one; we've got to start at the beginning. We've got to get the economy in shape to create and produce those jobs. And we need money to do that. That money is not being effectively spent in all of these work activity projects. It is being fairly effectively spent in some, and they're being maintained for that reason. But those that are being cut are being cut because it's demonstrable that they should be cut.

And furthermore, I would suggest that a majority of the Manitoba public would agree with that. A majority of the Manitoba public, I think, is sick and tired of paying good money after bad, spending good money after bad on schemes that have never been demonstrated, never been proven to be really effective. They sound fine in theory, they make for great philosophical arguments, they make for great motherhood, but when you come right down to it, in terms of production of people into work positions, which is what they were designed to do, they just don't measure up. They cost about \$25,000 per successful candidate and you can't name another social program in any province in this country that engages —(Interjection)— at a provincial level — that engages in that kind of support, that kind of funding to that degree of expenditure and extravagance.

So Mr. Chairman, let me just repeat that I have no quarrel with the Member for Inkster when he says this is Conservative philosophy. You're darned right it's Conservative philosophy. We were elected to implement Conservative philosophy.

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

**MR. DESJARDINS:** Mr. Chairman, that's the biggest charade I've seen for a long time. The Minister is talking about money tree, motherhood, about the working poor. They're all things that he doesn't really care about. Mr. Chairman, but at least we're getting somewhere after practically a year, two years. The Minister now is forced to come out with the truth. And at least, finally, the people of Manitoba will have a choice. He might be proven right, and then he might be proven wrong. And no, Mr. Chairman, the people of Manitoba did not have the choice. Things were misrepresented to the people of Manitoba. The Minister of Health, the Premier of this province, said that no programs would be stopped just because of the waste, the great waste of money — they would be able



to just take that, the waste, and not stop one progr, in fact improve the programs. And the Minister has been crying and bawling like a baby on every item. And he's telling us that he has no money. And he's talking about priorities. He's talking about priorities and he cries on every damned program and he says that they wouldn't be minimized. What did you do with the Dental Program? It was a universal program. What is it going to be? It's going to be nothing. What are you going to do with day care? What are you doing with day care? And what are you doing with this program? Yes I talk about the losers in society, because those are the real losers. A heck of a lot more

**MR. SHERMAN:** Garbage.

**MR. DESJARDINS:** Garbage he says. A heck of a lot more losers than somebody that might have a broken arm. He's right. He's right, it is difficult. We have no guarantee that they will all get a job, and he says there's only 28 percent that find a job. And he's had the gall to talk about the working poor. He's never worried about the working poor. That's what the fight's all about. He's worried about a certain class, a certain class of people, and they're not considered working poor.

He told me that I couldn't have it both ways; last week he told me that I couldn't have both ways if I said that I felt that the medical profession should have an increase, but also the people working down in the field. He couldn't have that. And as I said, he apologized for the doctors getting only 8.2 percent, but he was so proud of the 6 percent that he was giving the people working down the line in home care. People getting \$10,000 would have a 6 percent increase and people getting \$75,000 would have an 8.2 percent increase. And that's a difference of about \$5,000.00. And he's worried about the working poor? You know how much they laughed last year when we talked about — and we're coming back to that — the study that we made with the Federal government. He said that nobody worried before, about the work poor. That's what it was all about, a guaranteed minimum income. A way to get incentive to get people off welfare. And we tried that, and we spent money on it, and maybe something will come of it, I don't know. But at least that was a way that we were trying to help the working poor.

The negative income tax also, the refund on income tax, that was helping the working poor. The minimum wages that they say "in due course", that's to try to help the working poor. Now, Mr. Chairman, he said there's not enough, there's 28 percent. Is the Minister going to stop his treatment of cancer? Is the Minister going to stop treatment — (Interjection) — . . . Oh, Smiley says "Oh". What about cancer? What about cancer? Is he going to stop that? How many do you save? How many do you save by treatment of cancer? Unfortunately, you don't like to hear that — you don't like to hear that. But how many do you save? What about open heart surgery? What is considered — 28 percent is not good? Twenty-eight percent if you saved in cancer, wouldn't you be very happy?

And this is what we're talking about here. Exactly. But it's not good. It's not good. And he says, what guarantee that year. Many of those people come from jail, and it's not just ordinary people. And if it is, and if this is such a lousy program, why don't you have the guts to cancel it completely? Why don't you have the guts? Mr. Chairman, the Minister says that there are some that are staying there too long. They've got nowhere else to go. There's no make-work program. There's nowhere else to go. Isn't it better to keep these people there, than maybe in jail? And there's a lot of them that will end up back in jail. Back in jail, because many of those come from the jails. And they are trying to find a way. So, it's not a success, he says, because they don't, all of a sudden, in six months — the people who have had it tough all their lives, in six months are not converted and are not all going just quietly getting a job somewhere, probably for the minimum wages.

And we're going to have an awful lot more crime, and this kind of stuff, the way we're going. You know, people that have had it easy all their lives don't worry about this kind of stuff. They don't worry about this stuff, and the Minister will get up and say, "That's the difference". Well, that's true. That's true, now it's starting. Look at where the programs — you know, the day care program is going down the drain. What were we doing for the working poor? That's what we're reassuring them, that society would at least give them the minimum of some of the services like Medicare, like hospitalization, without deterrents.

Those are the things that we were doing for the working poor, trying to help somebody get in the mainstream of life by having these day care centres open. And home care, the same thing. Those are the working poor, the other people don't need those things. And where are we cutting? Look at the programs and find out where we're cutting, Mr. Chairman. It's very easy to tell that it's exactly the same class of people, the working poor that he's talking about, and the others that as far as my friend and his friends are concerned, were people that don't exist.

Mr. Chairman, then we have to listen to this, he's talking about the NDP philosophy, he's talking

about the money tree, because we are concerned about people that have been losers, and we're saying "Why are you cutting here?" And he's so proud of it. It's not a sexy program at all. There's no doubt that there's not too many people that are going to worry about that. But is that doing the people the service?

This is one area, the area that he cut, that he doesn't have to fly a kite, that he knows there's not going to be that much pressure, the pressure's only going to come by these darned Socialists and Marxists and so on. Because who's going to go and stand up for these people. You know, he talked about talking to councillors. The same kind of councillors as we had the Member for Swan River, and you heard him. These were the councillors and mayors they talked about. The people, yes, the people that said "We have no welfare", because they were cutting down the welfare so darned low that the people had to go to Winnipeg. And they're proud of that. Well, Mr. Chairman, fine. Now we can fight on the right platform. The government who said that they will keep on the programs are not doing so, they said because why? Because they did not find the abuse. Well, why would they be talking the way my honourable friend said today? These are my priorities. What can I do? I can't do it all?

He used to say the same thing — we all said the same thing. But we did a little more. And we didn't cut — you know, this is what we're accused of, of being Communist and Red and everything else, because we are worrying about the people that can't help themselves as much. Those are our main concerns, not necessarily the big corporations. If we don't worry about them, or if we defend or try to talk about getting minimum wages, we're anti-business. We're anti big business, we're anti professional, and everything else.

Well, Mr. Chairman, I think that finally it took two backbenchers to get the thing going. The Minister never wanted to admit it. He didn't admit it last year, and in the last few days he's admitting it. Now he's talking about, you know, there's more smoke screen — what did he say last week? And he keeps repeating, 700 million, or something? And what is he saying? What did he get? He got money from Ottawa that he's not spending, and he says "But my budget is going up". The comparison — well, what does that mean? So all right, when you look at cost and then need, yes, yes, and that's exactly what they're talking about — cost and then need. Cost first, and then need. So you fly balloons, they're talking about as if they're so brave what happened last October in 1977.

This Minister hasn't made one decision except here. That's the first decision he's made, offer his Estimate without flying a balloon. He doesn't even know what money he's entitled to. He's satisfied to let somebody else . . . there's two of them that run the show. Two of them, and the others to just pick up and do as they're told. And that's the great government that they weren't going to have, only the one man that they were going to have a team.

It's a hell of a team when the Minister of Health was spending, like he said, more than one-third of the budget, doesn't know what he's entitled to, and he'll wait until the Minister of Finance will say "This is what you have to spend this year". Did the Minister of Finance study and find out where the needs are? No damned way, Mr. Chairman. No way. Now they want to talk about philosophy, and they want to talk about that, and . . . you can't even talk about a program. I got up this afternoon very calmly, did not accuse the government, made an appeal for these people who I feel are the losers in society. And look at what happened. I was chastised because I dared do that, and what do they mention — "well, that's motherhood".

Well, we're both talking about motherhood, but motherhood for you is something else. That's the only difference. No, Mr. Chairman, if that's the challenge, if that's the challenge, and if the Minister feels that he's going to be able to mislead us like he's been doing all along, like he's been trying to do to the people of Manitoba, but his credibility now is being questioned in all circles, and the people are starting to find out. Do you mean to tell me, Mr. Chairman, and I'm going to ask you, or I'm going to ask anybody in this House, do you feel any different? Do you feel better now, the 4th of April, 1979 than you did in April, 1977? Have you got a lot more money to spend? Do you have more money in the bank than you had then? Do you? Do you have any more money in the bank than you had then? Do you have more services than you had? No. The Corporations have, yes, but what about the individuals.

I defy anybody here to tell me that they had more, in general. There might be the odd one, of course, but I'm talking about in general. Do you think the people of Manitoba were told how bad it was under the old system? You know, was it so bad? They can't find those scandals. Last year we asked every single department — tell us where those scandals are. This is one of them. Now we know. Now we know.

**A MEMBER:** You never asked Highways.

**MR. DESJARDINS:** No, that's right, I didn't ask Highways. Now, Mr. Chairman, now we know. This

is an area, we were told this is the first time that I've heard that in the Department of Health and Social Development, the way it was before, that here we have money that we're throwing away — money that we're throwing away because we try to help people.

We knew before we started that it wasn't perfect. You know, it was just like, if you're not saving lives, like I said, that's a good example, because God knows what ravage the cancer does. But did we quit? Do we quit trying? Our program is not that successful, but do we quit trying? We will quit trying only when we have another program to replace it by. Fine. That's the difference, Mr. Chairman, but they don't look at it the same way. They don't feel that this is a sickness, and the Minister, the way he talked, he doesn't even understand. He said why this program was put there, and he faults people that stayed on it too long, maybe too long. Well now they might have to stay on welfare a little too long. You know, maybe they won't get out that fast.

Now this program, as I say, and we all say, certainly it was far from perfect. And as I repeat again, I consider this the real losers in society — way more than people that are afflicted with many diseases. I think that's the worst of the diseases, and that's the worst suffering there is, when you're not understood, you're not loved, you're not wanted. And maybe society, with this kind of a conservative thinking, forced you into a position, not necessarily through any fault of yours. It's not your fault, you didn't create your parents. It's not your fault if you're kicked out at 15 and a half. I mean, I wonder how many of us would be any better, if we'd been exposed to the same thing these people have been exposed to.

It's so easy when you're riding high, when you've got a lot of food in the fridge, a lot of booze in the bar — it's so easy. It's so easy when you're real comfortable to talk about "don't rock the boat", to tell the others "don't rock the boat", and to talk about priorities, and brag about this priority of making it easier for the poor people after trying everything to cover everything up, that are left with leaving a quarter of a million dollars.

You know, that's so easy, Mr. Chairman. Well, Mr. Chairman, that's fine if the Minister wants to draw the line, if he wants to tell us what we're going to fight the next election on, that's fine. He says that we can't convert him. Well, he won't change u.. I think we have a conscience just as much as the Minister. All right. I don't say that he hasn't any right to his ideas. That's fine. But we certainly have to ours also.

I, for one, never talked about the Socialist or Conservative this afternoon. I've talked about a problem, and I thought this was the reason why we were here. But now, all of a sudden, it becomes a fight with those Socialists because the Minister says, on one hand you're talking about motherhood, it's easy; then he accused me and the rest of us, of being doctrinaire NDP. Well, what is it going to be, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Chairman, early on in the debate on this department, as the Minister of Health and the Member for St. Boniface were debating the various items under this department, I thought of the situation of the discussion. And I thought that the Member for St. Boniface in his efforts to fight for justice and fairness and equality, should be given a name, Mr. Chairman — and his name should be "Zorro", fighting for the justice and fairness in society.

Mr. Chairman, I saw the Minister answering the Member for St. Boniface, and now I heard the Minister answering us this evening, Mr. Chairman. And the Minister also should have a name, Mr. Chairman. His name should be "Toro". So we have "Zorro" on this side, and "Toro" on that side. "Toro", Mr. Chairman, is the name of a snowblower that blows snow as you push it through your driveway. And, Mr. Chairman, that is exactly what we're seeing from this Minister; the public relations man for the rigid dogmatic Conservative philosophy that now at last the Minister admits that he's imposing upon the people of Manitoba. The rigid and dogmatic Conservative philosophy that's not talking about the working poor, Mr. Chairman. He's talking about the working rich and the idle rich, and the elite and the privileged few in the Province of Manitoba. He's not talking about the working poor. He never has done, and never will, Mr. Chairman.

The Minister, Mr. Chairman, was concerned about my question of options — what are the options? And I still want to know from that Minister, Mr. Chairman, I would still like to know from that Minister, what are the options for the people in Pelican Rapids? What are their options? I'll ask the same question of the Member for Swan River — what are the options of the people in Pelican Rapids with the elimination of this program? Mr. Chairman, the options of the people in Pelican Rapids are situations of welfare and could be jail or the option of this kind of a program which is only moderately successful.

Mr. Chairman, the Minister talked that we're not New York and California. Mr. Chairman, I think the Minister would like us to be New York or California and he would like that aspect that the Member for Inkster talked about of those particular societies where you have the very rich and



the very poor; you have the people that are on welfare or you have the people that are making lots of money. And that is the kind of philosophy, that's the kind of direction that this Minister would like to move, although, Mr. Chairman, he would blow snow and pretend that he is not moving in that direction.

So, Mr. Chairman, I would like the Minister to report back to us if he would. I would like him to report back to us the 15 people, the 15 positions at Pelican Rapids — what happens to those 15 people? You know those 15 human beings and their families, Mr. Chairman, so we are not just talking about 15 people. What happens to those 45 people or 60 people that are affected in one small remote community, what happens to them? Now, Mr. Chairman, the options are not there for those people. So I would like the Minister to report back to us on what happens to those 15 people of Pelican Rapids. I would like him to report back on the 15 people — Mr. Chairman, Mr. Chairman, I'm sorry I can't speak because the Member for Wolseley seems to want to make a speech now and he probably has something to contribute — well, Mr. Chairman, I'm sorry to interrupt while the member is speaking from his seat. Mr. Chairman, I would like the Minister also to report back on the 133 people, individual human beings and their families, what happens to them as this program becomes eliminated.

I would also like, Mr. Chairman, the information that the Minister has because he said they studied this and they looked at it, and I would like him then to table that information, those documents that shows that this program was even less successful than he has indicated so far, and far less successful than his own report, Mr. Chairman. The Annual Report for 1978 has stated about this particular program because, Mr. Chairman, his comments this evening repudiates everything that's in his department's report about this particular program. It repudiates everything in there.

So, Mr. Chairman, if the Minister would be so kind enough to provide us with that information when these opportunities for these people are eliminated, what happens to those human beings in the Province of Manitoba?

And, Mr. Chairman, even though his rigid philosophical position is that we could ignore these people now, that we can sweep them under the carpet, they're just poor people anyway, they don't matter that much in terms of our society that we can ignore that situation. I would still like him to be kind enough to report back on what happens with this implementation of the conservative philosophy that they attempt to call a restraint program.

Mr. Chairman, I attempted to persuade the Minister on terms of grounds of common human decency. I attempted to persuade the Minister on the grounds of economic cost effectiveness in government, Mr. Chairman, and that didn't work. Mr. Chairman, I would just like to add one more thing that the Minister might want to take into his consideration that might interrupt the comfortable conservatives of Manitoba — and, Mr. Chairman, this is from the Tribune of April 2, 1979 and it's a press release from the Manitoba Metis Federation and I quote, Mr. Chairman — "Unless Premier Sterling Lyon becomes serious about this massive unemployment of Indian and Metis people by chopping the statistics of unemployment down from 80 percent to the provincial norm of 5-1/2 percent, it appears that civil disobedience could erupt by this summer", the release states.

Now, Mr. Chairman, that is the end option, I guess, when people are forced to the wall, is to use the only means they have left to put pressure on the powers that be, not the friends of this Minister and not the people this Minister and his government are concerned about that already have the power and influence, but the people who don't have the power and influence and are being ignored, rejected, or hidden by this rigid philosophical approach of this government that they call restraint which is really the implementation of their own philosophy.

So, Mr. Chairman, what we have here is a distinct decision, a clear decision by this Minister and now he says it's his decision and he's proud of his decision, that welfare, that more police and people in jail is the way to go instead of helping people to become productive citizens of Manitoba.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. ROBERT G. WILSON:** Mr. Chairman, I'll be brief. But you can't help but stand up — it's all right to sit from your back seat and say it won't wash and we rely on the intelligence of the media to pick that up — but you can't help but look. I have right here without even going to my research department, I have something right here that tells me the former Member for St. Matthews, Mr. Johanneson, he goes on to repudiate exactly what the Member for The Pas said when he says that there was welfare in this province long before we became government, i.e. the NDP. And there has been welfare under various names for centuries, right.

Ever since the beginning of the free enterprise capitalistic economic system, right? In other words when you became government, you became part of the capitalistic situation, you didn't become what the Member for St. Matthews wanted you to be. Because he says, "But, Mr. Speaker, the

Honourable Member for Wolseley . is one who is very preoccupied with the working poor, preoccupied with welfare." But if he were to visit Cuba he would find nobody on welfare. He would be very congenial to the Cuban system because there are no people on welfare there and if he went to Russia he would find nobody on welfare. The fact that in Russia the constitution contains a clause that he who does not work, does not eat.

Now here's the Member for St. Matthews, a former member, Mr. Johanneson standing up and admitting that when you were government you didn't have a cure-all for all the problems So I don't know about the 15 people in Pelican Rapids but I do know about many urban families that were uprooted because of all the companies that left this province because of the policies of the members opposite.

I know of small companies, and I'll give you an example, my own company. I had to lay off 8 heads of families that had to go and find jobs elsewhere. That was Hurst Enterprises Limited. —(Interjection)— No, no, you eliminated them. You got rid of them but that's just one example. —(Interjections)— Well, many insurance men stuck around, many other people stuck around — well all right — the Member for St. Boniface is chirping from his seat. Now he must be really worried that I'm going to stand up and tell it like it is about Mincome. The Member for St. Boniface stands up and accuses the member . . .

**MR. CHAIRMAN:** Order please. Order please. I'm sorry, if this is what's been going on all evening, I would have to not rule it out of order but if this is just starting I would suggest that we have have a member who has the floor and I think the courtesy of listening to this member should be extended to him. The Honourable Member for Wolseley.

**MR. WILSON:** I'll talk about Mincome. When I was on City Council I looked at this Mincome program that came out of the Federal Government and I said, isn't this terrific? We're going to be able to dismantle that huge bureaucracy and empire called the Health Department of the NDP government, 1,700 people will be laid off. We won't need any more of these bureaucrats, we won't need civil servants, we won't need social workers, we won't need anyone because we're going to have a family allowance called Mincome. And the whole project was designed for Dauphin. But when they couldn't get people to accept it, they came into the City of Winnipeg and I believe the entire figure for the years was something like 17.5 million, the Minister can correct me, and I find it absolutely incredible because after I examined the program, I knew the program was doomed to failure because nobody is going to dismantle their empire.

**MR. CHAIRMAN:** The Honourable Member of St. Boniface on a point of order.

**MR. DESJARDINS:** It seems to me that Mincome is on Page 50, (v) Basic Annual Income Project and we are now on Page 49.

**MR. WILSON:** Mr. Chairman, I stand to be corrected but I was listening to the Member for St. Boniface talk about all the wonderful programs that they had for the working poor and he stood up with his chest expanded to talk about this wonderful Mincome Program. And also while I was on City Council we had another project to help the lower income an ppeople on welfare get into the work force, it was called the Sheltered Employment Program. And I understand there's a bit of pressure from rural communities to get involved in this type of a program. But we've got one boogie man in the works. It's called CUPE.

Because they say you can't take a man off welfare. Welfare will pay him \$5.50 per hour, you've got to pay him \$7.95. But in negotiations with CUPE they didn't want to appear to be the bad guy so they allowed us the first couple of years to have 25 people. And when I left City Council they had upped it to 50 people.

Do you know how many people we could take off the welfare roles and put as recreational helpers in the community clubs shovelling off the rinks where there is no volunteer force like there is in some of the richer suburbs, in the core area of our city where our rinks go unshovelled because we don't have the type of volunteer help from the transient adult community that we have in many particular areas? That's the kind of obstacles we ran into when we tried to get our Sheltered Employment Program going. It's called CUPE. They have what you call a tradesman thing, the lowest paid man as a city employee was \$6.70.

I simply want to say in response to the Member for St. Boniface Boniface that it won't wash. I think there is nothing better than the work ethic that there's plenty of employment out there. Every year you look at the phenomena of the Mexican workers coming in because the farmers can't get people to go to work. And the shortage of cannery workers, and the shortage of all sorts of workers in every type of industry and one of the particular problems that we have, and I talked about the



service industry, where members opposite wouldn't listen to any type of tip credit situation towards a wage in the service industry. Instead they want \$4.50 per hour. I talked about that argument before where you don't have to go too far south of the border and the head maitre d' gets \$5.00 per day and the others get \$10.00 per day and they rely on their work ethic and their smile and their friendliness. They don't rely on a forced type of situation where somebody has to be kept on the payroll and he doesn't produce.

Well, I think there is some merit for the Sheltered Employment Program and I think that if the union people would get together with the City Councillors or their local reeves in their particular areas, we could fill a need from some of the people in the communities that are, and I just came from a small town today which the people that are on welfare are not looked upon too favourably because of their lack of initiative and their lack of ability to get out and work, and they are looking forward to exploring areas such as the Sheltered Employment Program. —(Interjection)—

Well, I don't know about Pelican Rapids and unlike the Minister I don't have free access to a government airplane. I would simply want to say that there are plenty of jobs in this province, plenty of opportunities and I just don't think it will wash. —(Interjection)— Well, I would be very interested in the Member for The Pas standing up and taking apart the former Member for St. Matthew's statement in which he clearly states his disappointment that when you were members of government, you didn't totally take the initiative out of many of the people and his quotes are right there in Hansard, and I may get an opportunity to read them in the record again under my resolution pertaining to increasing the ability of being able to get meals increased without taxing them in the next few days.

But I just had to stand up because the Member for St. Boniface just didn't seem to be that sincere when he was giving out all this stuff about some incredible things pertaining to how things were today, and how there were so many people on welfare, and so many people unemployed. —(Interjection)— Well, you know, the Member for St. Boniface obviously hasn't travelled across this country. I was the so-called housing expert on City Council, and you had your Lloyd Axworthy, but I went down to St. Johns, New Brunswick; I went into those terraces four storeys high, where everybody smelled the coal oil. Compared to them, other than a few people that we have in the north, a few of our native people that have some problems with housing and that, we don't have that many poor people in Manitoba compared to the Maritimes; compared to some of the hovels in Montreal. You people have got to open your eyes. We are not that bad off compared to other parts of Canada.

**MR. CHAIRMAN:** Before I recognize the Honourable Member for Inkster as the next speaker, I would just like to make an announcement that I just borrowed a pair of glasses because I had forgotten my glasses, and on putting the glasses on, I notice that we are on Employment Services (q), and I would think that a lot of the discussion has been out of order and please, gentlemen, and madam, I would hope that maybe we could stick to the topic.

The Honourable Member for Inkster.

**MR. GREEN:** Yes, Mr. Chairman, I really think that this is one of the occasions that we have been fairly close. I will admit that there has been some strain but there really has been more than sometimes direct talking, particularly the Member for The Pas, the Member for St. Boniface, have been right on the issue of a series of programs that have been cut out by virtue of the Minister saying that they have not operated efficiently; they have not given value for the amount of money that they have spent. I think that the debate has been pretty close to the subject. My member, the Member for Wolseley entered the debate because the subject of unemployment and dependency was mentioned, and I do not know how we can avoid the subject of unemployment and dependency with regard to this particular issue, and there were suggestions which I again don't see how they could be avoided in the debate, that the unemployment situation and the dependency situation are related to particular orientation in government. Indeed, I think it was the Member for Swan River, and others, who seemed to suggest that we were for welfare type programs. I believe the Member for Wolseley quoted from a research director to indicate that it's not socialism, and I don't like to argue about words, that is the proponent of welfarism and dependency, that that is endemic to so-called free enterprise. I don't know how that could be avoided.

The Member for Wolseley then said that, and this was the interesting phrase, that this company had to let eight people go during the time of the New Democratic Party administration, and when I asked what company, he indicated that it's a firm of bailiffs, which is a perfectly legitimate enterprise, Mr. Chairman. But I will admit that bailiffs are more busy under a free enterprise system than they would be under the system that we operated, and I tell the member that he should not worry, Mr. Chairman, that happy days are here again; mortgage foreclosures are up by double since the Conservatives came into power; bankruptcies are up 20 percent, and I expect, Mr. Chairman, that

bailiffs will be hiring additional staff to deal with foreclosures, to deal with judgment sales; to deal with evictions; to deal with repossessions, Mr. Chairman, that all of those things will result in an increase of employment in that particular activity.

But, Mr. Chairman, there is one point here, which, if the Minister is going to answer the Member for The Pas, who asked I think, a very pertinent question: "What are you going to do; what is the option?", and you've dealt with an optional program, but you say that this had higher priority, and I think you gave some which were indeed very important services; I don't disagree. But they are not optional to the service that is now being provided to the people that the Member for The Pas mentioned in those particular areas.

But when you're going to answer that, if you are, I would like you to answer to me for the efficiency in administration of this program, because, Mr. Chairman, if you look at the figures on Employment Services, the administration figures have gone up by 12 percent; that's twice the budget. If you take the administration figures: Salaries have gone up from \$101,000 to \$109,000 — I just want to see if I'm catching the Minister's attention. This is important from a ministerial point of view; at least I used to think it was important. Salaries have gone up \$101,000 to \$109,000; Other Expenditures \$30,200 stays at \$30,200; Financial Assistance goes up from \$133,000 to \$141,000, which means that your administrative areas go up from \$165,000 to \$180,000, which is an increase of 12 percent, to administer a program which is one-third smaller than it was the year before. Your program activities, the work that's actually going to the people in the field, reduced by 33 percent, but lo and behold, the bureaucracy; the support staff; the services, go up by 12 percent.

Now, I don't know how this squares with this so-called restraint and fine tuning and better administration. What seems to be cut out, is opportunities to people in the Province of Manitoba. Opportunities for bureaucracy — if my friends will pardon me, sitting in front of you — have gone up in this particular department.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, each time the Minister responds, he provokes something, and I don't know whether the event has taken place tonight or not, but nevertheless, a young man of 29 was scheduled to die in the electric chair in one of the southern states, and the Minister earlier said, that for each successful through-put in this particular program, it costs \$25,000.00. Well, that just happens to be about the figure that they use to amortise the annual cost of keeping one person in one of the new maximum security institutions which they have to build because of the changes in the Criminal Code; \$25,000 is the annual cost of keeping one individual in a 25-year maximum security institution, which they haven't got yet, by the way, but this is the figures that they use.

The Member for Inkster was right. This, I think, is one of the best debates we've had for a long time, because when we get down to how much, you know, the nickels and dimes and everything else, it's more important, in my judgment, that understanding of the people of the Province of Manitoba, is exactly that in which we are involved. And the Minister once again has reflected his philosophy; his philosophy and the philosophy of that group, and he argues with us that this particular program is a socialist philosophy. I don't know where he got that from. Socialism — and it's not a dirty word in my vocabulary — socialism is just a fundamental principle in my mind; it's from each, according to his ability; that means you do as much as you can, and then to each according to his need. What he needs; not what he wants, but then, his need. So it's simple. But how you get there, ze figure out afterwards.

But when he talks about where do we think we are: New York; California? You know, I'm a Manitoban. In fact, I'm worse than that; I'm a Winnipegonian, and you know, if we looked around North America, I don't care if it's hoola-hoops or anything else, there's a cycle of how things occur in North America. And you just stand around and look around you; never mind Conservative dogmas or what people think is Socialist philosophy, look around at what occurs. Our argument is that this is being pound foolish and penny wise. Now I know he tries to make the case, here is the NDP saying, spend more money; spend more money. It's not. Their fundamental basic philosophy is every man for himself and tee devil take the hindmost.

The net result of this particular philosophy, relative to this item under discussion is, if you look at what's happening in the cities that you mentioned: in New York, hiring policemen to work in schools. What's the relationship between this item and that kind of thing? It's because he says himself, this is Conservative philosophy: every man for himself, because in response to an earlier argument, he says that these people should go out and find jobs. Hansard will show just exactly what he said: "Let them go look for work."

I'd like every person that's displaced from this kind of a program to phone the Minister up and say: "Where?" A friend of mine has ten tandem trucks sitting in his backyard that haven't moved

an inch. How much mud do you see, travelling around in the Province of Manitoba this time of the year? And they usually start now, construction usually starts, and this guy would love to hire ten people to get those trucks moving, but there's nowhere for them to be employed. So for him to say — you know they keep changing the let them eat cake thing. Let him look for a job; let him go to unemployment; let him go to camp.

Mr. Chairman, can't the people over there and some of the younger members who have associated themselves with the Conservative Party see that this philosophical approach is not going to solve the problem. If they had an alternative to this particular thrust, we would support it, and for the Minister to say that he has spent money in other areas, which we agree, are important too. But to use the argument that it costs \$25,000 to through-put somebody successfully in this program; why doesn't he go out to the farmers, as I said earlier today, and tell them: "You can't produce milk; you're inefficient; you can't make money." The taxpayers of Manitoba, the people who ultimately pay the taxes in this country have to pay all the costs which are put into the public coffers through the tax system. And you never get an argument out of the urban members on this side of the House that we shouldn't support programs which will continue Agriculture.

When I said it costs to produce a pound of skim milk powder, 78 cents, but we can only sell it for 28 cents. You know, the taxpayer has to pick up the 50 cents, so are we going to boil everything down to a profit and loss statement? Can't the Minister see, can't the Conservative Government see, that by following the philosophy which was articulated by the Minister earlier, that they are going to have to pick up these costs later? They're going to have no other alternative.

There's one little program, I don't know where it sits. In 1975, there was a drastic increase in vandalism in the City of Winnipeg school system during the summer months. One of these programs; I don't know if it specifically was under this item or not because the thing kind of fell between a couple of stools, the Attorney-General's department and the Health and Social Development . . . oh, they changed that now. It's not Social Development any more, it's Community Services — but nevertheless, there was a little program that they hired summer students to go around to these schools, because these kids from the neighbourhood knew where the mischief was coming from, and the vandalism went down. But, nevertheless, following through on their philosophy as coming loud and clear through this session, they're saving the taxpayers money, because it won't appear on the books of this government, that they're going to spend that kind of money. Because, what will happen, Mr. Chairman, — I hope they haven't been that stupid, that they've scrapped that little program, because it didn't cost that much; but it was a couple of hundred thousand dollars of vandalism, which was prevented by that trust; but if they save that little bit of money, it will decrease their expenditure here in the province, but the city of Winnipeg taxpayer will have to pay it. And they won't pay the cost of the program, they'll pay the cost of repairing the damages.

You know, we talk about causal relationships. Mr. Chairman, I listened to the Minister and I was just ready to throw up my hands, because he takes the concept of Armageddon and takes it out of the area of theological possibility, and brings it into the area of a need priority, an immediate necessity, because causal relationships . . . We're not talking socialist philosophy, it has absolutely nothing to do with it in my judgment, it's practical.

You know, we teach youngsters history in school — what do we teach it for? Hopefully, we can learn by the mistakes of the past, at least, this is what they tell them. You know the idea that people are going to sit idly by and see me make better than \$20,000 a year, and they work for \$6,000 a year. They say, why, why? I'll take any amount of money that I earn, but nevertheless these people say why?

I mentioned earlier about watching television once in awhile. In China, there's an argument, 3 million — 20 million people died of famine, and it took three years for that to get to Peking, because of communications at that time. But now we have communications all over the world that's instantaneous, and the technological advances are such that you will be able to put one of those aluminum pie plates up on your roof and take stuff off the satellites — that's where it will be within the next 5, 10 years.

So for people to think that Manitoba is a cocoon, they should take a look at what's going on around them, because people won't sit idly by and watch the top and the bottom spread out. Archimedes said this years ago, Aristotle said it, throughout history is this whole thing. It seems to me to be so — (Interjections) — the Pope said it, it's a growing disparity. I said it relative to another item, Mr. Chairman, that yes, yes, we have to balance our economic system relative to the increase in energy, so somewhere along the line we do have to pull in our hopes and aspirations and everything else. But I think it's incumbent upon people who choose to put themselves forward as leaders in the community to remind all of the taxpayers that it is in their own self-interest — it's got nothing to do with becoming socialists or anything else — it's in their own self-interest that this kind of thrust should be pulled back, because if they continue to ignore it as the Minister put it before us, they intend to because this is Conservative philosophy, they don't believe in the



program. They're going to have what they have in New York, they're going to have what they have in Chicago, they're going to have what they have in Los Angeles.

I happened to live in Los Angeles just prior to the Watts riots, and these people who — I won't take too long, but to make my point, I'll relate this brief story — about people, and people not sitting still in a situation of social economic deprivation. —(Interjection)— Yes, oh my goodness. Well, Mr. Chairman, the Minister of Economic Development chirps from the front bench and I agree with my colleague, the Member for St. Boniface, there was a thing noteworthy in the newspaper today. There was a picture of the Minister smiling, and I thought that was noteworthy.

But for those people who are unfamiliar with one of the threads in history which demonstrates the necessity of this kind of program, the State of California during the Second World War was a staging area of all of the troops that went to the Pacific theatre, and they had large camps up and down the coast. One of those camps 50,000 men, and they came from all across the southern United States, and they went into these camps, and because they were in uniform and because of the Spanish-American relationships of most native Californians, discrimination wasn't that bad. There was discrimination to a degree, but it wasn't that bad. When these people came back, they spent some time in California, and they went back across to the southern United States, and you will remember that prior to the march on Montgomery and the rest of it, that down in the southern United States they were still sitting on negro people. So they flocked into Watts in California, Los Angeles, a thousand a day, and they went into this area and they had nothing to do. What did they do? They burnt it down. People may recall that.

Oh, he's talking philosophy again — I'm not talking philosophy, I'm talking absolute economic sense, that if these people aren't given an opportunity, aren't helped into the system, then we're going to have to pick up the costs later and we will pick them up in a way that this Conservative philosophy will impose upon all Manitobans, by hiring more policemen as already budgeted for, by — well, they're going to pack them in 2-high in Brandon I understand now — they'll have to put them in 4-high in Brandon and these people won't sit still for it.

But, Mr. Chairman, I'm glad that the Minister is finally being provoked to put on the record, that the Conservative Party is diametrically opposed to this approach to solving some of our social problems, which in the long run will save Manitobans money.

**MR. CHAIRMAN:** The Honourable Member for Roblin.

**MR. J. WALLY MCKENZIE:** I've listened with keen interest for hours to these great white knights across the way, and these saviours of the New World, this new philosophy, this new dream that's going to solve the problems of all people of Manitoba, Saskatchewan, Alberta and across Canada. And it's a very interesting story, especially when you hear the former Minister of Health espouse like he has tonight, and from reading his history in this House when he was even against medicare — violently opposed to medicare at one time — and to read some of the speeches and difficult questions that he asked in those days.

But, I have in my hand, a very interesting book that's likely going to hit the news stands, if they haven't already, and will likely be one of the best sellers of the decade; it's the story of "The Right Turn"; the story of some seven socialists — labour socialists in England, and one liberal, who joined the Conservative Party in the last several few months. And I'm just going to read you the story of one of them, the Honourable Reg Prince, and you're likely quite familiar with him. He was a former civil servant, served with great distinction in the army during the last world war; after the war he joined the transport and general workers union and entered Parliament as a Labour member in 1957 for East Ham; then he assumed various portfolios in those Labour governments of those days, and finally, it says here in 1977 he took the unprecedented step of a former Labour Cabinet Minister crossing the floor of the House, to join the Conservative Party.

And let's just read into the record what this honourable distinguished gentleman said after he crossed the floor, and joined the Conservative Party, about the very subject matter that we've been arguing here for hours tonight, and to further substantiate, Mr. Chairman, the remarks and the position that my Minister has taken and the government has taken on this very important item that we're dealing with, Employment Service, and I'll just read this one paragraph, and I'm sure it will satisfy the Members Opposite for some time. They likely won't believe it, but it's in black and white, and the book is for sale at the bookstores today, and you can read it. He says, and it's a very current book:

"The outcome of the general election will depend on people like the contributors of this book, the seven labour socialists who left their Party to join the Conservatives, plus the one Liberal, who have supported the Labour Party in the past, but cannot do so again. There are many thousands, perhaps millions, sick at heart at the way the Labour Party has moved away from its old ideals, but will they see the positive case for conservatism?" He goes on to say, "One of the most important

things that they should consider," and listen to this, "a vital part of the Conservative case is related to the reasons that took many of us into the Labour Party years ago. We wanted to see a better deal for the unprivileged; we wanted to see social justice; we believed in higher pensions and more resources for our health and education services. The fact that is staring us in the face, is that these things are being achieved, but not in the socialist countries." He goes on to say, "In western countries, they are making a success of free enterprise that are doing far more for the sick and the elderly people, giving much more help to the deprived groups in our societies than we are managing to do under socialism. Socialism and social reform may once have seemed to be a point in the same direction, but practical results of recent years teach us a different lesson."

Now surely that will settle the Members Opposite once and for all, on this very important subject matter that we are dealing with.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Will the honourable member table the document that he was reading from? —(Interjections)—

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, I don't want to prolong the debate, but I owe the Honourable Member for Inkster an answer to a question, and an attempted answer to the Honourable Member for The Pas.

With respect to the question the Honourable Member for Inkster asked me about administration, the administration of the Work Activity Projects is contained in the Work Activity Projects item. It does not come into the items Salaries, Other Expenditures, and Financial Assistance. Those three have to do with Employment Services. The Work Activities Projects are administered by Boards, by administrations that are covered in the Works Activities Budget line.

**A MEMBER:** What do those other people do?

**MR. SHERMAN:** Well, what do those other people do? Among other things, they provide relocation costs, tools, work clothing, transportation, exchange test projects with Canada Employment and Immigration Commission in the Westman Region. —(Interjection)— No, that's Employment Services. The Salaries are for 5 SMYs in the Central Office, and those 5 remain there; that's the Director of Employment Services, the Director of Work Activity Projects, and Central Support Staff. Item 2, Other Expenditures, provision of operating costs and travel for Central Staff, and Item 3, Financial Assistance, are those projects I've just described. And the Work Activities Projects themselves are administered by Boards that are covered in that item, that appropriation.

The answer to the Honourable the Member for The Pas is not as precise. He asks me what am I going to do for the 15 persons in Pelican Rapids and the 15 persons in Barrows.

All I can say to him at this juncture is that efforts, sincere and strenuous efforts, are being made by this government to stimulate the economy of this province to provide work for a maximum number of Manitobans, to provide work for all Manitobans, if that's possible.

Our efforts are unstinting in that regard. We recognize that work has to be provided, work must be made available, opportunities must be made available through a healthy economy, and our primary objective at the economic level under the Minister of Economic Development is to do that. Out of that, we believe, will come the opportunities for the people of the province who presently lack those opportunities. That is the most candid answer I can give the honourable member. I can tell him that with respect to many other services that those people need, the people to which he refers, there are programs in place in terms of employment counselling that will continue to be available. There are programs in place in terms of assistance, counselling, family services that are available and will continue to be available. There are programs that will be expanded under the initiatives that I've mentioned earlier that will serve them as they will serve other Manitobans. And the strengthening of the economy, which is an objective of all the things that we're trying to do in total, will, we believe, in the foreseeable future, produce the employment opportunities, the jobs, that those people and other Manitobans need. And that's a lot healthier than maintaining them in sheltered workshops.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (3)—pass; (4)—pass; (q)—pass. (r) — External Agencies and Office of Residential Care: (1) — Salaries—pass. The Honourable Member for St. Boniface.



**MR. DESJARDIN:** Mr. Chairman, I don't want to take too much time on this. This was, I think, something fairly new. There have been some changes in there. I'd just like a brief report from the Minister to see if this has proven successful, and if it's improved the situation that we had before. We talked mostly about the Office of Residential Care, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, the program and the commitment in this area remains undiminished. There's no reduction in staff, staff man years are still at 22. There's no reduction in funding. The increase is noted in the printed Estimates, \$501,000 as against \$477,000 and the office is working very successfully under the direction in terms of external agencies and agency relations, it's Mr. Joe Cels; the office of residential care is Mr. Lloyd Dewalt, and they are working successfully and pursuing the same objectives as my honourable friend is familiar with from his own days in the Ministry.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the annual report refers to the fact that discussions were initiated to examine the mental retardation and continuing care residential care programs, as well as an overview of the multi-purpose guest homes and recommendation be sent forward for consideration. Could the Minister tell us what will flow from these recommendations, the nature of the recommendations with regard to the residential group homes?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** The primary objective, Mr. Chairman, is firm guidelines for licensing and regulation and operation of group homes to ensure that standards are established and met, that there is proper care, proper discipline, proper leadership and control of the group home facilities. It's a continuation of an initiative to bring some order, both in terms of licensing and in terms of operation, to that field.

**MR. CHEIRMAN:** (1)—pass; (2)—pass; (r)—pass. (s) — General Purpose Grants. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, could we have a breakdown of that, of the different agencies included, please?

**MR. SHERMAN:** Mr. Chairman, the grants to the agencies include grants to the Canadian Association in Support of Native People — \$800,000.00. It was \$800,000 in 1978-79, it's \$800,000 in 1979-80. I'm sorry, I'm sorry. Just a minute, Mr. Chairman. Just a second, I'm on the wrong page. We're looking at a total — I'm sorry — a total of \$896.6 thousand, as against \$805.9 thousand in total, and the individual grants are the Canadian Association in Support of Native People, which is \$800 . . .

**A MEMBER:** It's getting late.

**MR. SHERMAN:** It's getting late, that's right. The Canadian Council on Social Development, \$9,300; Social Planning Council of Winnipeg, \$3,500 — sorry, Social Planning Council of Winnipeg, \$35,000, I'm sorry — Social Planning Council, \$35,000; Canadian Diabetic Association, \$1,000.00.

**A MEMBER:** Are you sure that's \$1,000.00?

**MR. SHERMAN:** Yes.

**A MEMBER:** Last year it was \$9'000.00?

**MR. SHERMAN:** No, it was \$1,000 in 1978-79. Indian and Metis Organizations, \$425 thousand; Lunch and After School Programs, \$62.9 thousand —(Interjection)— 61.1. Manitoba Indian Brotherhood, \$130.8 thousand; Old Grace Hospital Mortgage, \$23.9 thousand.

**A MEMBER:** How many years left?

**MR. SHERMAN:** Just a second. There's approximately how many years left? It's either seven or eight years left. Seven or eight years left.

And then, four new ones: Volunteer Centre, \$64,000 — Volunteer Centre, that is part of our program to develop new methods of recruiting and mobilizing volunteers; Citizen Advocacy (Manitoba) Incorporated, \$25,000, no, I think that's largely the Helen Steinkopf group, three homes; Brandon Citizen Advocacy, \$2,500, and General Community Projects, \$20,000.00.

And then there's some others. The four I just mentioned are new, but John Howard and Elizabeth Fry Society, which is a repeat, \$45.7 thousand; Manitoba Society of Criminology, \$5,000 — (Interjection)— No, it's a separate identity, but it was in last year under the Corrections side — \$5,000; Native Clan Incorporated, \$42.4 thousand; and Open Circle — Corrections again — \$3.3 thousand for a total of \$896.6 thousand.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the question is, is Rossbrook House not in the list of these grants, or didn't I hear the . . . I may have missed it. I believe Rossbrook House does get grants.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** No, Mr. Chairman, Rossbrook House isn't in the list. My understanding, Mr. Chairman, but I'll get the information for the honourable member, is that there was no request from Rossbrook House, although I concede that there apparently was a misunderstanding or confusion between Rossbrook House and the office of the former Deputy Minister of Corrections. But my understanding was that there was no request from Rossbrook House. However, I personally support and endorse the Rossbrook House operation and concept, and I have been in communication with them, and they are at present in contact with my colleague, the Minister of Labour, with respect to the Canada Works Funding that they have for four of their counsellors, and we are discussing the future for Rossbrook House, but there was no formal request that came to my office for Rossbrook House funding. As I say, it might have been a result of either a breakdown or a misunderstanding in communication.

**MR. MILLER:** Mr. Chairman, I thank the Minister for the explanation, but in the event that it was because of a breakdown or lack of proper communication — these things do happen — I was pleased to hear the Minister indicate his support for Rossbrook House, and can I gather from what he says that therefore the door is not closed on them, even though they're not in this list of grants; that if they are making an application now, that they will be considered, because I gather they're in somewhat a very difficult position and within a very few weeks they may be forced to curtail their operations considerably unless they get some support. So I'm hoping that the Minister is indicating that they have started a dialogue which could lead to support by the provincial government.

**MR. CHAIRMAN:** The Honourable Minister.

36-30 **MR. SHERMAN:** Yes, that's correct, Mr. Chairman. I think they are experiencing some difficulty, and I think it's a very laudable and worthwhile project. There is an appropriation here under Community Projects, and certainly I'm going to be talking to Rossbrook House and we are going to do what we can to ensure that that facility remains in viable operational condition.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** I'm glad to hear what the Minister had to say relative to Rossbrook House. He may like to check to see if there is any funds flowing through Rossbrook House from the Alcoholism Foundation, because in their first involvement, I believe the rationalization of granting funds to that organization was relative to glue sniffing in the core area. So I don't know if it's included under the Alcoholism Foundation's budget or not, but I believe some money did go from Alcoholism Foundation to them. The year prior was rather an ad hoc arrangement.

But in the list of agencies, did the Minister mention the John Howard and Elizabeth Fry — I'm sorry, I didn't hear that. And also what I understand is that this got folded in those agencies which are under Corrections in former years. It was an ongoing grant of, I think it was \$100 or something . that a criminologist, which is a kind of a legal requirement — was that in there also? But I would

repeat that I hope that it hasn't fallen down between some cracks in the chairs. I agree when the Minister said there was some difficulty. I was involved in some of the difficulty in this particular area, because it really didn't fall within any program which was set up under the former administration and we tried to accommodate it in two different ways, as I suggested earlier. And I think members on this side would support the necessity of the continuation of this particular program in that area, because they have had an impact on the community.

**MR. CHAIRMAN:** (s)—pass. (t) Regional Personal Services. The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, earlier, when we started the Estimates, the Minister agreed that we would pass by (t) and come back to it. You recall — well you weren't in the Chair. I forgot. Yes. That was the understanding, that we would pass by (t) and continue on.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, that's correct. We can do it either way honourable members opposite wish to do it. We can either deal with Regional Personal Services, leaving aside the whole issue of community health centres and deal with them separately, or leave the whole item.

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

**MR. DESJARDINS:** Mr. Chairman, our understanding was that — I think that we're going to speed up the work this way. We could go to the end of the page if we leave that, and then we won't start all over again, because I think we want some answers on the other thing before we debate that. This is what we informed some of the members that were interested in that, so I think, you know, instead of arguing on this for — we could finish the rest of the page if we skip that item.

**MR. CHAIRMAN:** Item (u). Income SECURITY Field Operations. (1) Salaries —pass; (2)—pass; (u)—pass. (v) Basic Annual Income Project—pass. The Honourable Member for Seven Oaks.

**MR. MILLER:** Well, Mr. Chairman, this is the project that is now wound down, as the agreement with Ottawa called for it to be wound down at the end of 1978, and so I assume it is wound down. There was, I notice in the pres., some reference to the fact that the University of Manitoba might be doing some of the research work that was developed during this program's operation. Can the Minister advise us whether in fact that's been determined, or whether the press was just speculating? Because, as I recall, about two to three years of analysis would be required by someone like the university to be able to evaluate the project and the program to determine its benefits, its shortfalls, etc., and I'm wondering if the Minister knows at this time whether the University of Manitoba will indeed be doing the work.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. HERMAN:** Mr. Chairman, what we have done is amended the basic Manitoba-Canada agreement on Mincom, which means that Manitoba does not have to — I beg your pardon? Doesn't have to pick up the cost of storage of the data and maintenance of the data, so that there probably will be less money required than is being sought in this appropriation. The intention is to establish a new institute that would be located at one of the universities in Manitoba, probably the University of Manitoba, that would not require provincial funding, that could be funded by the Federal government and by the university and ultimately become a self-sustaining institute that would accept commercial contracts and deal with statistical reports and documentation and surveys in the social security field and the income security field, and provide scope and opportunity for various personnel at the university. That is the subject of the amended agreement that we are entering into with Canada. What that means is that the agreement with Canada is actually extended until July 31st, or at least until the month of July in order to permit the accumulated data and documentation to be properly assembled and located at a site of that kind and from that point on, the province of Manitoba would have no further responsibility for funding the operation, but it would ensure the continuing value and application of the investment in Mincom itself.

There has been a great deal of work done, a great deal of valuable statistical material has been gathered, the decision was that that should not go to waste, so that it could be well applied in the future, and the proposal to establish such an institute associated with the university seemed

to be one that would serve Manitoba as well as Canada. So that's the intention at this juncture.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** Basically I had a couple of questions. Is the Minister indicating that the research to date and the research that was compiled in Princeton in the United States is all going to remain housed in Manitoba? Is that the indication? In other words, this was a joint project with Ottawa. And it will be housed in Manitoba, it won't be moved to any other province. Is that correct? I have an indication — well go ahead.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Yes, that's correct, Mr. Chairman. It will be housed in Manitoba, but it won't be funded and financed on an on-going basis by the province of Manitoba. Our funding commitment will terminate this year. The intention is that an institute will then operate under funding from Canada and the University of Manitoba and become self-sustaining. And the data and all the material will be housed there, at that institute.

**MR. WILSON:** Then if we're going to be out of the program theoretically, as representing a taxpayer, I wondered if we might be able to find out from its inception what the total cost of this program will be when it will be wound down by July. By that I mean not the 50 cent dollars, I mean the 100 percent dollars, in other words, the total cost — could it be given as an estimate as to what it would cost when we wind this thing up this July, from when we first started?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Yes, the total cost of the project was \$17.3 million, Mr. Chairman, and it was split 75-25 Federal-provincial. So that our cost was 2 percent of \$17.3 million, which is about \$4.6, \$4.5? — \$4.6 million. \$4.3 million.

**MR. WILSON:** My last concern is, would the Minister be able to indicate if there have been any long-term commitments by the former government that, in the way of rental space. I notice at 234 Portage Avenue, there's quite an active office, and I wondered what type of a lease arrangement we have; if we're winding down the program in July, are we committed to long-term leases or will we be able to get out of our leases and office space, simultaneously to the program winding up?

**MR. SHERMAN:** Well, I'd have to check with Government Services on that, Mr. Chairman, but my understanding is that we should be able to terminate the lease arrangement at the same time, because it's under discussion at the present time, but in fact, originally the program was supposed to be wound down on March 31st. And there is a three to four month extension to permit this new initiative to be put into place, so we are discussing the lease in those terms at this point in time.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, just to re-emphasize what the Minister said, this was a program 75 percent of which is paid by the Federal government, 25 percent by Manitoba. The Minister indicated that the agreement was altered. My recollection was that Manitoba's participation, financial participation, was ending with the completion of the testing itself, that the future as far as the analysis was concerned, was going to be borne by the Federal government. What I was pleased to hear was that they were successful in arranging for the analysis to be done at the University of Manitoba, rather than wherever the Federal government was going to place it, either out east or somewhere out west. But certainly I'm even more pleased that in fact it's going to be pursued, that this program which at the time it was developed in 1972, there was a great move in Canada to test out a guaranteed annual income. And Manitoba agreed to participate because of the fact, (a) it was important that it be done and secondly because 75 percent of the cost was being picked up by Canada. And now that the University of Manitoba — it will be them rather than the University of Winnipeg; they have the capacity and the computers for it — now that they are going to be the ones who are going to do the analysis, then I'm pleased, because I think that this program, the project itself, may not give us all the answers with regard to the value of a guaranteed annual income,



and the possibility therefore of eliminating all the various kinds of programs that exist, and sometimes, you know, like Topsy, they grew one on another. That was one purpose of it

The other one was also to determine how best to administer any social program, any social welfare program. And I think it's in that area that benefits will show up, an the kind of administrative structure to put in place to make a social program work, and so I'm delighted that it is in Manitoba, because the program was, as I say, worked here, operated on here, and at comparatively low cost to Manitoba, compared to the Federal participation. Considering too that many of the people on this program were in fact social allowance recipients, and as a result, where it would normally be 50-50 cost-sharing, it ended up as 75-25, with 75 percent being paid by the Federal government.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** Well, you know, it all comes from the same taxpayers' pocket, and a \$17.3 million program is one that, as a taxpayer should be a little mildly shocked about. I find a great deal of interest in discussing this section here, that we have on one hand the Member for Inkster and others, the Member for Winnipeg Centre saying we should have all these make-work projects, we should have all these government programs and make-work projects and put everybody to work. On the other hand, we have the Member for St. Boniface saying that he happily endorsed a \$17.3 million program which was a Family Allowance type of program which recognized that a certain percentage, say 3 or 2 or 1.1 percent or whatever percentage wanted to opt out, wanted to be a hippie or wanted to be a person that just didn't want to work, that wanted to plant a garden and watch the world go by.

As a Conservative and a member of western civilization, I endorse that concept, I recognize that everybody doesn't have the same drives that I do, and that many other people do, to be productive and work. So, I was willing to recognize and endorse the Family Allowance concept that we give people enough money to do "their own thing," if I could use the expression, and then I enjoyed that government participating in it, because it must have tore them apart in caucus and especially the former Member for St. Matthews and the former Cy Gonick and others who certainly wouldn't have endorsed this particular \$17.3 million program. I think the limited amount of paper that is going to be stored in drawers at the university, in my opinion as a taxpayer wasn't worth \$17 million, it is one of the horror stories of the former government.

**MR. DESJARDINS:** Well, Mr. Chairman, I'll resist the temptation of starting another debate on this. We've had it every year — I don't think the \$17 million just bought paper, I think this is exactly what the minister himself was talking about a while ago, it's something that there is a new system that might be tried one of these days. It might be that it's \$17 million might be very very cheap if it works and it might not work; it is a study if nothing else. We knew what it was when we accepted to go in with the federal government. It could change the thing, maybe not now, maybe it's a little too early and I think that that's exactly what this would provide — we would hope some kind of incentive to get people off welfare. It would be a brand new system, you wouldn't have the same kind of welfare, you wouldn't have the administration and it might save many millions of dollars. But if the member wants to start a debate at this time, we've talked about that last year and the year before and I don't intend to get involved that much.

**MR. BOYCE:** Well, Mr. Chairman, just briefly on this particular point, the Member for Wolseley makes his annual argument and I would like to briefly refute it in the sense that, you know, some areas we still have to experiment. For example, we as Canadian taxpayers are paying \$100 million to design and put into space an extension arm for the shuttle service in the American Space Program and we haven't got a clue whether it will work or not. But nevertheless, Mr. Chairman, the Member for Wolseley persists and insists on these kind of ludicrous arguments and I just want to point out that experimentation in the final analysis will help us develop the programs to solve these problems.

**MR. CHAIRMAN:** )v)—pass; Item 4 Institutional Services. We are on Item (b), (a) has been passed. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Well, wait a minute, this is something new to me, I'm told that 4.(a) wasn't passed, I don't know why. I could tell you, Mr. Chairman, that we don't intend to keep that for long, if it's passed, if you're sure, if not, we better make sure. Mr. Schmidt said that it isn't passed and our recollection is that it wasn't. I wasn't here so I can't argue. **MR. BOYCE:** Mr. Chairman, if I may be of some assistance. Just on this point, no repetition should occur under this item, but



when we had the Corrections component of 4. under consideration, we agreed to include, to expedite matters, that those parts which pertained to Corrections that are in this Item 4.(a) should be considered passed. That was what Hansard will show that we passed on the evening that the Corrections were under consideration. So we did it that way deliberately because the administration includes (b), (c) and (d) as well as (e), (f) and (g). We have passed (e), (f) and (g) but not (b), (c), (d), so I think my colleague just had a couple of brief questions on the administration part of it under 4.(a) which pertains to (b), (c) and (d) which have not as yet been passed.

**MR. SHERMAN:** Yes, Mr. Chairman, I would support the position of the Member for Winnipeg Centre on that. I understood that all we had passed in 4.(a) was what part of it applies to Corrections, but not the part that applies to Mental Health.

**MR. DESJARDINS:** If that's the case, I can assure you, Sir, and the members of the Committee that this won't take very long. I want the minister to indicate if the . . .

**MR. CHAIRMAN:** Order please. I'll just call the item and then we'll carry on from there. Item 4.(a) Administration—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, the ADM, I take it that it's the gentleman sitting in front of you to your right, that's not the . . .

**MR. SHERMAN:** No, Mr. Chairman, the ADM for this division is Dr. Tavener.

**MR. DESJARDINS:** Then that was to be my eett question. Dr. Tavener is the ADM and he's also the Chief Psychiatrist for the province and the gentleman in front of you will keep on with his role on the other side then, he's the ADM on the other side. Okay.

**MR. CHAIRMAN:** (a)—pass; the Honourable Member for Seven Oaks.

**MR. MILLER:** Just a question, I know there's a drop in the amounts shown for Salaries. Was that drop in the Correction's field or in the psychiatric field, the institutional field?

**MR. SHERMAN:** It's in the Corrections field, Mr. Chairman. It relates to abolished positions, one of which was an Executive Assistant because Corrections formerly was a ministry with a Deputy Minister and also a consultant and one vacant term position.

**MR. CHAIRMAN:** (a)—pass; Item (b) Psychiatric Services—pass; —(Interjection)— I included all of administration . . . under Administration I had opened the discussion if you —(Interjection)— if I pass (a) that's (1), (2) and (3), I've opened it up. All right, so it's passed.

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

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

#### IN SESSION

**MR. DEPUTY SPEAKER:** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Wolseley, that the report of the Committee be received.

**MOTION presented and carried.**

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

**MR. JORGENSON:** Mr. Speaker, I move, seconded by the Member for Wolseley that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 10 o'clock tomorrow morning. (Friday)