



**Third Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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33 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Hon. Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Q.C., Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	IND
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virten	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
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<b>MANNES, Clayton</b>	Morris	PC
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<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
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<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
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<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
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<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 28 May, 1984.

Time — 8:00 p.m.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - URBAN AFFAIRS

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. We are still considering Item 1.(b)(1) and 1.(b)(2). In other words, we'll read it again.

The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Chairman, we were asking questions about Shoal Lake, and I'm wondering if the Minister would give her assurance to the members and the citizens of the City of Winnipeg and make a commitment that she will strongly support the City of Winnipeg's position with respect to Shoal Lake.

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

**HON. M.B. DOLIN:** I would have to, Mr. Chairperson, say to the member that certainly our concern is to protect the water supply, to protect the water itself. That's an environmental concern and that's where the province's concern lies. To make a statement that we will support the city in their position, considering that negotiations and positions and so on are under way and are subject to change, I don't believe that it would be appropriate for me to make a statement that, yes, the province will support the city in whatever it says. That gets into the realm of being hypothetical, so I wouldn't be able to make that statement. But, certainly, the cleanliness, the clarity of the water, the drinkableness, whatever you want to call it, is a concern to the province — (Interjection) — potability, right.

**MRS. G. HAMMOND:** I don't believe that the city's stand on Shoal Lake is hypothetical and neither are 350 cottages plus on the lake. I would hope that the Minister would consider the city and the water supply. The ramifications of what I think I just heard her saying is that she didn't know the city's position on this. I believe that they have been very clear on their position. They don't want a road there. They feel it's not in the best interests of Winnipeg and keeping our water supply.

I wonder if the Minister couldn't just be a little clearer on the type of support that, as Urban Affairs Minister, and I would think with a great interest in the Shoal Lake and in what happens to the city, I think that's got to be the Minister and this government's main purpose, is to assure our water supply. One of the ways they can do it is to support the city in what they are trying to do to protect the supply. Would the Minister reconsider?

**HON. M.B. DOLIN:** I don't believe that I have denied that we are supporting what the city is intending to do if it's protect the water supply. We have not agreed to a road. Therefore, my understanding is that the road is necessary to the cottage development. One would

assume from that that we had not agreed to a cottage development. If we have not agreed to a road, if we believe that the water supply should be protected, that is the assurance that I can give the member.

With regard to the exact environmental concerns, I believe that those have to be asked of the Minister of the Environment. I understand his Estimates will be coming up shortly when we finish these.

**MRS. G. HAMMOND:** Possibly the Minister would know; what is the provincial position on Shoal Lake?

**HON. M.B. DOLIN:** Again I would have to say that's a question that is appropriate to ask the Minister of the Environment. That is the lead Ministry, and it is that deputy who is the lead deputy in these negotiations.

**MRS. G. HAMMOND:** Could the Minister tell us which Ministers are on the Urban Affairs or the city committee, I think it's called?

**HON. M.B. DOLIN:** Urban Affairs Committee of Cabinet?

**MRS. G. HAMMOND:** Yes, right.

**HON. M.B. DOLIN:** That includes all the Minister who represent city ridings or city constituencies plus relevant Ministers, such as the Minister of Housing and so on. Any time that any issue arises that is of concern to a Minister who does not represent a city riding, then that Minister is invited to the meeting. I can think of the Minister of Transportation who has been present and so on.

**MR. CHAIRMAN:** 1.(b)(1) - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate what position she is taking on behalf of the City of Winnipeg with respect to the report that the previous Environment Minister, Mr. Cowan, released with respect to the water quality on the Red River?

**HON. M.B. DOLIN:** The question you asked is: what position does the Minister of Urban Affairs take with regard to the quality of the Red River water, as defined by the previous Minister of the Environment? Is that the question?

**MR. G. MERCIER:** Mr. Chairman, the previous Environment Minister, Mr. Cowan, released a report of the Chairman of the Red River Water Quality Senior Technical Advisory Committee, which listed several options to enhance or maintain Red River water quality, which had a number of options for resolving this problem with costs that ranged from \$8 million to \$451 million.

Could the Minister indicate what position she's taken on behalf of the City of Winnipeg with respect to this report and the options that are discussed?

**MR. CHAIRMAN:** Rule 357(1)(x), says that questions should not, "deal with an action of a Minister for which he is not responsible to Parliament, or matters not within his official knowledge." I don't believe the Minister of Urban Affairs is responsible for the quality of the Red River. — (Interjection) — I cited the rule. The Minister can be held responsible for those matters within her jurisdiction but not those outside her jurisdiction.

The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, when this report was released, Mr. Cowan indicated that he hoped a solution to this issue can be achieved co-operatively but he made it clear he will take legislative action if co-operation fails, so that as a result of this position taken by the Environment Minister it would appear that the Provincial Government could impose a very costly program of up to \$451 million on the city. I would like to know what position the Minister of Urban Affairs is taking with respect to the matter as the representative of the City of Winnipeg and the Cabinet?

**MR. CHAIRMAN:** The Minister of the Environment would like to enlighten.

**MR. G. MERCIER:** That's a matter of opinion.

**HON. G. LECUYER:** I would of course like this type of question to come when I'm going through my Estimates, but the member knows as well that there's a court matter on this particular issue right now. The City of Selkirk is taking the City of Winnipeg to court on this particular matter, so first of all there is that issue to be settled.

Secondly, the position adopted by the province was that the province was willing to be a participant in arriving at a solution to improve the quality of the Red River. The province made a financial commitment on that particular issue with the co-operation of the other levels of government. The Minister of Environment at this point has written to the other levels of government asking to also enter into a co-operative venture to try and remedy the situation. So at this point I think the province has fulfilled its part of the responsibility, at least until this court matter I presume is resolved.

**MR. CHAIRMAN:** If there is such a case according to Citation 358, a question should "not be asked in respect of a matter that is sub-judice."

The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, I'm not going to ask any further questions, but it's not because of the rule you cited.

**MR. CHAIRMAN:** I.(b)(1) - the Member for K.P.

**MRS. G. HAMMOND:** During question period I asked the Minister about bringing in legislation to do with the sewers for the City of Winnipeg. The Minister gave some indication that she would be bringing in the legislation. Will it be coming in at this Session?

**HON. M.B. DOLIN:** The matter that the member raises, as I indicated in the House today, is under serious

consideration by the government and the negotiations or information exchange that needs to take place between the city and the province is happening. I don't believe that any of us are opposed to such legislation that would allow such a piece of assistance to homeowners and it certainly isn't only within the centre of the city that this happens. Those of us who are suburban dwellers understand the problems that happen too with sewer breakdowns, sometimes very close to the city's main line, and we'd like to provide some assistance for homeowners in that area.

There are a few details that need to be worked out and as soon as our deliberations are completed we will attempt to move as quickly as we can on this.

**MRS. G. HAMMOND:** I have a constituent in my area who has just been hit with a bill for \$4,000 and I think close to \$1,500 will be recoverable. This is a considerable expense for any homeowner. When I mentioned today that I felt the Minister was nit-picking on this, I believe it's correct, because I think the idea should be certainly to bring in legislation, let the city go ahead with the program that they have introduced and help the homeowners that they have stipulated now. I have the proposed policy in front of me and it's residential, single-family or duplex and owner-occupied. While it may be nice to be able to help others and to help everyone, at least let them start somewhere and see how the policy will work.

There are some people who are getting hit with \$8,000 and even \$10,000 in areas. It's astronomical and to hit anyone, whether it's right in the city or in the suburbs, it doesn't really matter. This is a policy, this is something that really shouldn't be of such great concern to the Minister to get down every little bit, cross every "i" and dot every "i." I don't see why this government and this Minister are dragging their feet on this issue. From what I can gather, it's a simple change that can be made to the legislation and see how it works and then possibly, if it works well, the city will extend the program, but it has to start somewhere. I think that it would be a darn shame if this Session ended and that legislation wasn't brought in. It's not costing the city a penny. It's like an insurance policy for homeowners and it really is needed.

**HON. M.B. DOLIN:** Thank you, Mr. Chairman.

I don't believe that I at any time indicated that it was not a good idea or that we were not working as quickly as possible to bring it in as quickly as possible, but I am not here to lay before you the government's entire legislative package that will come in, in due course, as it is introduced to the Legislature. We will attempt to negotiate with the city some of the concerns that might be held by a person who happens to live in a triplex rather than a duplex. That's important and I certainly would think that, as an example, someone who lives in one of the newer suburbs where they are building such owner-occupied residences would be very concerned.

The member speaks as if we are attempting not to bring in this legislation and that is the exact opposite of what I said. We are working as quickly as possible to bring this legislation in.

**MRS. G. HAMMOND:** Mr. Chairman, I understand the Minister's concern for people in triplexes and other

plexes, apartments, anything, and condominiums, I can understand that. The policy has to start somewhere and someone is going to be left out at the beginning, but they'll probably be included later on once they see how it works. I really feel that if you would just bring in the amendment, what my fear is, is that you'll end up meeting and meeting, and then we'll be out of this House and the legislation won't be brought in and people will be sitting with these great loads of debt hanging around their necks just because you were afraid someone was going to be left out. I know that it maybe seems like a small thing to the Minister, but if someone has got an expense of \$4,000 hanging around their neck when they could get a claim, get some money back; they've been paying for it since the beginning of January on their water bills and I would like some assurance that it's going to come in this Session. That's all I'm asking.

**MR. CHAIRMAN:** The member had made her point and the Minister had given her answer, then the member made her point again and the Minister will again make her answer. We cannot go out of this problem if we start repeating ourselves.

The Member for K.P.

**MRS. G. HAMMOND:** Mr. Chairman, I'm going to make that point time and time again if I don't feel that I'm getting a satisfactory answer. I don't feel it's up to you to reprimand me for asking a question twice. If I'm not getting the kind of answer that I want, I'll ask it again and you can rule me out of order, then maybe we'll have a vote on it.

**MR. CHAIRMAN:** I am not reprimanding the member, I am just saying that repetition is an aberration from the rule if it's made too often.

**MR. H. GRAHAM:** There is nothing wrong with our position until we can get the answer?

**MR. CHAIRMAN:** Well, I'll cite to the member the rule in our Rules of Proceeding. Rule 39, ". . . the Chairman of any Committee, after having called the attention of . . . the Committee, to the conduct of a member who persists in . . . repetition, may direct . . . "the member ". . . to discontinue his speech . . . and if the member still continues to speak . . . if in a Committee, the Chairman shall report the matter to the House."

At any rate, the Minister had already answered. If she wishes to make an answer again, that's fine with me. One repetition is good enough.

**HON. W. PARASIUK:** Point of order.

**MR. CHAIRMAN:** Point of order.

**HON. W. PARASIUK:** I gather your ruling is being challenged in some way. I think that if people looked through Hansard, they would find that the chairman of the committees back between 1977 and 1981 often ruled that a question was repetitious. I wouldn't want to name the chairman of committees, but I certainly know that I could find on numerous occasions in the Estimates review process where that was done. So I

think, Mr. Chairman, if you want to look through Hansard, you would find a number of examples where your predecessors have ruled that questions are repetitious.

**MR. CHAIRMAN:** Some of the rules are more honoured in the violation than in the observance.

1.(b)(1) . . .

**MR. A. KOVNATS:** What was the question that was ruled out of order?

**MR. CHAIRMAN:** The Member for K.P.

**MRS. G. HAMMOND:** I am just asking the Minister if she will give me the assurance that she'll bring in some legislation on this at this Session? I'll even smile.

**HON. M.B. DOLIN:** I'm smiling too and I am telling you again, we are doing our very best to bring it in at this Session.

**MR. CHAIRMAN:** That's the third round.

1.(b)(1)—pass; 1.(b)(2)—pass.

1.(c)(1) Administrative and Financial Services, Salaries, 1.(c)(2) Other Expenditures - the Member for K.P.

**MRS. G. HAMMOND:** Are there any areas in the grants that have changed substantially?

**HON. M.B. DOLIN:** Are you talking about the grants to the City of Winnipeg?

**MRS. G. HAMMOND:** Yes.

**HON. M.B. DOLIN:** Well, I think that the Member for Kirkfield Park, in fact, pointed out some of the changes with regard to conditionality. I don't know if that's what she is referring to or not. Perhaps she could be a little more specific in her question.

**MRS. G. HAMMOND:** No, I was just wanting to know if there was anything other than the \$8,500,000 that had changed substantially in the way of city grants. Was there anything reduced or anything added that was different?

**HON. M.B. DOLIN:** The member has pointed out one change. It wasn't exactly a change in amount, but a change in where that amount rested. In fact, that followed a city practice, they often did that sort of thing after the grant was given to them, and so we knew they would use it in a capital area.

The other change was the change with regard to the neighbourhood improvement programs; which under the Federal Government are phasing out - the federal portion of the funding of those programs - and what we have said is that the province will pick up 50 percent of the funding of such programs and the Department of Urban Affairs will be the responsible ministry for such a neighbourhood planning and neighbourhood programs. The member will perhaps recall that under the federal program - and the staff can correct me if I'm wrong, but I believe that the Federal Government

paid 50 percent, city paid 25 and province paid 25 percent. Now with that program phasing out, we will each be paying 50 percent.

**MRS. G. HAMMOND:** What neighbourhood programs are in existence right now?

**HON. M.B. DOLIN:** The Lord Roberts Program, which was the city's priority, is the one that is going forward this year, or that we have agreed to fund this year.

**MRS. G. HAMMOND:** There seems to be a great deal of concern about the funding for the Dutch Elm Disease. Is the government considering putting any more funding into that program or does that not come under this?

**HON. M.B. DOLIN:** It would come under two other areas; probably Natural Resources is one area where it's covered and then I believe that sometimes groups such as the city, but other municipalities apply to the Jobs Fund for extra money. That happened last year I believe through the Department of Natural Resources, but there was extra money given where the need was shown, and perhaps those ministers could be questioned about that when their estimates come up, if they haven't already.

**MR. G. MERCIER:** Mr. Chairman, the Member for Kirk field Park referred to this in her opening statement and I'd like to follow up on it. I've referred in essence to this subject matter in previous years.

Mr. Chairman, the New Democratic Party promised, during the 1981 election campaign, to ease the municipal tax burden. They made a further reference to it, Mr. Chairman, in the Throne Speech this year. I have looked at the statistics, Mr. Chairman, and using as an example an average home in the Winnipeg School Division assessed at \$7,000, the total net taxes on that home from 1977-1981 increased by \$78.03 over the four-year period. In the first three years of this government, under the NDP, the total taxes on that same home have increased by \$298.02, so that in three years under the New Democratic Party, the total increase is nearly four times the total increase over four years under a Progressive Conservative Government.

Mr. Chairman, that burden that the government is placing upon homeowners concerns me. I note that in the submission made by the City of Winnipeg to the Royal Commission on the Economic Union and Development Prospects for Canada, Mr. Macdonald's Committee, in September of last year, they cited residential property taxes by cities, major cities, in Canada. They referred to Halifax, Charlottetown, Saint John, St. John's, Montreal, Quebec City, Toronto, Ottawa, Thunder Bay, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, and Winnipeg had the highest residential taxes.

I would like to ask the Minister what she intends to do, what position she's been taking with respect to municipal taxes and the municipal tax burden which has increased substantially on homeowners?

**HON. M.B. DOLIN:** There are so many things that can be said around the subject that you have raised. I will try to touch on just a few of them.

First of all, comparisons with other cities, don't necessarily include property tax rebates or various other, to be a bit redundant, variables, that affect tax situations. The mill rate itself includes a number of variables; decisions made by the province, by the city, by school divisions. I don't debate the statistics you have presented. I don't debate the point that this can be a onerous burden on persons paying the tax. I also don't argue with the point that the assessment base is out of whack.

We've all known that both governments have proceeded to try to do something about it and in fact, with the Minister for Municipal Affairs taking a lead there, there is an attempt to rectify that situation, but all of the information is not yet in and so we haven't yet been able to move, but certainly the mill rate in Winnipeg is affected by decisions made - first of all by the school divisions - and will be different within the boundaries of the various school divisions around the city. Certainly in the school division in which I live, Seven Oaks, it's always been fairly high because the people there vote for people who will provide a particular kind of education and opportunities in education that are expensive, that cost, and they're willing to pay for them in most instances.

So it's very difficult to speak in isolation about why the mill rate in the city is high or why city taxes are high, without dealing with all of the factors that impact upon that tax. I believe I'll leave it at that. I think there are some other members who may wish to contribute to that particular subject.

**MR. CHAIRMAN:** Does the Minister of Mines and Energy want to say anything?

**HON. W. PARASIUK:** Yes, I wanted to clarify from the Member for St. Norbert when he raised those statistics with her; those did include property tax credits and he indicated to me that they didn't, so I think that often provides a distortion in the statistics. As a result, a sweeping generalization as drawn from that would be inaccurate. I think if one took into account the property tax credits, you would find that we compare very favourably with many other municipalities across this country.

**MR. G. MERCIER:** Mr. Chairman, as the Minister indicated, I told him that the information supplied by the City of Winnipeg in their brief to the Macdonald Commission, indicated that these were gross taxes, exclusive of any Provincial Property Tax Rebates, but some form of rebate is fairly general now throughout Canada, and I believe there are other reports that indicate that the City of Winnipeg, if not the highest, is among the highest in terms of real property taxes.

Mr. Chairman, I turn back to those heady days of government, from 1977 to 1981, when the former Member for St. Johns, in these very same Estimates asked of me on one occasion: did I, as Minister of Urban Affairs, take any responsibility for the level of real property taxation? I indicated I felt that I did and we did as a Provincial Government, and that we had an obligation to ensure sufficient funding to maintain as low a rate of municipal taxation as we could. We did that, Mr. Chairman, by injecting a great deal of

money into the City of Winnipeg, through increases in the provincial Property Tax Credit and through refinancing of the educational system. It was because of those measures that taxes only increased on an average assessed home of \$7,000 in the City of Winnipeg by \$78 over a period of four years, which I suggest is quite a remarkable record, Mr. Chairman.

In spite of that, the NDP promised to ease the municipal tax burden, Mr. Chairman, but we have seen that taxes in three years have gone up nearly four times, a total increase over a four-year period under the Progressive Conservative Governments. I want to ask the Minister, what do the NDP mean, especially in light of this record, what have they done, what do they intend to do to ease the municipal tax burden? Their record would indicate that they are an absolute failure.

**HON. M.B. DOLIN:** Well, first of all, I would remind the member of our generosity in comparison to other provinces with regard to the rebate. We certainly are, if not the most generous, one of the most generous in that area.

**MR. G. MERCIER:** Not under this government.

**HON. M.B. DOLIN:** Then I would also remind the member that in fiscal year 1984-85, the province did not increase the provincial education support levy on real property. All provincial increases in education funding for 1984-85 will be made up out of general revenues and not from real property taxation. Now that, if not solving the issues that the member raises, at least is holding the line and attempting to get a look at what is happening in taxation. Like I said earlier in my answers, any increases in the mill rates in 1984 can be attributed then to decisions by City Council or by the school division involved in that area.

**MR. G. MERCIER:** Well, Mr. Chairman, it's a very interesting comment. It would appear that the Minister and this government are abandoning any responsibility in this particular area, throwing it on the shoulders of City Council and attempting to withdraw completely from the election promises which they made.

Mr. Chairman, on another issue related to funding to the City of Winnipeg, the Minister wrote to the city, particularly with respect to the city's practice of transferring money from its current to its capital budget. She indicated that a change in the funding, rather than fund to the city's operating budget, she is funding what she calls Unconditional Capital Grants program of \$8.5 million rather than allowing the city to transfer from current to capital, as they've been in the practice of doing for many years, a policy that was developed in the early 1970s, to transfer current funds to capital to reduce the borrowing of the city. But she goes on in her letter to indicate that: I can also advise you of the province's intention to conditionalize this \$8.5 million in the 1985 fiscal year. During the next two months the city and the province can enter into discussions for the 1985 fiscal year that will relate this \$8.5 million to specific capital projects to be undertaken by the City of Winnipeg. Would the Minister please explain the imposition of a further Conditional Grant Program to be imposed upon the city by this government?

**HON. M.B. DOLIN:** Well, this "imposition," as the member says - and I would put that word in quotes - is not that at all, but in fact is an agreement that is worked out between the city and the province, through discussion, based on the city's five-year plan, and that five-year plan is something that we discuss with them rather regularly.

One example of a way in which their plans are enhanced, if you will, by provincial funding is the choice of Lord Roberts. They clearly decided that the Lord Roberts Neighbourhood Improvement Program is the one that they wanted to go and that is the one that is being funded. With the city's five-year program, I don't believe it will be difficult to determine where that capital funding should go or where they want it to go.

As a matter of fact, the city has been transferring the money from current to capital on a rather regular basis in recent years, so they have established a pattern of this. We simply followed that pattern. We think it's appropriate that it go there in the first place, if that's what they're going to do with it, if that's where they want it.

**MR. G. MERCIER:** Mr. Chairman, why doesn't the Minister just leave it up to the city? Because what she is doing is telling the city this money has to go into the capital budget now and we're going to have to approve the projects for which this money is spent. Why does the Minister and this NDP Government feel it's so necessary that they must have the provincial approval for these capital projects?

**HON. M.B. DOLIN:** In the first place, Mr. Chairperson, this is provincial money that we are talking about. It is money that is raised by the taxpayers of the Province of Manitoba. It's not a matter of approving the projects, it's a matter of agreeing upon which projects are going to be funded by the province. This is done in many many ways. Certainly the province has a responsibility to determine where its money is being spent. I don't know of anybody in this room - and I would be pleased to hear of one because I'd probably go to the same bank - that can go to a bank and simply get a bundle of money for an unknown purpose. There is a discussion of the purpose and there's a discussion of the asset that will be provided if it is in fact a capital asset, if it is a car, or it is a house, or whatever.

**MR. G. MERCIER:** Mr. Chairman, would the Minister explain that statement? She said this is not a matter of approving the projects, it's a matter of agreeing on the projects. Could she indicate whether the city can then proceed with a project that is not approved of or agreed upon by the province?

**HON. M.B. DOLIN:** I believe that if the member would look at the minutes of City Council or attend a City Council meeting he would find that they make a number of their own decisions and proceed in a number of ways that do not come before the province for approval.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate the exact reasons why she feels the province must approve these capital works projects? Why would the province interfere in the priorities of City Council?



**HON. M.B. DOLIN:** Probably for exact the same reason that the Member for St. Norbert didn't give a non-conditional grant to the Core Area Initiative.

**MR. G. MERCIER:** Mr. Chairman, that is absolutely irrelevant. The Core Area initiative was a program developed by three levels of government, of which three levels of government agreed on the program.

Could the Minister indicate why she feels it necessary to impose provincial approval on the capital works program of the city?

**HON. M.B. DOLIN:** The number of levels involved is not the relevant point. The ARC development is two levels of government, Provincial and Federal. There are other programs that are provincial and municipal. Some, like the core area, are tripartite, three levels of government. The point is that when one of those levels of government contributes a fairly vast amount of money, then it should have, I believe, some responsibility to its own constituents, if you will, the people of Manitoba, as to how that money is going to be spent.

**MR. G. MERCIER:** Mr. Chairman, are we then going to see NDP provincial government priorities interfere with City Council priorities?

**HON. M.B. DOLIN:** At no time, Mr. Chairman, did I indicate that there were going to be priorities or programs laid on the city. If the member would read the letter sent to the city, he would find that the matter of choice is always available to the city. There is an option. They can take up the certain amount of money, if they wish. They don't have to.

The example of the grant regarding transit fares is a good example. There was an offer of funding that would have maintained transit fares at a lower level. The city had the option to do what it felt was appropriate, it did and, therefore, it did not take up that portion of the grant. This sort of option is open to the city.

Also, I have indicated very clearly that the city's five-year plan is the operative plan that we are using. What is on that five-year plan, what they bring forward to us as their priority, those are the items under discussion.

**MR. G. MERCIER:** Mr. Chairman, is the Minister saying that the province will suggest certain projects and that the city can participate if they wish and, thereby, have access to the provincial monies, but if they consider those not to be City of Winnipeg priorities, then the money won't be available to them?

**HON. M.B. DOLIN:** In some cases that is correct. The neighbourhood planning programs, which the city has chosen not to participate in last year, is one area where they obviously didn't feel that was a priority. We have again offered money so that if neighbourhood or community groups will participate in planning, the money is available to assist in this way. If the city chooses not to have such neighbourhood development of planning programs, then the money, of course, does not flow.

**MR. G. MERCIER:** Mr. Chairman, apparently this group, the NDP, haven't learned by the mistakes they made

up until 1977. I can only say to the Minister that, as soon as the province is rid of this government, the whole policy of these conditional grants will be changed once more.

Mr. Chairman, I asked the Minister a question, and I don't have a copy of the letter. I would like to know what position she took with the city with respect to the purchase of Handi-Transit buses as it related to the Dash bus route?

**HON. M.B. DOLIN:** I don't have a copy of the letter in front of me either. I don't know if it is here, but we did offer to cost-share whatever they chose to buy.

**MR. G. MERCIER:** Was that in any way conditional upon elimination of the Dash buses?

**HON. M.B. DOLIN:** No, it was not.

**MR. G. MERCIER:** It was completely independent of everything else?

**HON. M.B. DOLIN:** There would have been money for both, yes.

**MR. G. MERCIER:** Has the city accepted that?

**HON. M.B. DOLIN:** It seems to me they decided to purchase somewhere between their original two Handi-Transit vans and the nine that were requested or something - six is what the staff tells me they have decided to purchase and they kept Dash.

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

Item No. 2. Financial Assistance to the City of Winnipeg—pass.

139 - Resolved that there be granted to Her Majesty a sum not exceeding \$32,907,000 for Urban Affairs Financial Assistance to the City of Winnipeg for the fiscal year ending the 31st day of March, 1985—pass.

Item No. 3.(a) Urban Policy Co-ordination - Salaries; 3.(b) Other Expenditures - the Member for St. Norbert. Do you want me to call all of them?

3.(a) Salaries; 3.(b) Other Expenditures; 3.(c)(1) Canada-Manitoba Winnipeg Core Area Agreement - Payments to Other Implementing Jurisdictions; 3.(c)(2) Payments to Other Provincial Departments; 3.(d) Review Committee, City of Winnipeg Act - the Member for K.P.

**MRS. G. HAMMOND:** On Other Expenditures, there is quite a disparity from last year to this. Could the Minister indicate what that was for?

**HON. M.B. DOLIN:** I'll have the answer in just a moment. That differential in expenditure is the way the core area cash flow happened. I presume it's because of the slower start-up in the core area, obviously, in the first couple of years, and that's the actual cash flow.

**MRS. G. HAMMOND:** The Logan Industrial Park, how many tenants have moved into the park?

**HON. M.B. DOLIN:** The Logan Industrial Park is the federal portion of the responsibility, ours is the residential portion.



**MRS. G. HAMMOND:** Does the Minister not have any idea if there are any tenants that have gone into the park at all?

**HON. M.B. DOLIN:** There are a number of small businesses in there. The Federal Government, as I understand it from the last I heard - and I really probably shouldn't even be reporting on the Federal Government, but I'm just sharing with the members that there was a large group that they were in negotiations with. I have no idea who that is or any more about that issue. As I said, the residential portion of the Logan area is our responsibility.

**MRS. G. HAMMOND:** Maybe the Minister would just care to explain how that works. Is this not all part of the Core Area Agreement?

**HON. M.B. DOLIN:** There are implementing jurisdictions, as the member may be aware, under the Core Area Agreement. The Federal Government is the implementing jurisdiction for the industrial section of the Logan area. There is a tri-level group that is looking at the situation, that is looking for tenants and so on, but the implementing jurisdiction is the Federal Government in this area.

**MRS. G. HAMMOND:** How are the funds allocated then? Do they come out of the agreement?

**HON. M.B. DOLIN:** The Management Board puts together the project authorization when it is ready to go forward, and the three parties sign such project authorizations. That's the way it has functioned from the beginning, as I understand it. That is certainly the way we are functioning now. But there are implementing jurisdictions for the various programs within the Core Area Agreement, sometimes the city, sometimes the Federal Government, sometimes the province.

**MRS. G. HAMMOND:** Would Mr. - is it Boland? - who heads the Core Area Project, is that . . .

**HON. M.B. DOLIN:** Larry Boland is the General Manager, yes.

**MRS. G. HAMMOND:** Right. Would he then be heading this project, or is there some other person that comes in and does this?

**HON. M.B. DOLIN:** I think the easiest way to explain it is that there are obviously many many programs under the Core Area Agreement. This is but one of them. The Federal Government is marketing, if you will, that space, marketing that area. Upon successful completion of marketing it, a project authorization would be drawn up and there would be signatures to it.

**MRS. G. HAMMOND:** Just one question then, is Mr. Boland the one that is overseeing this particular area? Is this not all part of his job?

**HON. M.B. DOLIN:** The criteria is established by all three levels of government. Mr. Boland is the General Manager of the Core Area Agreement. There is a staff

that works, of course, with Mr. Boland to serve the administrative needs of the core area and of these various endeavours that go on under the auspices, if you will, of the agreement.

**MRS. G. HAMMOND:** I'm sorry, I didn't assume that Mr. Boland was doing everything himself, but I did just want to establish - he is the Manager of the Core Area Agreement and that's what the Logan Industrial Park comes under. Am I correct?

**HON. M.B. DOLIN:** I think the member was assuming that Mr. Boland was marketing that area though, or running around trying to, you know, market it to various industries or something. That's not a part of his task. The Federal Government is marketing that area.

**MR. G. MERCIER:** Mr. Chairman, if the Minister is trying to tell this committee that just because the Federal Government is the implementing authority that we can't ask any questions about this matter, that is totally wrong and certainly wrong with respect to the item raised by the Member for Kirkfield Park given this government's action in this particular area. It was this government that amended the whole plan for the Logan Industrial Park and reduced its size dramatically. It is because of that that there are now comments by many people indicating that it's because of the scaling-down of the project that has seriously hurt its ability to attract industries in this location.

I ask the Minister this: can she indicate whether or not there is one new business going into the Logan Industrial Park as of now?

**HON. M.B. DOLIN:** At this point in time, considering that last fall we approved the criteria for the area, it is being marketed. I can't give an answer as to whether there is a new business going in, because I am not involved in marketing that space. As I have indicated, the Federal Government is.

We are planning to do an evaluation this fall on what has happened over the year, and whether the Federal Government has in fact marketed the area, whether there are new tenants moving in and so on. But the criteria, as I say, was developed last fall and will be evaluated this fall.

I believe that's all that I can share with the member. The Federal Government is doing the marketing.

**MR. G. MERCIER:** Mr. Chairman, it's this government that has to take responsibility for the complete lack of attracting any new business to this site because of its decision and its imposition of its views upon the city and the Federal Government in this particular area with respect to the size of the Logan Industrial site.

I want to ask the Minister - and perhaps she has some information on this, she indicated the province is responsible for the housing project - could she indicate the total amount of money that is being spent per unit in the Logan neighbourhood, inasmuch as there were reports that the government is spending about \$50,000 per unit to rehabilitate 75 homes? Does that include the new services for water main, street servicing, sidewalks, lanes and lighting that MHRC are also spending in this area?

**HON. M.B. DOLIN:** I think there are a couple of questions there. The water services, sewer services and so on for the area were paid under the Core Area Agreement. No matter what had happened in the area, those services were essential for renovation purposes. They had to be done.

With regard to the per unit cost, we're just getting the information for you. In determining the actual cost, the extra cost if you will, for rehabilitation of a unit, considering what it costs to renovate, and then the people of course either buying back, or back in, is about \$12,000, a little over \$12,000 per unit.

**MR. G. MERCIER:** Mr. Chairman, where did the figure develop of \$50,000 per unit?

**HON. M.B. DOLIN:** That's the cost for buying the house in the first place.

**MR. G. MERCIER:** Oh, I see. That includes the acquisition . . .

**HON. M.B. DOLIN:** Acquisition.

**MR. G. MERCIER:** . . . and then the rehabilitation costs and the servicing costs?

**HON. M.B. DOLIN:** Well, since the work is not complete yet, none of these figures would be accurate for, you know, a final figure. They may be, but that would only be by chance that they were. We would have to wait until the work is complete before we could give you a final figure on what it cost on average per unit, but approximately the figure you mentioned for the purchase of the house, renovation and so on with a net cost of about \$12,300.00.

**MR. G. MERCIER:** Mr. Chairman, when you include the acquisition costs, the rehabilitation costs, the servicing costs, is \$50,000 or \$60,000 a reasonable approximation of the cost per unit?

**HON. M.B. DOLIN:** The servicing is a separate cost. The servicing for the area was paid out of the Core Area Agreement, not per house.

**MR. G. MERCIER:** Mr. Chairman, the Minister has not allayed my concern that when you take all of the costs that this government has embarked upon in the area, the acquisition costs, the servicing costs, the rehabilitation costs, you are looking at something like in the area of \$50,000 per unit.

In view of the fact that it is estimated that only about one-third of the former residents of the area still live in the area, combined with what the effect this government's action has had on the complete lack of development of the industrial park, the government's actions are a complete boondoggle in this area. They've spent exorbitant amounts on housing for people. When supposedly it was a prime intention to encourage people to remain in the area, two-thirds of them have moved away and because of the decision with respect to housing, which reduced the industrial park, nobody has moved into the industrial park. It was a pure political move by the former Minister previously, now the Minister

of Industry, and the chickens are coming home to roost. It's an absolute disaster.

**HON. M.B. DOLIN:** Well, Mr. Chairman, first of all, I don't believe that a residential area such as that or any residential area is dependent on having an industrial park next door. We believe that the residents of Logan who wanted to remain ought to have had that opportunity and they did, some in renovated homes, some in new homes, different homes under the one of the Homes in Manitoba programs with the infill housing and so on.

In fact, I would invite the member to attend with me and walk through the area that has been - that is being planned, I should say. I don't have a date for it, but sometime in June we intend to go through the area and visit some of the homes that have been renovated and some of the infill homes, and see exactly what is happening there and I would invite the member to attend with me.

**MR. G. MERCIER:** Mr. Chairman, what was the budgeted cost for the Logan Industrial Park that the NDP Government reduced so drastically in size? How much money has been spent on the Core Area Initiative on the Logan Industrial Park?

**HON. M.B. DOLIN:** I understand that \$7 million is the entire amount with two-thirds of that being spent on the industrial site. I would remind the member that the small business sites have filled up quite nicely. It's the large business sites for which the Federal Government is still looking for tenants.

**MR. G. MERCIER:** Well, Mr. Chairman, when you look at those figures, consider that \$7 million is being spent on the industrial park which has failed to attract one new business because of the reduction in size by this government combined with the exorbitant costs the government is spending on housing in the area when two-thirds of the people have moved away, the combination of it is a disaster. It's all the result of a political decision by this government and has resulted in an immense waste of taxpayers' money.

**HON. M.B. DOLIN:** I think that the member will understand when I say that the Federal Government required a vacant site before they felt they had something they could market; that's in fact what they are doing now. I certainly hope they will succeed. We all hope they will succeed, but they did feel they had to have a site before they could take it onto the market for use.

**MR. CHAIRMAN:** 3.(a) - the Member for K.P.

**MR. G. HAMMOND:** Yes, I wanted to ask about the housing agency and the jobs. There is an article in the paper which indicated that the government was hiring few of the workers out of the area and that the private agencies, private companies, were hiring far more of the Natives and immigrants out of the area. Has there been any change?

**HON. M.B. DOLIN:** I would just ask what housing agency the member feel that the Minister for Urban Affairs is responsible for?

**MRS. G. HAMMOND:** Would it be the CMHC that would be in there?

**HON. M.B. DOLIN:** Well, CMHC is . . .

**MRS. G. HAMMOND:** The MHRC.

**HON. M.B. DOLIN:** MHRC is in the Department of Housing.

**MRS. G. HAMMOND:** Everything's in another department, I've never . . .

**MR. CHAIRMAN:** 3.(a) - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate what action she has taken with respect to resolving the assessment problem in the City of Winnipeg?

**HON. M.B. DOLIN:** The member is probably aware that there are appeals that have come forward in the City of Winnipeg and probably will continue to come forward in the City of Winnipeg where in fact they are being allowed.

As I mentioned earlier in our discussions, the assessment situation is being handled through the Department of Municipal Affairs. Certainly I'm in contact with my colleague, the Minister of Municipal Affairs, and he is proceeding with this matter as quickly as he can, but all of the information isn't in on it yet.

**MR. G. MERCIER:** Mr. Chairman, as the legislation now stands, the City of Winnipeg is responsible for assessment within the City of Winnipeg boundaries, and the province is responsible for assessment outside of the City of Winnipeg, so this Minister has some responsibility with respect to assessment within the City of Winnipeg.

This government received the Weir Report on assessment a number of years ago, shortly after they took office, and have not yet taken any action with respect to resolving this problem. We now see that as a result of the appeal by the Portage Avenue landowners that successful appeal in that case could cost the City of Winnipeg \$8 million to \$9 million in lost revenue to the city. This government, without question, is guilty of negligence for not dealing with the Weir Report and proceeding to resolve this assessment question.

In view of that, I ask the Minister what sort of position the province will take in the event that the City of Winnipeg loses revenue in the order of \$8 million to \$9 million, as a result of the assessment appeals?

**HON. M.B. DOLIN:** Well, I can assure the member this is an item that is under discussion with the city delegation, when the Urban Affairs Committee of Cabinet and the city delegation meet, and will certainly be on our agenda again. The Minister of Municipal Affairs and myself do discuss this issue with them.

There is not the possibility of moving forward at this time with a change in assessment across the province because, as I have said two or three times now, all of the information isn't in. The Minister of Municipal Affairs is waiting for the last piece of information before a

complete package is ready, so that recommendations can then be made based on that.

In the meantime, I'm sure the member is aware that appeal cases can go forward in the City of Winnipeg.

**MR. G. MERCIER:** Well, Mr. Chairman, a couple of points. One, the Minister says, well, we're still discussing this. That's what we see as the problem - that the province is still discussing. Some action should have been taken a number of years ago when they received this report.

She says it's in the hands of the Minister of Municipal Affairs. As long as it's in his hands, as it was in the hands of the previous Municipal Affairs Minister, there's not going to be any action taken and there's a severe assessment problem within the City of Winnipeg. It appears to me that as this government approaches or gets closer to a provincial election I doubt that they're going to do anything. I doubt that they're going to have the nerve to take any action at all.

If the Attorney-General, for example, has to write to me to find out the views of caucus on some simple amendments to The Liquor Control Act to make sure we won't oppose them, or to write to me about The Securities Act, even though it's an urgent matter to make sure that our caucus agrees, then I doubt that this government is going to take any action whatsoever with respect to a severe problem within the City of Winnipeg - not only for the City of Winnipeg but outside the City of Winnipeg also - with respect to assessment.

By virtue of the neglect and negligence and delay of the Provincial Government, the city is going to suffer, it would appear, significant and substantial losses of revenue. Is the Minister and the government prepared to provide compensation to the city in the event of successful appeals against the city's assessments due to their negligence and delay in dealing with this particular problem?

**HON. M.B. DOLIN:** I think that the member is quite aware - and I don't have Hansard before me - but I believe that the discussion was rather complete with the Minister of Municipal Affairs on exactly this issue. I don't know whether the member was involved in that discussion, but I repeat again that the Minister of Municipal Affairs has been charged with the responsibility for assessment. That is the appropriate place to ask the questions with regard to when any changes in assessment will be made or how the review is coming along or what pieces of information we are still waiting for, etc.

With regard to compensation, I think the member is quite aware that I'm not going to issue a blanket statement that will cover all taxes the city wishes to have us cover that they don't feel they're getting from people.

**MR. G. MERCIER:** Well, Mr. Chairman, unfortunately that's an answer we've gotten too many times; this Minister will not take responsibility. Unfortunately, assessment certainly now is within the jurisdiction of the City of Winnipeg and is a direct responsibility of her portfolio by virtue of The City of Winnipeg Act. If she won't take any responsibility for it, I take it there'll have to be another government that will take some responsibility for it.

**MR. CHAIRMAN:** 3.(a) - the Member for K.P.

**MRS. G. HAMMOND:** Has the province approved Plan Winnipeg?

**HON. M.B. DOLIN:** As I mentioned in my opening remarks, the very final points of the plan will be discussed with the city. I think there is general agreement. I think we have come to a consensus agreement on nearly all of the points and we are right down to the wire at this point.

**MRS. G. HAMMOND:** Is there any particular point that the city and the province are having a disagreement on that they're discussing?

**HON. M.B. DOLIN:** I don't believe so. We are about to notify the city of our position and I don't foresee any areas of disagreement, really.

**M. G. MERCIER:** Mr. Chairman, in December the province and the Federal Government signed a Memorandum of Understanding on Transportation and Urban Bus Industrial Development. Within that release there was a reference to the possible manufacture of a lightweight rail car in Manitoba, research into manufacturing of advanced urban buses, and reference to a sub-agreement which could include or deem feasible a demonstration phase which could occur along a dedicated roadway in the city's southwest corridor. Mr. Chairman, I would ask the Minister whether or not the City of Winnipeg Transit Department and transportation people have been involved in any discussions with respect to this agreement so that we could hopefully see an experimental program or project, if that's what it's called, which would finally develop a rapid transit project along the southwest corridor, using the Letellier line and the CNR main line?

**HON. M.B. DOLIN:** . . . the question very long. That was, has the city been involved in the discussions? Yes, they have. I'm just trying to figure out how to get it into the north-end instead of from your constituency, Sir.

**MR. G. MERCIER:** Mr. Chairman, this is a matter that was developed, if I'm correct, going back to 1974, when I was a member of City Council. I still believe that it is the proper route to go, but it was always, whether it was at the council level or the provincial level, considered that it was the type of project that required a large injection of federal funds in order to make it financially viable for the city and the province to embark upon it.

I should tell the Minister, if she is not aware, that there is a way that it could eventually go into the North End, because that was part of the original proposal. It could also go into the northeast, into the Transcona and East Kildonan areas. I think it would be an excellent project for the province to work on, perhaps they may need a commitment before the next federal election. It would be a very charitable move of the federal Ministers at the present time, Mr. Chairman, but it would be an excellent project to concentrate on, and hopefully develop with a large infusion of federal funds in this field.

**HON. M.B. DOLIN:** I couldn't agree more. If you'll excuse the expression, I have tried to capitalize on the generosity, I suppose, of our federal member for the area, the Minister of Transport. I believe that the province, in fact, has long pushed for this agreement and this project to go forward. It is merely my excitement at having the project get under way that makes me want to invite them into the North End, that plus the fact that I might not have to drive to work every day.

**MR. G. MERCIER:** Mr. Chairman, I wonder if the Minister could advise us as to the status of the discussions then that are going on. Is the Southwest Rapid Transit Corridor actually being discussed and worked on by officials of the three levels of government?

**HON. M.B. DOLIN:** We are at the point where the drafts are no longer numbered. Now the draft says, final draft, so I hope that means that we are close to an agreement. I don't know.

**MR. G. MERCIER:** Mr. Chairman, how far away are we from a decision on this matter?

**HON. M.B. DOLIN:** I'm afraid I can't give a definitive answer to that, because we certainly can't determine what the Federal Government is going to do. As the member knows, they may be making fewer decisions in the next few months. I don't know. Things are certainly in a state of flux. The Southwest Corridor is, I believe, a possibility. There are other components that are still being discussed, but the Southwest Corridor itself is, I think, a stronger possibility.

**MR. G. MERCIER:** Mr. Chairman, could we expect a decision within a couple of months?

**HON. M.B. DOLIN:** I would hope so. I will certainly encourage it.

**MR. CHAIRMAN:** 3.(a), 3.(b) - the Member for Assiniboia.

**MR. R. NORDMAN:** Just one question, Mr. Chairman, with regard to the North Portage expropriation, who is going to be selling the redevelopment of that expropriated area, and what is the time component of the rehabilitation?

**HON. M.B. DOLIN:** I don't believe that we are supposed to be getting into a discussion of that again, but I will answer the member's question. I believe that the land will be leased by the corporation.

**MR. R. NORDMAN:** It will be leased?

**HON. M.B. DOLIN:** By the corporation.

**MR. R. NORDMAN:** I see.

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

Resolution 140: Resolved that there be granted to Her Majesty a sum not exceeding \$5,151,800 for Urban

Affairs, Urban Policy Co-ordination, for the fiscal year ending the 31st day of March, 1985—pass.

4.(a) Agreement for Recreation and Conservation for the Red River Corridor, Salaries, 4.(b)(1) Other Expenditures, ARC Secretariat, 4.(b)(2) ARC Authority - the Member for K.P.

**MRS. G. HAMMOND:** I understand that the agreement for the ARC ends March 31st, 1985. Has everything been accomplished under the ARC Agreement?

**HON. M.B. DOLIN:** No, everything has not been completed. The same Federal Minister we referred to earlier and I have had some informal discussions about the value of the program. We both think it's quite valuable, of course, and I would hope that anything that is not completed certainly would be allowed to be completed.

**MRS. G. HAMMOND:** Will there be an extension of the agreement?

**HON. M.B. DOLIN:** That's what we are looking at, certainly for the two major projects which may not be completed - well probably won't be completed - which are the Forks area and perhaps the area at Lockport.

**MRS. G. HAMMOND:** Are the Trappist ruins and the X-Kalay included in that?

**HON. M.B. DOLIN:** They are, yes, although there are some other considerations involved.

**MRS. G. HAMMOND:** Will there be any additional cost to the province?

**HON. M.B. DOLIN:** Most extensions involve extra costs, but I couldn't tell you what that would be at this point.

**MR. R. NORDMAN:** Mr. Chairman, to the Minister, are there serious negotiations going on for the extension?

**HON. M.B. DOLIN:** Yes, there are.

**MR. R. NORDMAN:** I mean the magnitude of this plan

**HON. M.B. DOLIN:** Yes, there are, because we certainly do not want to allow, let's say, the Forks to stop right in the middle and not be completed. Certainly there are negotiations under way to allow the completion of the projects defined under ARC. That is why I'm saying, the cash flow involved, I can't give you right now, but certainly it would be enough to complete those. It wouldn't be a huge amount that I can foresee at this point.

**MR. R. NORDMAN:** How much property were we able to get at the confluence? Were we able to get the full 13 acres or how much?

**HON. M.B. DOLIN:** No, it's a little over 10 acres.

**MR. R. NORDMAN:** About 10 acres.

**MR. CHAIRMAN:** 4.(a) - the Member for K. Park.

**MRS. G. HAMMOND:** With reference to the Forks, is the program, once the Forks is completed, this part of it, is it going to be continued?

**HON. M.B. DOLIN:** The memorandum that was signed about a week ago, a little over a week ago, does indicate that there will be further negotiations with regard to the balance of the land in the area, the use of that land. It certainly is the hope of all parties concerned that it would be developed appropriately, and meet the needs and the wishes of the people in the City of Winnipeg for whatever use. That use is not yet defined. There have been many suggestions regarding that use, but certainly something that would be attractive and, as I say, serve a useful purpose.

Those negotiations, of course, for the balance of the land would continue with CN and the city and the province - whatever.

**MRS. G. HAMMOND:** Will there be a new agreement signed if, say, you go into the second phase of the ARC Agreement?

**HON. M.B. DOLIN:** There would have to be some kind of an extension perhaps of the agreement signed.

**MR. CHAIRMAN:** 4.(a) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Can the Minister supply the committee with a list of the projects under the ARC Agreement, and where they stand as to being half-finished, finished or three-quarters finished? Is that available to the committee?

**HON. M.B. DOLIN:** Yes, I would be able to supply that to you, not immediately or not tonight, I don't believe, but we could certainly get it to you.

**MR. F. JOHNSTON:** Could you indicate what the value of each project is?

**HON. M.B. DOLIN:** Yes, we would do that for you.

**MR. G. MERCIER:** Mr. Chairman, I think that's an excellent suggestion by the Member for Sturgeon Creek and I thank the Minister for agreeing to that. Hopefully, she will include, at least those members who are present now, with that information.

Just a couple of questions, could the Minister indicate how much is committed now to preserving the ruins of the Trappist Monastery site?

**HON. M.B. DOLIN:** The city has put in \$50,000, the Department of Cultural Affairs has put in \$50,000 and the ARC Program, if you will, has \$128,000 set aside for that project and it's being held in abeyance until there is a decision on the future of the area.

**MR. G. MERCIER:** I assume the preservation of the site is going to go forward and that it's just a matter of former detail.

**HON. M.B. DOLIN:** One of the issues is who maintains the park, who is responsible for the park site. The city is not too eager to maintain it as a city park. There has to be the determination not only to develop this site - I mean, that can be done easily enough, but there has to be a commitment to maintain the site and that's one of the things we don't have yet.

**MR. G. MERCIER:** Mr. Chairman, it is an extremely important site and I think the negotiations that were proceeding prior to the fire, of course, would have resulted in the church maintaining the monastery because they would occupy it on a regular basis. But, in view of the closeness of the site on the La Salle River historic theme park, it certainly would be provincial people close to this site that could contribute to the maintenance. I wouldn't expect that it would be a large amount of work. Hopefully, the Minister will be able to develop a method of proceeding with the preservation of the site. I assume Genstar is still prepared to donate the land?

**HON. M.B. DOLIN:** Yes, I believe they are. They still have a very large holding right next to it. I understand that they will donate the land. It really is a question of who is going to maintain the park once it's built.

**MR. G. MERCIER:** Mr. Chairman, could the Minister advise as to the status of the St. Norbert X-Kalay Project?

**HON. M.B. DOLIN:** I'll have the answer for you in just a moment. The X-Kalay Project is one of a series that are very close together right in that area and I have a question regarding the Federal Government which I'm asking staff and I'll have the answer for you in a moment.

The provincial funds are there. They are being held again, awaiting the CMHC approval for the rebuilding of the residence itself, the building itself. There has to be a federal contribution there.

**MR. G. MERCIER:** Mr. Chairman, when is a decision expected from CMHC? Is that relatively close? I would assume it is.

**HON. M.B. DOLIN:** Staff assures me that it is coming very shortly.

**MR. G. MERCIER:** Yes, I would assume it is. There's something about an election here.

**HON. M.B. DOLIN:** I know. It's interesting to have an election. You either get what you want or you lose it all.

**MRS. G. HAMMOND:** With the extension of the agreement and talking about additional costs to the province, will these be new funds or will they be reallocated?

**HON. M.B. DOLIN:** The amount you're talking about would depend on what was left to be finished in an extended agreement that was designed to cover the time needed to complete the projects that were under

way. There would be some administrative costs and whatever was left that needed to be paid out to complete the projects, of course, would be cash flowed in those two years.

**MR. CHAIRMAN:** 4.(a) - the Member for K.P.

**MRS. G. HAMMOND:** I just wanted to ask about the River Road stabilization and I understand they did the test section. When would the report be ready? Has there been an Interim report?

**HON. M. B. DOLIN:** There is an interim report that is in and the final report is expected next March.

**MRS. G. HAMMOND:** Is there any money left to continue the stabilization if the report is favourable?

**HON. M.B. DOLIN:** No, not in the ARC Program, that would take us up to the conclusion of the ARC agreement, as the member is aware, next March.

**MR. CHAIRMAN:** 4.(a)—pass; 4.(b)(1)—pass; 4.(b)(2)—pass.

Resolution 141: Resolved that there be granted to Her Majesty a sum not exceeding \$247,600 for Urban Affairs Agreement For Recreation And Conservation For The Red River Corridor for the fiscal year ending the 31st day of March, 1985—pass.

5.(a)(1) Expenditures Related to Capital Assets - Acquisition/Construction of Physical Assets: Payments to Other Implementing Jurisdictions; 5.(a)(2) Payments to Other Provincial Departments; 5.(a)(3) Departmental Expenditures.

Shall I call them all?

**A MEMBER:** You can. Go ahead.

**MR. CHAIRMAN:** 5.(b) Acquisition/Construction of Physical Assets: Agreement for Recreation and Conservation for the Red River Corridor; 5.(c)(1) Financial Assistance for the City of Winnipeg: Grants; 5.(c)(2) Intergovernmental Land Sales Program - the Member for K.P.

**MRS. G. HAMMOND:** Could the Minister just explain 5.(a)? Which departments the payments went to?

**HON. M.B. DOLIN:** 5.(a)(1) provides \$1,127,900 for payments to other implementing jurisdictions of cost-shared projects and 5.(a)(2) provides payments to other provincial departments in the amount of \$1,464,000.00. That consists of \$480,000 for municipal services, \$550,000 for home-ownership assistance grants - those are both administered by MHRC - and \$800,00 for the Small Business Assistance Program that's administered by the Core Area office and is under contract with the Department of Small Business and Tourism or Business Development and Tourism.

**MRS. G. HAMMOND:** Where would the money be or would it be in this area for any of the education projects? Was there any capital spent on education?

**HON. M.B. DOLIN:** That was in 3.(c)(2).

**MRS. G. HAMMOND:** There was no capital then, spent in that area?

**HON. M.B. DOLIN:** No, no capital expenditures there.

**MRS. G. HAMMOND:** The (b), that's just covers the Art Project does it?

**HON. M.B. DOLIN:** Yes it does.

**MRS. G. HAMMOND:** What would be included in it?

**HON. M.B. DOLIN:** The list that we indicated we would provide to all the members here will contain that information if that's satisfactory to the member.

**MRS. G. HAMMOND:** That's fine, thank you.

**MR. CHAIRMAN:** 5.(a)(1)—pass; 5.(a)(2)—pass - the Member for K.P.

**MRS. G. HAMMOND:** Just one question. What would the Land Sales Program be?

**HON. M.B. DOLIN:** That is a program that was in place between the city and the province. It is being terminated but there is one outstanding issue yet.

**MR. CHAIRMAN:** 5.(a)(3)—pass; 5.(b)—pass; 5.(c)(1)—pass; 5.(c)(2)—pass.

Resolution 142: Resolved that there be granted to Her Majesty a sum not exceeding \$27,805,400 for Urban Affairs/Expenditures Related to Capital Assets for the fiscal year ending the 31st day of March, 1985—pass.

Back to the Minister's Salary, 1.(a).

**HON. M.B. DOLIN:** The Minister's half-salary.

**A MEMBER:** Pass.

**MR. CHAIRMAN:** Pass.

Resolution 138: Resolved that there be granted to Her Majesty a sum not exceeding \$407,600 for Urban Affairs/Administration and Finance for the fiscal year ending the 31st day of March, 1985—pass.

Does the committee wish to rise?

**HON. M.B. DOLIN:** Yes, it is risen.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Committee come to order.

We are considering the Estimates of the Department of Agriculture, Item 5.(h), Agricultural Crown Lands.  
Mr. Minister.

**HON. B. URUSKI:** Mr. Chairman, as we broke for supper hour the Honourable Member for Arthur raised a — (Interjection) — starts with "A", raised a matter dealing with a policy that had begun while he was Minister, and was in the process of review by this administration and had been reviewed, and that is the policy issue dealing

with unit transfers. In his comments he basically indicated, which I made before the supper hour, raised issues which really point to some of the difficulties encountered by the administration in attempting to allow a unit transfer of Crown, a mixture of Crown and private landholdings where there is more than one purchaser, or prospective buyer.

In this case that he raised, I should mention to the honourable member that, there were several that were interested in the holdings and part of the criteria in dealing with land with unit transfers, for the examination of criteria or issues dealing with unit transfers, is the evaluation of the private landholdings and buildings and any other matters which might be considered to be part of the unit.

Of course, the dispute arose when the vendor as part of trying to sort out who might be the likely successful purchaser of the unit transfer when he chose to, and was asked by one of the prospective buyers, whether the sale of cattle could be included in the transfer. — (Interjection) — I'm sorry, the Honourable Member for Emerson says . . .

**MR. A. DRIEDGER:** I said who did he ask?

**HON. B. URUSKI:** Who did he ask? I don't think he asked anyone. I'm saying he was asked by one of the prospective purchasers as to whether or not the cattle could be included as part of the total transfer. He did approach the branch, as I understand it, and asked whether that was a possibility. And the branch indicated that certainly it would be provided, that the cattle prices in the condition that they were in, and the state that they were in, that their value would not, a value attributed to them would not be far above what would be the normal commercial value of those animals. So that the entire unit transfer was allowed including the cattle.

I might add that in many instances or in some of the instances that come forward, the entire farmstead, livestock, machinery, buildings and land are all part and parcel of the consideration in unit transfer providing, of course, the key question that is always raised is that there is no additional or imputed value more than the market value for the private holdings, whatever they be, whether it be the land, the buildings, the machinery and/or cattle, so that there is no value other than the improvements. Now, the improvements in the Crown land, of course, are paid for by the Crown, so that there is no imputed value for the Crown land. That is really the difficulty, and it is. I'm sure that type of a transfer will always be subject to one's interpretation as to what really went on in terms of how did the branch evaluate certain holdings to allow the unit transfer.

As I understand it, the person in question who originally started making or began the transaction with the prospective vendor was not interested in the cattle at all. Of course, I presume he felt that since he was the initial person involved or one of the first sort of on the scene that he should have had the right of first refusal or the first right to obtain that unit to consolidate it with his own or do whatever.

When it was brought to my attention, of course, the Crown Lands Advisory Committee had already reviewed the circumstances and had recommended to the staff



that the unit transfer occur. Unit transfers do not, because I don't believe there is an appeal - there is an appeal if the sale does not go through. The committee allowed the transaction to proceed; the sale was allowed to proceed. There is an appeal to the Minister if a sale is not allowed.

When it was drawn to my attention at that time, the transaction had been consummated. As a result, the letter that the honourable member has a copy of was sent to Mr. Oleschuk. That's the name. I believe that is the name that the honourable member was reading. On the basis following that, the letter was sent to him.

I should add that there were additional lands identified — (Interjection) — Well, no, of course, no one is happy when some other alternatives, and one is not the successful vendor especially in a unit transfer. That's basically what has transpired in this whole situation.

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

**MR. J. DOWNEY:** Mr. Chairman, the Minister's explanations to me aren't satisfactory. I believe the process that should have been carried out was somewhat different than what was. I can't let him off with it, because it is really not excusable.

First of all, it isn't truly a unit transfer. He is treating it or calling it a unit transfer, but in my estimation it isn't. It really isn't truly an ongoing farm operation. It is initiated between two people, a private sale of, I think, it's a quarter-section of land and along with it was to go the leased piece of property.

I understand the initial setup was the first person who applied or all those people who applied for the land, to purchase it and the lease, was on a point basis, okay? If this individual, Mr. Oleschuk, was successful in obtaining an agreement and he was top on the point system, as I understand it, then he should have achieved getting the land. His bid with the land was equal to the others. The Crown land lease, Mr. Chairman, on a point system, would have come to him.

But all at once he finds himself being forced to bid on cows, cows that I would say - you know, let's go back to this particular time, I think it was in the middle of the winter - I think the successful bid for the cows was \$850 for a bred cow in the middle of the winter which is, I would say, a pretty decent price, probably a little higher than the average price of cows would be trading for. It put him into a difficult situation.

First of all, he didn't want the cows; then he was told if he bid on the cows that it would automatically - I shouldn't say that - but there's a possibility that automatically he would get the land because they forced it into a package and then he's refused, Mr. Chairman. I think the individual has a right to be very upset and feel dejected.

I, on his behalf, said to him that we would and did proceed to write the Minister and ask for an explanation. I'm not satisfied with the explanation. As I indicated to the Minister, if he had made a successful bid on the property to buy the quarter and was successful, as far as the point system is concerned, he should have had the property. He missed on that, then went to the appeal mechanism, the appeal committee. If he wasn't successful, Mr. Chairman, then his appeal - at that point the appeal committee could have taken a look at it

and stopped the sale of land. It would have been their opportunity to stop what was in fact wrong. Really, the man that sold the cows got value for those cows from the lease that he had.

I'm not saying there's any wrong with a unit transfer, a total unit. I think it worked quite well and I think it will continue to do so, but under this particular case it's been badly handled. The department had their fall back as far as the committee was concerned. The committee could have stopped it; the Minister signs every one of those. The Minister has the obligation to sign each one of those that go to the committee. Oh, yes, Mr. Chairman, under the act, when the committee deals with a specific question, the approval or disapproval has to be signed by the Minister's Office. There has to be the Minister of Agriculture's signature on it. I would ask the Minister, Mr. Chairman, to check his books because I'm sure he has signed it. If he hasn't, then he's not living up to the act and there is still a chance then of this individual getting it, if it hasn't been approved or disapproved by the Minister. He indicates from his seat that he didn't sign it. Well, if he didn't sign it, then in fact the property is still up for allocation and the appeal system has not been followed through properly.

There's another area that we're going to have to question with this Minister on the handling of Crown lands, Mr. Chairman, because it's not to the satisfaction of the opposition or the public. I think there's been a wrong done. I think he had the opportunity to do it. I think he had the opportunity to correct it, and now I'm asking him to do so. I think there has to be some way in which this whole thing is straightened out and I want him to take it seriously and tell me why he can't straighten it out. Did he not sign an approval for what the Crown Land Appeal Committee did on this case? Did he sign or did he not sign an approval? It's a committee appointed by him; it's in the act; it has to be done and I ask him if he did or if he did not sign an approval to allow this property to be handled this way after it went to the committee?

**HON. B. URUSKI:** Mr. Chairman, I think the honourable member is confusing the issue of unit transfers which he set up, with the current policy of allocation of Crown lands to lessees. There is a separation.

First of all, Mr. Chairman, there is no point system in the unit transfer. The purpose - let's first set the issue out - the purpose of the unit transfer is to allow orderly transfer of viable units. An outgoing lessee can leave and a brand new lessee steps in and takes over if the unit is viable. In this case here, the committee did identify this unit as a self-contained viable unit. The staff presented it to the committee as a viable unit and it was treated as such. In terms of setting the policy, the Minister of the Department in the Minister's Office is involved in the setting of the broad policy in the same way as he set the policy when he was Minister. If the criteria of the policy is agreed upon, once the policy is set, the director approves the transfers. The Minister doesn't become involved.

There is no point system involved in the selection of a new vendor of a unit transfer.

**MR. A. DRIEDGER:** Can it be appealed?

**HON. B. URUSKI:** Mr. Chairman, the Member from Emerson raises a question, "Can it be appealed?" The only time that an appeal can occur in a unit transfer is if the branch, if the director and the staff, disallow the purchase to go through. Based on criterion basically, what would happen is if the amount of money asked for by the vendor exceeds what the branch in its independent review of evaluation of that property, whatever is being transferred, whether it's land, buildings, differs with what the sale price is. At that point in time the branch can say, "Hold it." They can say, "Hold it, the value that you are asking and that you're placing on the private assets far exceed what the commercial value would be. We are not approving it."

**MR. J. DOWNEY:** Well, that's what happened in this case.

**HON. B. URUSKI:** No, I'm sorry, it didn't happen in this case. The Honourable Member from Arthur either he has been given wrong information in this case. There was no appeal. To the best of my knowledge, the branch did not turn down the transfer of land. The branch did allow the committee, looked at the unit transfer, the staff brought it to the committee - the application for unit transfer - the committee dealt with it and said, "Yes, in our mind, this is eligible for a unit transfer. We will allow it to go," and it went, unfortunately, Mr. Chairman, and the person who the Honourable Member from Arthur is representing or speaking of tonight was not one of the successful people in obtaining that unit transfer.

In the final decision, in terms of decision, the department stays out of the whole process of choosing and getting involved in a unit transfer. The department does not get involved in the choosing of an owner in a unit transfer unless there is clear evidence to show that the value that is imputed in the assets that are being transferred exceed the market value of those assets that are being transferred that would, in fact, impute a value on the Crown Land that is part and parcel of that transfer. That is the only time there would be an involvement in the selection, in fact in the selection or in the transfer at all by the branch. If the member reads the letter, I believe he has a copy of the letter, and I have one here, March 7, 1984. Is that the letter that he has been reading from to Mr. Oleschuk? You are quoting from the letter, would you mind tabling it so we can see whether we . . .

**MR. J. DOWNEY:** Mr. Chairman, March 2nd is the letter. It's probably the same letter. This one is March 2nd not the 7th. I ask the Minister to table the letter that he has, Mr. Chairman?

**MR. B. URUSKI:** Sure. Well, I'll read the letter into the record to see if it matches. "Your February 15th letter to Mr. Gil Lahaie, Acting Director of the Crown Lands Branch, has been brought to my attention." That's a letter to Mr. Oleschuk. "In your letter you indicate that a transfer of lands held under Forage Lease 2375 by Mr. Louis Soucy to Mr. Ed Dan is in conflict with current policy. From information provided by staff, I'm advised that all criteria of the transfer of Leased Lands Policy have been met and the transfer can be approved.

"With specific reference to the matter of livestock being included in the transfer, this is consistent with the policy. The inclusion of livestock in a transfer is in fact desirable from the point of view of ensuring continuity of operation. However, in light of other information provided by staff in regard to this transfer and dealings and discussions between yourself, the Agricultural Crown Lands Branch and the Crown Lands Appeal Advisory Committee during the past year, I am prepared to grant you a hearing with the above committee. I wish to advise, however, that this hearing is not an appeal hearing and will not result in a reversal of any earlier decision or the transfer in question. The purpose will be for dialogue between the committee and yourself.

"In the copy of this letter I'm instructing Mrs. Jennie Deschamps, Secretary to the Committee, to schedule a date for this hearing. Mrs. Deschamps will be contacting you very shortly in regard to this hearing. I sincerely hope that these arrangements are satisfactory."

That is the letter that was sent by myself with a copy of which I have sent to Mr. Oleschuk and that basically outlines the position that was taken by myself when this matter was drawn to my attention.

**MR. J. DOWNEY:** Mr. Chairman, it's a little different from the letter I have received. The one I received is March 2nd and I'll read it into the record as well so it's clear.

"Mr. Downey, I have your letter of February 17, 1984, in which you raised concerns about Crown land allocation policies as relates to Mr. Henry Oleschuk. It is correct that the allocation of Crown land parcels is based on a point system to determine the producer need for Crown land. However, the land that Mr. Oleschuk was involved was classified as a production unit consisting of both private and Crown land. The Advisory Committee decided that the land should transfer as a unit whereby the rules of the unit transfer policy would apply. Under the unit transfer policy, the owner of the private land may sell to the highest bidder and have the associated Crown land transferred with the sale provided the price of the private land is not above the appraised market value for the land as determined by unofficial appraiser retained by the Agriculture Crown Lands Branch.

"This procedure was followed in the case of the land sought by Mr. Oleschuk. However, when several equal bids came in to the owner, the vendor decided to offer his cattle herd for sale as well in order to break the impasse. Unfortunately, Mr. Oleschuk was not the successful bidder. Crown Lands Branch also reviewed the purchase price for the cows and considered them well in line with bred cows nearing the calving stage.

"I want to say that we have the greatest sympathy for Mr. Oleschuk and his situation. He is young farmer who is anxious to expand his beef herd. Accordingly, we are actively searching for alternative Crown grazing land in this locality, which he would be able to compete for under the Crown Land Allocation policy. I trust the foregoing explains the unique circumstances surrounding Oleschuk's situation. Yours truly, Bill Uruski."

Mr. Chairman, I still think this individual has received a rough deal. It was sent to the Crown Land Appeal

Committee. I would have thought, Mr. Chairman, it would have been picked up at that particular time, but it was not. It is not truly a unit transfer. An individual took his cows - the whole thing changed, it was being treated as a sale and land transfer and then half way through the deal there's a herd of cows appear on the horizon, so that value can be added to them to give value to the Crown land that the person is buying. It's not on the land, Mr. Chairman, the land value or the lease value is applied to the cows; the cows have oversold. This person didn't feel like paying what I would say is an extremely high price for cows. I don't think the cows are in line with what cows were selling for at all. — (Interjection) — Well, Mr. Chairman, he's criticizing our policy. No it's not the policy, it's the way in which he handled it.

I believe, Mr. Chairman, this individual got a pretty rough deal. One of the constituents of the Member for Ste. Rose, I believe, was led to believe — (Interjection) — all of his constituents have a rough deal, Mr. Chairman, I can see why. He won't be back, I can tell you that, if he carries on like this.

Seriously, Mr. Chairman, the person's got caught in a change of situation. The rules changed on a situation that he had no control of. I believe the proper way to have handled it, Mr. Chairman, would have been, after the impasse took place, if there were several bidders, go to the point system on the land, go to the point system if they didn't as I said they should have done.

The bids were equal on the property. How were the bids equal on the property? Somebody must have been talking. You know, here's a man legitimately goes forward, gives what I have been told is a pretty reasonable piece of bid on a piece of property. He bids on a quarter of land, they make a deal. All at once everybody says there's a whole bunch of Crown land, and I'll put the same bid in as the first guy. He does, it's equal, so then they say, well, we have to break the impasse now, we'll throw the cows in.

It's wrong, Mr. Chairman. What the Minister has done here is not, I believe, in a fair minded way. I believe that the department and the Minister haven't handled this properly, that the Appeal Committee should have picked it up, and it should have been rejected, it should have been put back out on the market again so that there was no question as to who should have the land. Now this man does not have a chance to buy the property because it's been allocated to other people.

First of all, he was a successful bidder, he had the whole thing set up. — (Interjection) — Well, he bid to the farmer to buy his quarter section of land. — (Interjection) — I don't know whether it was out on tender. I don't believe it was. I believe that there was a straight one on one deal. He was going to get the quarter section of land, he was going to get the leased land. Okay, it all blew up. More people came in and bid the same thing as he did remember, bid the same thing as he did. It would be easy to do; apparently the message was going around fairly freely as to what he bid, and then he finds out that the rules changed and he now has to bid on cows as well. Not only does he have to go and find additional money, but the rules in which he started into an agreement changed. Unfair — (Interjection) — no unfair. I feel that he was treated unfairly.

I think the Minister when he turned it to the Appeal Committee is when it should have been reviewed and

then if they were tied, if there were other people bidding on the land, then he should have used the point system to determine who should get the land. That's right, he should have used the point system to see who got the land, not turned to the guy who had the cows saying, if you sell your cows to the highest bidder, they'll be the ones that get the provincial government land. That's wrong, it's wrong. Where are we at on this whole system? Mr. Chairman, it's a good policy, badly handled by this Minister. That is what it is. It's a good policy, badly handled by this Minister.

Mr. Chairman, I would ask the Minister again if he wouldn't see if there is some way that he can get this land back, because he has not handled it properly. I don't believe it was handled properly. I don't believe the committee handled it properly, and I think the Minister should rectify the problem.

**HON. B. URUSKI:** Mr. Chairman, if I have heard anything tonight, I've heard a darn good argument for throwing out the unit transfer policy that his administration brought into play.

**MR. J. DOWNEY:** No, no.

**HON. B. URUSKI:** If ever I heard a convincing argument to tell me that entire policy should be reviewed — (Interjection) — Mr. Chairman, I don't know, and here is what I see coming from the members of the opposition. Let's take another scenario.

Let's say that unit transfer was stopped and was appealed. Let's take his scenario because that is in the process. The Honourable Member for Arthur is injecting a new process that he would like to see in the unit transfer policy, that if what was put up for sale to one should go through and there should be now a point system set up to determine who is the logical or the acceptable purchaser.

Can you imagine what the Real Estate Association would say to the Crown Lands Branch as to interfering in the private dealings as to who should be picked as the successful vendor - not lessor, but vendor - who the Crown Lands Branch should pick as the successful vendor to buy certain private holdings, because that doesn't happen in the real estate business now?

I appreciate the comments of the honourable members opposite to say, look, we want you now to inject yourself in this whole process and say, we want you to make the decision of who the buyer should be. Can you imagine, Mr. Chairman, members opposite coming to this Legislature, saying, do you know that this government is now telling every farmer who they should deal with, whose land they should be buying? Because that's the kind of accusation that would come at the Minister of Agriculture.

The Member for Arthur would come here and say, the Minister of Agriculture is now telling the farmers of Manitoba that they can't go and buy land from whomever they want. Only this farmer can buy land from this farmer, and they are going to tell you who's going to make the purchase. Mr. Chairman, that's exactly what would happen. That is exactly what he is suggesting should happen, Mr. Chairman — (Interjection) — Mr. Chairman, that's exactly what the honourable member is suggesting. That's exactly what

he is suggesting in terms of a change in policy. What he has done is basically indicated that the policy is very difficult to administer, very difficult, especially when you have more than one vendor vying for land.

The other question, Mr. Chairman, that has to be raised in this whole incident is: what do members opposite consider as part of a farm unit? In a cattle operation, do they consider the cattle, the cows, the bred cows as being part of the entity of the farm unit, or the cows should never have been part of the farm unit?

**MR. J. DOWNEY:** If they're an issue in the deal.

**HON. B. URUSKI:** Well, Mr. Chairman, the honourable member said, if they're an issue in the deal. If the man has cows to sell and he's got a farm unit to sell, obviously if somebody wants to buy his unit . . .

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

**MR. CHAIRMAN:** Order please.

**HON. B. URUSKI:** . . . he would consider buying the cows. Now the question that comes into play is whether or not the value of the cows was exorbitant and if that's what he is indicating, or was it a reasonable value. Mr. Chairman, as best as could be determined, my advice is that the cows were bred. They were in calf. Part of the transaction was not only the sale of the cows but the wintering of the animals and the calving of those animals as part of the total price.

Now is then an 850 or whatever the amount is - 825 or 850 . . .

**A MEMBER:** Nine-and-a-half.

**HON. B. URUSKI:** Mr. Chairman, I don't know the value. Maybe staff from their files might be able to dig that up, but it's somewhere in - I won't dispute the \$25 or \$30 per animal. Now whether or not the wintering of an animal for \$100 and the calving is too much, then we will be disputing on the total sale that that was too much money.

But the fact of the matter is, the process that is in place - and the policy was established by his own administration - we have followed that policy and, admittedly, a very difficult one to follow, but once having determined that the unit is a viable farm unit which did go to the committee, then it was strictly a pro forma decision of the branch and the Minister's Office or the Minister himself. There was no appeal, because the transfer was allowed to go ahead.

Who the choice was is not a departmental choice, Mr. Chairman. If the honourable member is making a case that it should be, Mr. Chairman, he is really saying, let's get rid of that unit transfer because it has got all kinds of shades and all kinds of arguments that there is all kinds of discretion in there and that it can be suspected and you can make all kinds of arguments. Mr. Chairman, he's right.

You could make all kinds of arguments on that policy, and you can make subjective arguments that would throw that policy into suspect especially, and I say especially, where there is more than one purchaser for the same piece of land.

**MR. J. DOWNEY:** Mr. Chairman, what happened was that the whole thing . . .

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

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** . . . changed. There was a change. If he wants to call it a unit transfer, then the unit that was being transferred was one quarter section of land and the leased land - no cows, nothing else. That was the unit transfer, okay? So the guy bids on the quarter. He's successful. The Crown land is going to him, and then the word gets out that the land is for sale and the Crown land is up for grabs. Other people apply. Okay?

So they applied for exactly the same as he bid. He was the first one in. He bid. He had set the price. So everybody else came along and said, well we'll bid the same thing for that quarter section of land, and we get the Crown land.

Well the department has a dilemma. The Minister has a dilemma. Oh, oh, can't transfer the unit. What do they do? They change the ground rules. Now they - (Interjection) - yes, it is true. Now they throw in the cows. The cows come in several weeks later. The cows, Mr. Chairman, are - (Interjection) - you can make fun of it, but a man lost a big potential in making . . .

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

**MR. J. DOWNEY:** Mr. Chairman . . .

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** Mr. Chairman, I don't believe it is fair to make fun of a person whose livelihood was put at stake. In fact, he lost a big share of a potential livelihood and a chance to buy this Crown land through the mishandling of this Minister. It is a good policy, mishandled by this Minister and this government.

What I am saying, Mr. Chairman, is the deal changed. The base was there. He had a quarter section of land bought. The Crown land was being transferred with it. Other people heard about it. The bid was the same as his. I believe it was \$20,000 for the private quarter, so everybody else bid the same thing. All the people came along and bid on it, so there was more than one person buying it.

He still, Mr. Chairman, thought he had it until he was faced, as I said earlier, with buying the cow herd. All at once, the cow herd came up for sale. Well sure, the guy would put up his cow herd because he'd sure as the devil put the price of his cows up if that was the determining factor as to who was getting the Crown land. You aren't going to find cows bringing \$500 or \$550 or \$600 or \$700.00. You would see cows bringing \$800-and-some dollars, because they were bidding on the land, Mr. Chairman, the Crown land, not the cows.

That's exactly how it happened, Mr. Chairman, and the Minister can beg off all he wants about it being a bad policy. I would hope, Mr. Chairman, that this individual would be accommodated. They said that, in a bleeding-heart way, they feel sorry for him. You're

darned right! I feel sorry for him too, because he was mistreated by this government and this Minister. I would be extremely upset and I am upset on his behalf.

What recourse did he have? He had a chance to go to the Crown Land Appeal. It was badly handled, and it has to rest on this Minister. If he hadn't, Mr. Chairman, allowed a person to throw his cow herd into the deal and get value for the Crown land on those cows, then he would have had a way of begging out, but he hasn't. He can't get out of it, Mr. Chairman. Of course, the reason he gets upset is he feels that the best defence is offence.

He has handled it badly. It was a good policy, Conservative policy, handled badly by an NDP Minister of Agriculture. That's really what it is, Mr. Chairman. He did send it to the Appeal Committee. He was aware of it, Mr. Chairman. He can't beg off, saying, well I couldn't do anything about it. He could have, Mr. Chairman. He could have done something about it, because he did send it to the Appeal Committee. He could have said to the staff, we don't believe this is being handled fairly. We believe that that thing should be nullified. Let the man sit with his quarter section of land, let's put the Crown land up for a truly point system allocation. That would have been the best way to do it and then everybody would have been treated fairly.

This man has been treated unfairly by the NDP Government and I'm not going to let the Minister get away with it, Mr. Chairman. He's administered this allocation badly, irresponsibly, and we won't stand for it, Mr. Chairman.

**A MEMBER:** Well then, sit down.

**HON. B. URUSKI:** Mr. Chairman, there's possibly one point that I neglected to raise in this issue and I'm glad the honourable member spoke again and raised it again, because the one key issue in this whole transaction that has been missed - and I regret that I'm one that missed this whole issue - and it does relate to the whole aspect of this, where there was more than one purchaser.

Mr. Chairman, this individual that the member speaks of, had there been an offer that was signed and signed by the vendor and the purchaser, the deal would have been through, there would have been no other parties involved. In a real estate transaction that is binding, the only avenue for change or dispute would be on the actual value of the assets changed.

There was no offer made in terms of what is known as an offer in real estate terms. An offer means that I'm prepared to pay the price; I sign it as the prospective purchaser and then it's taken back to the vendor and the vendor agrees to that offer. Had that been the case, then the other prospective purchasers that we're now arguing about, would not have been involved in this whole transaction.

I admit it, Sir, that that was the real dilemma that was facing us, that there was no effective offer, signed, sealed and delivered, because there would have no change. Had there been a change to some change in the offer, then, Mr. Chairman, that deal legally in the courts would have had to through. There could have been no change made by Mr. Soucy, who was then selling, had the offer been signed, sealed delivered and

I believe the honourable member knows that or other honourable members do, especially the Member for Emerson who is sitting there, who is a real estate agent, would have known and he sat there and did not raise the issue. It took my colleague, the Minister of Municipal Affairs, to ask me the question, was there an offer? There was no written offer and the Member for Emerson, who is a real estate agent, would have known that had there been an offer, it would have been binding on both parties.

The only avenue of change or discretion on behalf of the department would have been, had the value in that offer exceeded the value of the assets that were being sold, the private assets that were being sold, so that there would be no value on the Crown land.

Well, Mr. Chairman, when you get two or three people talking and in this case here, as I understand it, there was more than two people who were interested in the land and no one was serious to make an offer. So I assume that the vendor, in order to break that impasse, said look there are, as part of my unit I have, and it's part of the farmstead - (Interjection) - I don't even know if there was a deposit. Was there a deposit, Mr. Chairman? Maybe the honourable member knows, information that he can bring in terms of the case. Was there a deposit made by Mr. Oleschuk in this case? Because I assume if there was an offer made, then there should have been a deposit and then I would assume that that deal would have been legally binding.

There's no doubt in my mind that Mr. Oleschuk would have had a legal case which, if taken to the courts, I would assume to the courts, would have adjudicated accordingly, that there was in fact a determined price. But, Mr. Chairman, not having any of those factors there, I again say that the Member for Arthur raises the matter of unit transfers and he's raising a dilemma and I'm sure almost every transfer that has been dealt with by the branch raises those kinds of concerns, in terms of how straightforward is the transfer and it becomes more complicated when there's more than one prospective purchaser of the unit after it's been determined as so, but to suggest that somehow the Minister handled it wrongly, Mr. Chairman, it doesn't even come to my desk, I don't even see it.

**MR. J. DOWNEY:** You did, you sent it to the appeal committee.

**HON. B. URUSKI:** Mr. Chairman, the member should have listened to what the letter said, that when it was brought to my attention the transfer had already been approved. I said in the letter and I repeat, "I wish to advise, however, that this hearing is not an appeal hearing and will not result in a reversal of any earlier decision or the transfer in question."

It had been done by the branch. It had been done routinely, as the policy was, that once the committee established that the unit could be determined as a viable unit, it was done pro forma. It was handled and the difficulty of the branch in determining in how to handle this whole thing once the committee allowed this being a unit transfer, was on the basis of saying - the only involvement of the branch would be, is there any value attributable to the private assets that exceeds normal market value.

My advice by the staff is that the value placed on those animals was not abnormal in terms of having to have those cows calved, the wintering and the feeding of them, plus the sale of those cows, the amount of value was not out of line.

Now if the member says, being a cattle dealer, that \$850, that if you winter an animal, feed it, and calve them, that \$850 per cow is exorbitant, I guess I would have to back off and say that I'll defer to the expertise of the Honourable Member for Arthur, since he's involved in the cattle industry and would know. But I have to say that in terms of evaluating it, I don't think the staff are that far out in determining that, because I have not heard, Sir, any other argument that any other of the assets were exorbitant or exceeded the value of the private holdings. If they were, and if there is any information the honourable member has, I certainly would want to hear that. I'm sure that the staff would as well.

**MR. J. DOWNEY:** Mr. Chairman, I believe this was last fall, not this year after the cows had been wintered. I believe it was November. It wasn't after they've been fed and wintered and cared for all year. I think it was prior to going through the winter season and I do know that this spring there were cows probably worth that kind of money, but not last fall.

I talked to several people and I think there was value there for the land. Why wouldn't they bid more money for the cows, because they knew if they bid the highest price for the cows, they were going to get the land.

I don't know, Mr. Chairman, whether there was a signed agreement or not, but for the Honourable Minister of Municipal Affairs information, normally when a person is negotiating with someone, they have to come to a time in which they go to the lawyer and sit down and sign it.

Mr. Chairman, I am sure he wanted to work out and make sure that the Crown land that was part of the deal would be part of what he was buying. That was being talked about in good faith with the department and if that good faith was broken by people talking - and I'm sure that's what happened, I'm sure all at once people talked and the information leaked out and here it was that there were new people interested in the deal, not because it was openly bid or anything else, and not because there was anything wrong in that particular area, but all at once the whole thing changed.

What I'm saying is I would think that in future, and it's unfortunate, it appears as if this family-farm operator who I know is not doing it in a political way. In fact, it wasn't handled badly for politics, but as far as I can tell, it was just poorly handled. The Minister had an opportunity, I thought, to have corrected it. He's apparently not able to do so, so I will conclude on this particular part of the Crown Lands. I'll have more to say in a few minutes, but I know my colleague has something to say as well, Mr. Chairman. It was a good policy, but badly handled by this Minister.

**MR. DEPUTY CHAIRMAN, D. Scott:** Page 2 - the Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, to the Minister, I raise a question with the Minister regarding Crown

Land's Grazing and Haying Lease in the Interlake a while ago.

**A MEMBER:** Marshy Point.

**MR. A. DRIEDGER:** Marshy Point. I gave the Minister the necessary information the other day and I was wondering whether he could maybe indicate what happened in the cases of the Chartrand Brothers and the Johnsons and their application that was turned down. Initially, at one time, these people had a lifetime lease on that area and I think they probably didn't maintain it all the time, but the situation, as I indicated to the Minister when I talked with him, that in the case of the Chartrand Brothers that they have very limited grazing facilities in that they've already tried to dispose of their herd because of lack of getting this lease and with the relatively dry conditions this year, that it is vital to their operation that they get a lease in the Marshy Point area.

I think in all cases it was a joint package lease arrangement. Other people in the area have received their leases and in this particular case this particular group of people, the Chartrands and Johnsons have been turned down. I wonder whether the Minister could maybe give me a clarification on that at this stage of the game and see whether there's still a possibility for these people to get that lease?

**HON. B. URUSKI:** Mr. Chairman, first of all, no lands have been allocated as yet and no applications received. There's been no applications made by the individuals, I'm advised by the staff, that the honourable member speaks of.

There is one lessee this side of where the crossings were, as I understand it, who has held the land under lease since 1964. Of course, the lands are designated and coded for agricultural use. As the honourable member knows, the lands in Marshy Point are designated as wildlife land with limited agricultural use. This use is restricted to haying, only with the Department of Natural Resources approval. The honourable member knows that the Western Interlake Planning District, in consultation with the Department of Natural Resources, did agree to place these lands in the Wildlife Management Area and it has been designated as such and approved through the Provincial Land Use Committee of Cabinet so it has had municipal concurrence by the Western Interlake Planning District, that the lands in question be placed in the Wildlife Management Area. That has happened. All the municipalities in the area were in agreement there.

The lands in question on Marshy Point are part of the Marshy Point Wildlife Management Area. They were approved by the Western Interlake Planning District in the last two years, I believe, or last three years, and they remain as such. There have been no applications for leases that I'm aware of at this point in time. That's what I'm implying, Sir.

**MR. A. DRIEDGER:** Mr. Chairman, to the Minister, I'm going to get my files momentarily, I have it downstairs, but there's a letter of rejection where they have been refused the grazing lease for this year. If the Minister says, there's no application made, I won't leave it at



that because I'll get the necessary information. What I did, I handed the Minister copies of the leases that were always in effect over the many years and here all of a sudden they received a letter of rejection on this. The Minister says there's been no application. I'm just aghast. I find this highly unusual, what the Minister is indicating to me here. The Minister says there's been no application made. Well, why was a letter of rejection sent out then?

**HON. B. URUSKI:** Mr. Chairman, I have given to me, from staff, a copy of a letter to Mr. Robert Johnson, dated May the 21st, which the honourable member probably has a copy of the letter that he refers to. I'll read it into the record. I haven't read the letter before this evening, so I will be clear on it.

"With reference to your May the 10th letter requesting the use of certain lands in Marshy Point, I wish to advise that the status of these lands in regards to agricultural use is as follows:

"Fractional sections 8 and 9, Township 18, Range 5 West are quoted C1 or no agricultural use,

"Fractional sections 10, 17, 20, 29 and 32, 18-5 West are quoted C6, or yearly hay use with the Department of Natural Resources approval.

"The above would indicate that subject to approval from the Department of Natural Resources, certain lands could be made available for hay use, but that grazing is not allowable at all on any of the lands in question. I would point out that although haying may be possible, access to the lands may be difficult since the removal of the crossings last fall.

"I wish to advise that the province is not considering replacement of these crossings nor provision of any alternate method of access. Rather than discuss in detail the background behind the land use, the designation of these lands, I would refer you to a May 6th, 1983 letter, copy enclosed, from Mr. W.P. Barto, Secretary of the Crown Land Classification Committee to yourself, which provides this background.

"In your letter, you also raised a question as to why Mr. Leonard Waterman is allowed to retain his forage lease while yours were taken away. Mr. Waterman has held portions of sections 2 and 11-18-5 West under long-term Forage Lease 318 since 1964. These lands are also coded C4 under which long-term haying and grazing are allowed. In comparison you were allocated certain lands for one year in 1980 in view of the severe drought conditions during that year. Although this allocation was initially for 1980 only, in view of the persisting drought conditions in your immediate area, the permits were reissued in 1981, '82 and '83 and for one year only on each occasion. Also, each renewal meant a postponement of the removal of temporary crossings established in 1983. In order to reverse deterioration of the Fisheries and Wildlife Resource in Marshy Point, as a result of the crossings, these were removed.

"In closing and to summarize, the land use designation on some lands in Marshy Point allows annual permits to be issued for haying subject to the Department of Natural Resources approval. Should you apply for these lands, we will attempt to obtain this approval on your behalf, however the issuance of permits shall not include the provision of access to

these lands and the responsibility for access would remain yours.

"At your request, I will forward your letter to the Honourable Bill Uruski and the Honourable Al Mackling."

**MR. A. DRIEDGER:** Is that the letter that the honourable member refers to?

**HON. B. URUSKI:** That is the letter, yes. Mr. Chairman, the letter is clear that if an application is made, that that would certainly be considered.

**MR. A. DRIEDGER:** Just for further clarification then, is the Minister indicating to me then that if these people, after the letter that supposedly was a rejection, they made an application and received this letter and it was a rejection, in my opinion at least, if they made an application now for a haying lease on the properties designated that they would be receiving consideration for haying leases on this property?

**HON. B. URUSKI:** Mr. Chairman, our director, who wrote the letter, and our department would support and would follow up an application on their behalf to the Department of Natural Resources who are the approving authority here, because the lands are not under agriculture classification. We would certainly take up their case with the Department of Natural Resources on the lands as noted in the letter that would be approved for yearly hay use. Other lands which were quoted non-agricultural would not, of course, be able to be leased, but the bulk of the lands that are quoted here, Sections 10, 17, 20, 29 and 32, which are quoted C6 or yearly hay use, would be those lands that certainly we would be prepared, as noted in the letter, to make representations to the Department of Natural Resources.

**MR. A. DRIEDGER:** A further clarification then.

The Minister is indicating that if an application is made for hay leases on those lands designated in the letter, that consideration would be given by his department to the Department of Natural Resources to give consideration, possibly, in that direction. Is there any consideration that would be probably be given for grazing leases on some of these properties as well, which they've had in the past?

**HON. B. URUSKI:** Mr. Chairman, these lands, as I indicated earlier, were designated as non-grazing, and there would be no consideration given to grazing at this time.

**MR. DOWNEY:** Mr. Chairman, if the Minister is not clear this does impose a severe hardship on some of those particular leaseholders who had grazing permits because I know that they are two brothers that have a flock of sheep that is now going to force the sale up. They're going to have to sell their livelihood, their base which they're been working from for many years, because they're now having a grazing lease taken away from them.

Mr. Chairman, look what happened. We put a road in so the people could use that property to move their



cattle and their hay back and forth. This Minister takes it out, takes out the road. Now we find he's taking their lease away from them.

Well I appreciate, Mr. Chairman, the Minister going to bat for the Department of Natural Resources for a hay permit. I appreciate that, and I'm sure the farmers as well, but why wouldn't he consider a grazing permit.

I know the farmers talked about being involved in the Beef Support Program. You know, on one hand here he's giving them help to carry on with their operation, to continue on in the livestock business, but on the other side of the coin he pulls the pasture out from under them, Mr. Chairman. Where is the consistency? You know, what do the farmers think right now? On one hand they want me to keep cattle, and keep in the business, on the other hand they're taking my pasture away from me.

That's the one side of it, and the other one is the two young farmers, a very legitimate case, where they're now having to sell their breeding herd of sheep. Now I don't see any consistency in this Minister's policy. As I say, although he's indicated he'll go to bat on a hayling permit, I would now ask him to reconsider his decision on a grazing permit. They need the pasture, Mr. Chairman. It's a dry year, the pastures haven't come that well with continued frost. In fact, there's a lot of feeding that has to be done to this particular point, Mr. Chairman. I would ask the Minister to reconsider whether or not those farmers will be allowed in there to graze.

**HON. B. URUSKI:** Mr. Chairman, if, and I think the honourable members are aware . . .

**MR. J. DOWNEY:** We're not asking for the road.

**HON. B. URUSKI:** Mr. Chairman, the Honourable Member for Arthur says we're not asking for the road. Well, Mr. Chairman, if he would recall the decisions made my his administration that the road would, in fact, have been removed in the fall of 1980. — (Interjection) — It wasn't removed and it wasn't removed in '81, '82, until '83. So there was consideration given to the extension. Well, Mr. Chairman, part of the consideration and the deal that the Member for Lakeside is getting warm about was that the road was to be removed, the crossings were to be removed in the fall of 1980, Mr. Chairman.

Mr. Chairman, there have been opportunities given to the lessees to apply for permits, to apply for alternate grazing areas. Mr. Chairman, the Honourable Member for Arthur cannot make an argument here that the longevity of the leases in that area should be the basis for the continuation of some leases because those leases were given up in the '60s. Mr. Chairman, for a large number of years in the '60s, and in the '70s I believe, those lands were not subject to lease. They were vacant, they were held vacant until the late '70s when hay permits began to be issued in that area and then some leases were taken out. So that for a large number of years, albeit there was one individual who kept his lease since the '60s, the others did not keep their leases. The land was subject to review by the inter-departmental group and concurred with by the municipalities in the Western Interlake planning district

who agreed that those lands should go into the wildlife management area. There would be eligibility to lease those lands for hay purposes, and as such they would be available. As I've indicated earlier, I'm prepared, and my department is prepared, to follow up if requests are made, applications are made for leasing, we're prepared to put them forward to the Department of Natural Resources for leasing for hay purposes.

Mr. Chairman, anyone, and Coldwell is one of the few municipalities this year, and the honourable member should be aware, and I'm sure that most farmers in the area who are cattlemen are aware that we have embarked on for the first of its kind in the Province of Manitoba, a hay security program which I outlined earlier. If the honourable members would like I'd be pleased to raise that matter for — (Interjection) — well, Mr. Chairman, the security of a farmer's hay crop is very crucial to - as the member pointed out and I agree with him - that farmstead and that farmer continuing his livestock operation. If his hay supply, which he normally would cut on his holdings, falls below the average of the hay supply in that municipality, he is eligible without even filing a claim if he's on the program, of receiving benefits depending on the amount of cows he insures, and the number of cows he has on the program.

So there is automatic coverage if the farmer chooses to gain some security of feed. We hope that over the next three, four years, five years, that the entire Province of Manitoba, that kind of a program will be in place. That doesn't mean that access to these lands that we wouldn't support, we would support, I have no difficulty. But not, the lands have been dealt with in terms of grazing. They're not included as grazing. They are included for leases under hayling permits.

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

**MR. H. ENNS:** Mr. Chairman, you know I suppose what disappoints us in the Minister is his ready acquiescence to put himself in No. 2 position behind that of his colleague, the Minister of Natural Resources. We look to him, Mr. Chairman, as the Minister of Agriculture in putting farm and agricultural interests first. That is his responsibility as the Minister of Agriculture. I say this particularly with some regret because there is a long history with respect to that piece of land - history of its use for agricultural purposes, people that are using it from time to time, and Mr. Chairman, they use it as a land bank.

In years where moisture requirements were adequate, and where hay was more readily available, it isn't the easiest piece of land to get at, particularly prior to the effort made by my Minister of Agriculture at that time to help access into that piece of land. But nonetheless that land was used for agricultural purposes dating back to the '40s.

Mr. Chairman, I just want to put on the record. We have some young farmers there that are trying to raise cattle. The young Chartrand boys that lost their father not so many years ago, doing a good job. They only have a quarter section of land of their own. They're running sheep and you're throwing them off.

The Johnson boys - all right the father - I'm prepared to acknowledge, he wears his political colors. He was

appointed by our government to the Crown Lands Appeal Board so the Minister doesn't like him.

But I want to say this, particularly in the presence of this Chairman, that this Minister is reacting, and this is the real issue, he's reacting to the same pressure that I was under. That land, and most of it is land, is owned by a large landholder living in Montreal, and another one living in Minneapolis. And you've got non-resident land owners telling this Minister what to do with Crown land and abusing young Manitoba farmers, livestock producers as to access to that land. That's the short and sweet manner of it. I get some pleasure out of particularly knowing that the Chairman has a lot of influence with respect to who gets onto lands controlled by the Department of Natural Resources. This Chairman would sooner have a Montreal millionaire, and a Minneapolis millionaire, who are already controlling . . .

**MR. CHAIRMAN:** Order, order please, the Member for Lakeside.

**MR. H. ENNS:** . . . 10 or 12 sections of land, 10 or 12 or more sections of land and not allow a couple of Manitoba farmers access to that land.

**MR. CHAIRMAN:** Order please. It is not proper, I don't believe, for members of the Legislature, on either side, to make allegations as to what a Chairman would like to see or would not like to see. The Chairman unfortunately is a position when acting as Chair, when he is not able to defend his comments, or his ideas, or the allegations.

The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, I rose on a point of order to raise that very point, that it really is unbecoming of honourable members to impute motives to the Chair in any situation when the Chair has no opportunity or ability to reply.

**MR. H. ENNS:** Mr. Chairman, I withdraw that. I ask the Minister: who owns the land known as East Meadow Ranch on Marshy Point?

**HON. B. URUSKI:** Mr. Chairman, the land, I'm assuming that the honourable member knows as well as I do, is a goose refuge area. I don't even know who owns the land. I don't know the owners, but I will accept the words of the honourable member that it's someone from Montreal who owns the land. Mr. Chairman, the land in question we are speaking about, while it is adjacent, was reviewed not only by the department but by the Western Interlake Planning District. Elected representatives such as the honourable member and myself, elected members of municipal councils who agreed that the lands in question should be designated wildlife in terms of the planning of the Crown lands in their areas. All municipal councils agreed that this allocation take place. Mr. Chairman, for the honourable member now to suggest that something untoward has been done by the department or by the branches or by the municipal councils, Mr. Chairman, is stretching it to say the least.

It is true that the lands have been designated for agricultural haying purposes and they have been agreed

upon, and have been agreed upon in a way to try and minimize - and I agree that from time to time there are disputes as between the likes and dislikes and in terms of the process of designating Crown lands as between the Department of Natural Resources and the Department of Agriculture. But where there is a fundamental disagreement, those disagreements can come to the Provincial Land Use Committee of Cabinet and that decision can be made there. But in this case here, there was no such - that I'm advised - great dispute and in fact was concurred with by municipal councils in the area to designate those lands as wildlife, wildlife having the dominant use.

But, certainly, certain parcels of those lands should be continued for haying purposes and we have no difficulty in pursuing those as well as looking for options, and I believe there were options for those individuals to secure additional Crown lands to supplement the use of the lands that they no longer have use for grazing purposes.

**MR. H. ENNS:** Mr. Chairman, the Minister seems to be somewhat reluctant into acknowledging who the owner of that land is. I would ask him to tell me how much land is privately owned on what is known as Marshy Point?

I know that Peter Currie, the former President of Great-West Life, a great friend of the New Democratic Party, now a resident in Montreal, his family controls that land. His son, resident, and I believe an American citizen living in Minneapolis, manages it.

For years, there have been a few quarters of land, since the '40s, that farmers have been able to lease for agricultural purposes. Mr. Chairman, lest there be any dispute about it, it is the phone calls, it is the pressure from that family and from those organizations that is telling this Minister: throw off the farmers, throw off my Interlake constituents from the use of that land that they've had many many years and give it to the Department of Natural Resources, that would like to gobble up all land for natural and wilderness purposes. But, in this case, you're talking about several constituents of mine, and I'll name them: the Chartrand boys, Emil Johnson's sons, who had farmed, second and third generation in that area. That land is currently being leased, parts of it, and we're only talking about a little strip of it.

I would ask the Minister, I don't know how much land is privately owned, 8,000, 9,000 or 10,000 acres? We're talking about a strip of land that has traditionally and historically been used for agricultural purposes. I'm rather disappointed and members opposite, the Member for Ste. Rose, the Member for Rupertsland, the Member for Dauphin, should be a little concerned about how this Minister of Agriculture knuckles under when the heavy-duty pressure from Montreal is on.

**HON. B. URUSKI:** Mr. Chairman, for information for the honourable member, the whole issue does not revolve, as he would like to put it, that there is pressure from owners of East Meadow Ranch and they are friends or non-friends of the New Democratic Party. They're not involved in the issue at all. They are involved by virtue of having a goose sanctuary in the area. I presume that will be the influence on the lands adjacent. I don't

know, I would have to check, and I can check as to what privately held lands there are on Marshy Point. I really don't have that information. — (Interjection) — Well, Mr. Chairman, the whole of Marshy Point may be the East Meadow Ranch. I don't know those details but I can certainly get the Crown lands maps, have the staff check it out, and even provide the honourable member the colouring and designation of which are privately held and which are Crown lands in the area. I have no difficulty in doing that.

**MR. H. ENNS:** Mr. Chairman, it's not my purpose to pursue this much further, but simply for the record, I want to indicate to the Minister that when I was Minister of Natural Resources I received that kind of pressure. I had that kind of personal call from Montreal asking me to get rid of these farmers who are bothering the private preserve, quite frankly, and that's what it amounts to, and I hasten to add that they do some very good things at Marshy Point. Ducks Unlimited are involved, they are doing some good things at Marshy Point, and I as a rancher know that having some cattle grazing alongside that strip is not in any way contrary to the best interest of wildlife. I know where the geese like to feed first thing in the spring and in the fall, in those fresh grass roots that are there where the cattle have grazed or where hay has been cut.

I know the kind of pressure that was put on the government, that was put on a Conservative Government when my colleague, the Minister of Agriculture, provided access to that particular piece of property. And the pressure was high and it was hard, but I want it simply left on the record, Mr. Chairman, as the Minister indicated - access was provided to Manitoba farmers during Conservative years and it was removed by the NDP administration.

**HON. B. URUSKI:** Mr. Chairman, I also want to make sure that the record is clear that while he was Minister of Natural Resources his department had to give permission for the use of those lands as well, so that there has been no change in the process.

Mr. Chairman, on the basis of drought was the only reason they could justify it, and part and parcel of the agreement was, which they didn't live up to and I have to admit that we didn't either, that we didn't remove the crossings in the fall of 1980. We did remove in 1983, but not immediately in 1981. — (Interjection) — Mr. Chairman, you gave an indication in 1980 that you were going to remove the crosses, when they were set up, that they were subject to removal. So you didn't live up to your commitment, is that right? Of course, you didn't. You didn't live up to your commitment. Mr. Chairman, how does he expect the Department of Natural Resources in dealings with other departments when he was Minister to even sit down at a table and trust one another in terms of dealings with land? Does he want to continue the kind of conflict that I can see now that evolved, that developed during their term in office as between the two departments?

I can just see the Department of Natural Resources and the Department of Agriculture, each one donning their boxing gloves and sitting at either corners of the table, no one wanting to talk, because if the politicians couldn't and weren't prepared to give a direction of

compromise and of multi-use dimension of land and making sure that there was that kind of atmosphere, how could the staff carry that out? That's the reason that there is always conflict.

It is that kind of an attitude, Mr. Chairman, that is portrayed by the likes of the honourable member for Arthur and the Member for Lakeside who is saying: I know what's right and we will not discuss what is right or wrong, to hell with everybody else. Mr. Chairman, you don't resolve conflicts in that kind of confrontation manner. It is only people who want to confront and fight who will use those tactics and it appears that some of the Conservatives are such.

Mr. Chairman, it is clear, and it should be noted again on the record, that the departments involved had to receive the approval of Natural Resources in 1980 as well for the use of the lands, so nothing has changed in terms of the requests and approval of those lands. Should the need arise in terms of drought or severe conditions, that consideration would be given again but, as far as the use of the lands for haying permits, they are available to applicants.

**MR. CHAIRMAN, P. EYLER:** The Member for Minnedosa.

**MR. D. BLAKE:** Mr. Chairman, thank you.

The Minister can protest all he likes about commitments being made to remove the road structure and whatever motives he would like to impugn to my honourable colleague, the former Minister of Agriculture, but I think the benefit of that road structure when it was in there was proven to be far more advantageous to the people in the area than it was a detriment to those that maybe objected to it. That's probably the reason it was left in there, and maybe today should still be in place.

The Minister mentioned that the Marshy Point area was a game sanctuary. I wonder if he could advise me if there are any hunting privileges in there.

**HON. B. URUSKI:** Mr. Chairman, I spoke of the East Meadow Ranch.

**MR. D. BLAKE:** The Marshy Ranch.

**HON. B. URUSKI:** Yes. The Marshy Point area, the Crown lands, I believe, are public shooting areas during hunting season. I believe that the Crown land area is. I'm not sure if all of them are, I don't know all the designations. He would have to check with my colleague, the Minister of Natural Resources, under whose jurisdiction that is. But my understanding, and I may be wrong in this whole area, that the East Meadow Ranch is a sanctuary.

**MR. D. BLAKE:** He can check it out, Mr. Chairman. My understanding is that it's a goose sanctuary, but they allow duck hunting. I just fail to see how you can tie that in. If it's a sanctuary, naturally, you are going to attract the other birds with the geese. If you are allowed to shoot one without the other, it looks a little bit like a private hunting preserve.

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

**MR. A. DRIEDGER:** I want to follow this up, the comments of the Minister when he indicated that he

would be reviewing the Crown lands situation there, be prepared to map out to some degree as to — (Interjection) — pardon me? The Minister indicated that he could show us, sort of outline exactly what was Crown lands in there and what was available, and that he would possibly have a look at what could be done in terms of haying leases.

Is the Minister also going to, when he looks at the map and looks exactly what Crown lands are available, consider the possibility of giving some grazing leases to these people like the Chartrand brothers?

**HON. B. URUSKI:** Mr. Chairman, the lands in the Marshy Point area have already been designated, and have been through the Block Planning Committee and through the Provincial Land Use Committee after they were concurred in by the municipal councils and the Western Interlake Planning District. All the municipal councils in the area concurred in the designation. Whatever the designation of those lands are, that has all been settled.

The question of who owns what, that was raised by the Member for Lakeside. I indicated that we would try and get a map of the Marshy Point area and designate which lands are privately held, because the member was making a point that a lot of Marshy Point is privately-held land. I didn't dispute that, but I don't know the actual amount. I am prepared to get a map of the area and have the staff show which are privately held, who owns them if they are held by one holder. I'm not sure if we will be able to plot all the holdings. If they are readily available they will, but if it means a lot of checking, I'm not sure that we will go to that extent. We will be able to at least delineate which are privately held, which are Crown lands and their classifications.

**MR. A. DRIEDGER:** Okay, I don't want to belabour it too much further, but we can then inform the people in the area there, this group, the Johnsons and the Chartrands, that if they make application for a hay lease for those properties, this department will give it consideration. Is that correct? — (Interjection) — I'll repeat it then.

The Minister has indicated that if this group, the Chartrands and the Johnsons, make application for a hay lease that his department will give it proper consideration.

**HON. B. URUSKI:** Mr. Chairman, I am advised that we will be pleased to put it forward to the Department of Natural Resources, because it is their approval as it was in 1980, the approval to be handled by the Department of Natural Resources. We will certainly be pleased to put it forward.

On the lands in question that were noted in the letter that the Director sent to the Johnsons and those lands in question, which are able to be leased for hay, we have no difficulty.

**MR. J. DOWNEY:** Mr. Chairman, I know that we have spent some time on this, but I think it can't go by without pointing out that the Minister of Agriculture tonight has been an admission of failure in his inability to handle this particular department. There has to be one more put on the record, Mr. Chairman.

That, of course, is his involvement in the allocation of the Sakeram land and the signing of the lease that he and his government were a part of. The agricultural community in The Pas area have, I would say, come up a little bit short-changed as far as the availability of land to expand their farm base.

I'll just give my comments that I made during the Department of Natural Resources where it's essential to the expansion and growth of agriculture that more of the Sakeram area be allowed to be used for grazing and haying, and that access to that particular property is essential. I'm not speaking against Ducks Unlimited. I believe they play an important role in the production of and the enhancement of areas for reproduction of ducks, and play an important part.

But where I have a difficulty, Mr. Chairman, and I want it on the record very clearly, is where a Minister of Agriculture would introduce a law prohibiting the sale of or the control of land by farmers to offshore or foreigners, and then turn around and be part of a lease agreement with a foreign company or a foreign finance base like Ducks Unlimited, lease them 100,000 acres or approximately that much land for \$1 with the conditions they put in a few dams. Where is the consistency, Mr. Chairman?

We have a Minister of Agriculture passing a Farm Land Ownership Act, restricting foreign investment or foreign control of any land in Manitoba, yet he turns around with his Cabinet colleagues and signs away 100,000 acres for \$1, which removes the largest part of that land for the use of agriculture.

The argument was made here by my colleague for Lakeside. Livestock, cattle production, grazing and haying and the production of ducks and geese isn't incompatible. It has happened since Day One in this country. In fact, I think in lots of cases where there are livestock and agriculture - in fact, I have to put this on the record - never before have I seen more pairs of mallard ducks and that type of ducks nesting in the pothole areas in our area. I am extremely happy to see the numbers of mallards that are nesting in our community. They must know something that the Member for Inkster doesn't know, Mr. Chairman. They are nesting in a lot of areas that are traditionally dry. Perhaps it means there is going to be lots of rain this year.

But what I am saying is agriculture and ducks are compatible. We want to see the Ducks Unlimited invest, and we want to see them produce the habitat, but we don't want to see it done at the loss to the agricultural community. We want to see them both move together.

The Minister of Agriculture was part of a government that is prepared to bring in a Farm Land Ownership Act, restricting foreign investment or control, yet he turns around and signs an agreement with a totally-based American company to take up 100,000 acres. Well, it isn't good enough, Mr. Chairman.

The Member for The Pas hasn't been heard by the New Democratic Party. I am surprised that he's still there. I am surprised that the Member for The Pas is sticking with this group. He's not representing, Mr. Chairman, the wishes of his constituency in what has been agreed to by this Minister and this government.

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

**MR. CHAIRMAN:** Order please.  
The Minister on a point of order.

**HON. B. URUSKI:** Mr. Chairman, I asked the Honourable Member for Arthur to withdraw that imputation of motives on any member in this House. While he may want to say what one member might think, but he is imputing motives to the Member for The Pas.

**MR. CHAIRMAN:** The Member for Arthur to the same point.

**MR. J. DOWNEY:** Mr. Chairman, does he have a point of some kind?

**MR. CHAIRMAN:** I believe the point made was that the allegation that the Member for The Pas is not representing his constituency.

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

**MR. J. DOWNEY:** Mr. Chairman, I have nothing to withdraw. I have nothing to withdraw or retract. I don't think there's anything wrong with me saying that the NDP Party have let him down, that they haven't listened to the Member for The Pas, who is trying to represent his constituents, who he's not listening to, Mr. Chairman. I haven't done anything wrong. It wasn't the Member for The Pas that rose. He's sitting in this chair. The Minister of Agriculture is trying to deflect the issue. The issue is he sat around a Cabinet table that allowed the government to sign a lease for a foreign based group, which I'm not opposed to . . .

**A MEMBER:** You're not?

**MR. J. DOWNEY:** I'm not opposed to Ducks Unlimited. They've done a lot of good work.

**A MEMBER:** It's just the multinationals we don't like.

**MR. J. DOWNEY:** Well there again there's another inconsistency pointed out, Mr. Chairman. But the point I'm making is this Minister of Agriculture — (Interjection) — Mr. Chairman, do these gentlemen want to visit or are we going to get down to the committee . . .

**A MEMBER:** You're speaking to the point of order here.

**MR. J. DOWNEY:** I'm speaking to the point of order. I'll continue to speak to the point of order then, Mr. Chairman. I'm speaking to the point of order, Mr. Chairman. I just said that there was no reason to withdraw my comments and I don't intend to.

**MR. CHAIRMAN:** The Honourable Member for The Pas.

**MR. H. HARAPIAK:** Mr. Chairman, I was in conversation so I didn't hear all the comments, but I also want to speak on the point of order. I believe that the Member for Arthur should withdraw those remarks. He has made the remarks that I was not representing The Pas.

If he would recall his days when he was the Minister of Agriculture and he went around and made many promises when the leases were expired on Saskeram, that he would bring all this land into agricultural production. He should also lean over to the member in the next chair to him and ask him what his thoughts on the Saskeram are, because the Member for Turtle Mountain said if he was a member of the present government, agriculture wouldn't have got as much land as it did get. So the people of The Pas are well represented and I think he should withdraw that remark.

**MR. CHAIRMAN:** I thank all members for their clarifications on that point of order.  
The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. I'm at least interested to know that the Member for The Pas has enough interest to rise and make comment, but I won't prolong the debate on this. I know that the agreement has been signed. I know that there's certainly a lot of people in The Pas area that are unhappy with it and I know that the Member for The Pas will have to answer for them in about a year's time. — (Interjection) — Well, the Member for Dauphin says two years. He'd better worry about Dauphin, because that's another area that there will be the opportunity to change that member there as well. But I do want to again put on the record that I don't believe this Minister of Agriculture has acted responsibly in the handling of Crown lands. It's been demonstrated here tonight, three issues, Mr. Chairman, where he hasn't represented the farm community, where he has unfairly treated a constituent of the Member for Ste. Rose, the situation in the Interlake area has not been handled properly and of course hasn't represented the farmers' interest in the signing of the Saskeram deal, which prohibits expanded use of agriculture in that project. So, Mr. Chairman, reluctantly, we'll go on.

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

**MR. D. SCOTT:** Thank you very much, Mr. Chairman.  
Mr. Chairman, I couldn't quite let some of the wild accusations of the members opposite on the conduct and the ability of our Minister of Agriculture to represent agriculture. I can certainly draw up great images in my mind of the battles that they had when the opposition was in government. It was between the Minister of Natural Resources and we had him up here a couple of minutes ago. We got two former Ministers of Natural Resources, the Member for Lakeside standing up and declaring it an area within his constituency, which he allowed to have a road built or an access, I should say, built into the Marshy Point area, probably knowing full well himself that the road would have to come out. As a matter of fact he even signed an agreement, I understand, saying the road had to come out and then he stands up here today and says that no, he would never have taken a road out, well why do you negotiate an agreement to withdraw an access point to an area if you never intend to . . .

**MR. CHAIRMAN:** Order please, order please.  
The Honourable Member for Arthur on point of order.

**MR. J. DOWNEY:** Yes, Mr. Chairman. I am not clear, but I think the member said that the Member for Lakeside signed an agreement to have the road taken out? Is that correct?

**MR. D. SCOTT:** That was my understanding. If he did not sign it himself, Mr. Chairman, he was a member of the Executive Council which at the time signed an agreement to have that road taken out. It was part of a 1980 agreement, was it not, to withdraw the road, that you take out the bridge across or the earth across the ditch to give access to the area.

**MR. CHAIRMAN:** The Member for Arthur on the same point.

**MR. J. DOWNEY:** Mr. Chairman, on the same point. It is my understanding it was a recommendation by the department that the road be taken out from the Department of Natural Resources, not the Executive Council had signed it. I believe it was the department that had made the recommendation.

**MR. CHAIRMAN:** I thank the member for that clarification.

The Member for Inkster.

**MR. D. SCOTT:** It may be another case, Mr. Chairman, of invisible ink. Mr. Chairman, we have the municipal councils on side, on the designation of the area, the continued designation of the areas of the Wildlife Management area. We had access and there was a reason to have access through the area in a drought, I believe 1981, a very legitimate time to let farmers onto the land because of a potential crisis for the farmers in the area.

It was seen that the benefits to the agricultural community in an emergency situation outweighed the potential consequences, negative aspects, negative consequences of allowing the cattle or the sheep, whatever, to get onto that land for grazing purposes, or take some hay off that land to supplement the low quality or the low quantity, perhaps quality and quantity, in that period of drought and it was seen, given permission in that year by the previous administration, as it should have been, to allow grazing in that marshy point area.

To ask as the members opposite do, and this gives a clear difference between the two governments, is that the members opposite consider virtually anything an emergency, consider anytime at all that a farmer wants basically free or very cheap, at least, forage for his livestock, that they should be able to go into a Wildlife Management area, at will. To heck with the Wildlife Management area, this guy, one of friends, whatever their names may be, he's been appointed onto a board or whatever else perhaps, it doesn't matter, but we're going to allow him onto this land for grazing purposes and allow his livestock onto the land.

Now in our government we have a thing, as they had previously, a Provincial Land Use Committee, it was to weigh the different uses of land. It recognizes first off, as well of a role in agriculture, a role for urban man, a role for recreation and a role for the ecological aspects of our environment which we must protect. Now you

don't just write off the ecological aspects of the areas, the necessity of us, when we have as modern man the capabilities that we have today, to go in and change an area to such an extent that it will never be able to revert back to the rich heritage it once had. And as the opposition wants to do, just at any time say to heck with those areas, move in, open the areas up, you then end up in a situation where the environment itself, the natural aspects, and there aren't too many areas left of our natural environment where it is still of sufficient size, at least, where you still have a solid equal system that is functioning on its own. — (Interjection) —

So we have cries of the opposition, very unhappy with recognizing that the government has the responsibility to preserve our environment and prime areas of our environment in their natural state, but that is their opinion, Mr. Chairman. Unfortunately because of people having those sorts of opinions in years past, we've gotten into situations, not only in Canada, not only in Manitoba, but worldwide, where we've had total natural areas absolutely decimated by mankind and his non-caring attitude towards the protection of the environment and the only interest in exploiting that environment for economic gain.

We have I think under our present Minister of Agriculture, a Minister who will stand up, who will fight - and believe me he does fight - for the rights of the farmers, for access to lands, to develop more lands, we're constantly subsidizing breaking more Crown land and other lands for people who are breaking the land towards agricultural use and yet, at the same time, we have a Minister of Natural Resources and several others of us who want to maintain some of the integrity of a small amount of natural lands in this natural state that we have left in this province. I, for one, will not stand and sit quietly while members of the opposition cry for us constantly to move in and destroy the little bit that we have left at the drop of a finger. They're all great duck hunters. It shows what their love of the environment is. I think, quite frankly, if they weren't duck hunters, they wouldn't give a darn about anything there because they couldn't have anything to exploit from the area at any season of the year.

We've been trying on this side, at least, to build some balance between the need to protect the environment and the need for agriculture's prosperity, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, just a few words on the issues raised by the Honourable Member for Arthur dealing with Saskeram, just so the record is left clear. I want to, at this point, pay tribute to the work of the Honourable Member for The Pas and his advice and input in attempting to assist in the final determination of the agreement that has been reached.

Mr. Chairman, there is an impression being left by the Honourable Member for Arthur that somehow there are innumerable acres that could be used for agricultural purposes in the Saskeram area. Mr. Chairman, more acres could have been added to the agricultural base in Saskeram, but it would have been just that - acres of limited potential. All it would have been was the word "acres" because, Mr. Chairman, unless there would have been a major draw-down in the water levels in the Saskeram area, any additional



acreage would have been just that, it would have been additional acreage that would have been meaningless in terms of the actual use of agricultural land and, Mr. Chairman, to increase the amount of potential which was not made available to the area previously, an additional, I believe, 5,000 acres for lease in the Crown lands is no small amount. It was close to, I believe, a 50 percent increase in the available land for agricultural lease in that area and it can be used. It's not a matter of just having acreages that would not or could not be used.

So, Mr. Chairman, the allegations or the illusion that somehow this foreign-based corporation has final ownership of this land is really stretching it a bit far. The fact of the matter is the lands are owned by the Crown, by the people of this province, and any changes or any use of those lands are to be determined by virtue of approval of the Department of Natural Resources on behalf of the Government of Manitoba.

Mr. Chairman, these lands are for the benefit of all Manitobans and I believe that the funds in the main expended, although there are in some instances, I'm sure, disagreements between what Ducks Unlimited will spend and how they will spend it, there may be some disagreement between farmers and Ducks Unlimited, in the main the monies expended for improving wildlife habitat have been certainly worthwhile and have allowed side benefits to agriculture in improved drainage, improved water control and management. So there have been benefits on both sides.

So, Mr. Chairman, notwithstanding the comments of the Honourable Member for Arthur, the move there certainly may not end in some people's minds their desire to have more in the area, nevertheless, it's certainly a much greater improvement in terms of direct agricultural use of land in the Saskeram.

**MR. DEPUTY CHAIRMAN:** 5.(h)(2)—pass.

Resolution No. 12: Resolved that there be granted to Her Majesty a sum not exceeding \$12,076,100 for Agriculture, Farm and Rural Development Division—pass.

6.(a)—pass; 6.(a)(1)—pass; 6.(a)(2)—pass.

6.(b)(1) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I have a question to the Minister of Agriculture in this area. It appears that he's now politicized, as we pointed out last year, the Department of Economics and it appears that is what is happening, that Policy and Economics Divisions are now together and I would say when you have a government elected under a political stripe that you would consider that to be where the policy comes from, as from the politicians, and now it's a part of the department. I am not supportive of the direct connection to a department of the Department of Agriculture where you've got policy and a direct-line responsibility connected in this manner. It would appear as if that's really what's happening, that we have one division of the Department of Agriculture now carrying out the policies or developing policies directly in line with the New Democratic philosophy. I think there is room for the policy division within the Minister's office, but I don't believe it should be directly attached to the Economics Branch. I think the Economics Branch should not be so directly attached to it.

The question I have in this particular area, Mr. Chairman, is: again, we are seeing the Department of Agriculture's Policy Development Branch, the salary increases there on the political side, whereas all the other services and those kinds of things that are important to the production in the agricultural industry to get less money, but on the policy side supporting the Minister, we see an increase in salaries. Have there been more staff added to that particular department, Mr. Chairman, and who are they? He hasn't given me the staff complement on any, but I want to point that out, that we see \$244,500 in Salaries for Policy Development Branch as opposed to last year of \$217,100, a substantial increase in the salaries, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, first of all, I want to take issue with the statement made by the Honourable Member for Arthur about politicizing a certain branch of my department. Mr. Chairman, unless the honourable member has some definite instances in which he makes that kind of a statement, I suggest that he refrain from making allegations of that nature. Mr. Chairman, any of the staff within this department of government have been hired through competition, either internal competition or external, meaning going outside the province and provincially-wide competition through the Civil Service Commission.

Mr. Chairman, I believe that the honourable member, unless he has some specifics in this area, I'd appreciate that he refrain from using those kinds of comments.

In terms of staff, Mr. Chairman, there is no change in staff numbers.

**MR. J. DOWNEY:** Somebody got a hell of a raise.

**HON. B. URUSKI:** No, the salary change in the Policy Development Branch are six staff years, same for 1983-84 and 1984-85, and the additional amounts of money provide for the 1984-85 salary adjustments. That's basically the change in salary. There are no additional salaries. In the Policy and Economics Administration Division, there are two staff years and no difference from last year or this year. In the Economics Branch, there are 11 staff, no change in staff between last year and this year.

**MR. J. DOWNEY:** Mr. Chairman, I'm not satisfied with the explanation as to why there is an increase in salaries for the Policy Development Branch. Six salaries last year, six salaries this year, and the Minister says it's a salary adjustment. I guess it's a salary adjustment upwards. When you look at everyone else in all the other departments, Mr. Chairman, there is a reduction in salaries.

Who is getting the increased wages in the department of Policy Development? Somebody has to be picking up an additional \$20,000.00.

**HON. B. URUSKI:** Mr. Chairman, the honourable member will see a reduction in Salaries in terms of the administration; in terms of the Economic Analysis Branch, there is a reduction. There have been internal transfers from the Economic Analysis Branch into the Policy Development Branch. There has been reshuffling



of duties and change in duties. There are partial-year transfers where there were salaries transferred for the partial year. That's why there is a differential, the same number of staff, same number of positions, same classification.

You have to take them in context with Resolution 6.(a), 6.(b) and 6.(c) as being all-encompassing in the total amount. Then if you total the three, you will find very little difference in terms of total salary which can be accounted for, the 1984-85 increase included there.

**MR. J. DOWNEY:** Mr. Chairman, who is the Assistant Deputy Minister in charge of this department - I mean, the directors?

**HON. B. URUSKI:** Mr. Chairman, there has been no appointment of an Assistant Deputy. There is a Director in the Policy Development Branch who is the same as last year, Craig Lee, and there's an Acting Director in the Economic Analysis. Janet Honey is the Acting Director.

**MR. CHAIRMAN:** 6.(b)(1)—pass; 6.(b)(2)—pass; 6.(c)(1)—pass; 6.(c)(2)—pass.  
6.(d)(1) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, dealing with the Natural Products Marketing Council, there is an area that has been brought to my attention. I wrote a letter recently to the Minister dealing with an intended move by the Manitoba Hog Commission to impose a 1-percent levy on all hogs marketed outside of Canada by individuals who are marketing hogs. As I understand the origin of it, there was a motion put to the floor at the Manitoba Hog Commission Annual Meeting in Brandon this year suggesting that for health reasons that there should be some control by the provincial body on the export of hogs.

Really, if I were to debate the issue, I would debate it that that's a Federal Government responsibility. All health matters fall within federal jurisdiction. There really isn't albeit a need for concern, but the need for a permit or regulatory body to control the hogs going out of Manitoba would really be questionable.

At the end of the debate I understand there was an addition of a move to put a 1-percent levy on all hogs exported outside of Manitoba. I understand that the imposition of that levy is to come into place as of the 1st of June. What is the Minister's position on the charging of a 1-percent levy on individuals who want to market their hogs outside of Canada, outside of Manitoba, but yet at the same time being asked to pay a 1-percent levy on the sale of those hogs to the Hog Marketing Commission?

As I understand it, the health matters should be looked after by the federal authority. The U.S. Drug and Food and Health, I'm sure, each plant that the hogs go to, there is an inspection on them. They know the origin of the hogs. There shouldn't be any major difficulty, but I want the Minister's position on the imposition of a 1-percent selling charge on those people who desire not to use the Commission when they go outside of the province.

**MR. CHAIRMAN:** Order please. I notice there are a lot of private meetings going on in the Chamber tonight

on both sides of the House. I would appreciate it, if you want to meet privately, that you meet out in the hall.

**MR. J. DOWNEY:** On a point of order, Mr. Chairman.

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

**MR. J. DOWNEY:** Mr. Chairman, on a point of order, you implicated on both sides of the Chamber. On the opposition side, I don't see any meetings going on.

Thank you, Mr. Chairman.

**MR. CHAIRMAN:** There have been a considerable number of meetings throughout the evening, not necessarily at this particular point in time.

The Honourable Minister.

**HON. B. URUSKI:** Mr. Chairman, thank you very much. I want to indicate to the honourable member very clearly, if he wants a position, I will give it to him very clearly in terms of my stand on the levy.

**MR. J. DOWNEY:** That's what I am asking you.

**HON. B. URUSKI:** And I want to be very clear. The marketing system that has been set up for the marketing of hogs or for whatever commodity, the central marketing or the orderly marketing system, was to gain through collective marketing the benefits of the system for all producers. Mr. Chairman, the attempt, and it was being made by not all producers, to circumvent the system because there was a better market in another country, I believe that if the orderly marketing system is to survive then there should be no going around and circumvention of the system by producers or whoever in terms of marketing of the product. There is no doubt in my mind that the integrity of the system was at stake with certain numbers of producers who would have been circumventing the marketing system by virtue — (Interjection) — Mr. Chairman, the Honourable Member for Emerson says they wanted to gain more dollars.

Mr. Chairman, I don't disagree with that. Mr. Chairman, there is a system, and the gains that are to be gained should be gained by all the producers, not just because a certain number were close to the border, shall we say, and they are the ones that should gain. The system has gained for all the producers, because they marketed collectively. They marketed collectively to gain a better price in their own province, but to say that only a few shall take advantage of a situation which can benefit only a few, Mr. Chairman, plays havoc with the orderly marketing system and plays havoc with the system.

If the Honourable Member for Arthur is saying that should occur, and the Honourable Member for Emerson is saying that should continue and that should be allowed, Mr. Chairman, they are the enemies. They are clearly opposed to orderly marketing in this province. They are clearly opposed to marketing boards and the orderly marketing of product, Mr. Chairman. If ever there was a clear indication of that, it comes from the statements that I'm getting, calls from across the way from the Honourable Member for Emerson.

Let him get up in this House and say how the orderly marketing system should work, and how producers should compete against one another, those near the border. Let's hear his views on the orderly marketing system.

**MR. J. DOWNEY:** Mr. Chairman, I didn't know I was going to get such a reaction from the Minister. He stands up and all at once he goes into a tirade about orderly marketing. Hogs aren't supply management or orderly marketing. The Hog Marketing Commission is centrally used, is there to use. All hogs marketed in Manitoba have to go through it.

**HON. B. URUSKI:** It's still marketing through a central desk selling.

**MR. J. DOWNEY:** The question wasn't whether or not it would maintain the integrity of the Hog Marketing Commission, all I asked him if he supported - the hogs still aren't going to go through the Commission, the Commission are only going to take a 1 percent levy. It's a tax on producers or anyone wanting to sell their hogs in the United States, the Commission are now allowed to charge a 1 percent tax. I asked the Minister if he supports it. Apparently, he does. As far as controlling the hogs, they can't control them. The Hog Marketing Commission cannot stop - I believe under the Charter of Rights in this country that it would even be questionable whether or not they can charge the 1 percent. I'm not getting into the debating of it at this particular time, he's the Minister. What I'm saying is, if a person wants to market their hogs outside of Canada in the United States, I don't believe that anybody can stop them. As long as they meet the health standards, I believe that they're quite free to do so.

As far as the 1 percent commission is concerned, I believe there's room for debate on that, although the Commission at this particular time are going to impose it, I know that there are certain people that are prepared to challenge it. I think the hog people will have to work it out themselves, but I think the Minister really what he's saying is he agrees with the policy. However, he's going a little further. I believe that he's saying that the Hog Commission should do all the marketing outside of Canada, that other individuals shouldn't have the freedom to do so if they can obtain a higher price, even though they pay the 1 percent. He's saying that the total control of marketing all hogs, whether you should all go through the Commission. Well, I don't agree with that, Mr. Chairman. I don't agree that the Hog Commission, if a person has a chance to sell hogs outside of this country, they should have the right to do so. As far as the Commission is concerned, there has to be a payment made to the Commission to operate the Commission.

**HON. B. URUSKI:** You can't have it both ways, Jim.

**MR. J. DOWNEY:** Well, the Minister says you can't have it both ways. I would say that it would be the advantage of the total system if you can obtain a higher price outside of the province. The Hog Marketing Commission had the opportunity to do so. It's a disappearance of product out of our system.

Internally I think the Minister makes a case. But on the exporting of hogs I think there's room for debate on the 1 percent commission, whether they should have to pay the total 1 percent. I know there's advertising and promotion and all this equality that has to be looked after. Everybody's responsibility is to pay for that as well as the need for, under a Hog Stabilization Program, control of where the pigs are going because some of them are obligated to pay a premium on those hogs, it has to be known.

But as far as the control of the sale of those hogs outside of the country I don't believe the commission has the power to control them. In fact, I think they'd be certainly open to challenge if they did try to determine as to who sold their livestock where. The same in the beef industry. I don't believe anyone has the power to control the sale of the product outside the country.

As far as grain is concerned if you're going to market wheat board grains outside the country you have to have a permit from the Canadian Wheat Board. I don't know of any that have ever been rejected, permits, but I don't know how many have ever been applied for either. But I do think we certainly wouldn't be making a good case for maximizing our return if we were to put those kind of limitations on it.

Mr. Chairman, further to that we have done a little bit of debating on the cream quota policy. The Minister, the other day, made reference to some communications. I'm sure he's aware of and maybe responded to, and I haven't got the record at hand, but what I have here is a letter dated 28th of October '83.

Here it says - "To all creameries: Please be advised of the following quota policy changes effective November 1st, 1983. Until further notice:

1. No new cream producers will be allowed to start. Cream producers whose quota has been cancelled by the board due to four consecutive months non-production will not be allowed to restart production at a later date."

This is virtually stopping anybody from getting into the production of cream and anybody from starting up. The Minister could maybe restate his policy or his feelings on this particular directive from the Milk Producers Marketing Board, that of not allowing any new cream shippers to start, or for those to restart that had not produced for four consecutive months. Maybe it has, and I'm not clear what his answers were the other day, but he did make some comment during the Private Members' Resolution. What is his position on that?

**HON. B. URUSKI:** Mr. Chairman, I want to be very clear on the former issue that the honourable member has let drop because I don't want to drop the issue dealing with the marketing of, and the levy imposed by, the Marketing Board. The board, and the member well knows, that the Hog Marketing Board in the past has marketed thousands of hogs on behalf of producers to the United States. Any benefits that there were, or losses, were shared by all the producers in this country if the market was down.

Mr. Chairman, producers cannot have it both ways, I believe. They can't have it when the market is high, and then ship to the board when the market is low

when everybody will share in the losses. If the market happens to be down in the United States, and so then let - we'll sell it through the board, let the board sell it to the United States at a loss, and let all the producers take the loss because that's really what has happened. When the market is high south-of-the-border well we don't have to go through the border, we'll ship direct, and we'll challenge the 1 percent levy.

Well, Mr. Chairman, the integrity of single desk selling is really at issue when it comes to movement of the sale of hogs in this way. There's no way that the board should allow the system to be circumvented because as I said times are good, we'll gain. When times are tough let everybody share in the losses. You can't play that game and have the system to be true to all the producers who it is trying to serve.

We shouldn't be able to allow regardless of the system, whether it's supply managed or not, or whether there is a stabilization plan involved on certain hogs or not, really is not an issue. What is really at issue is the integrity of the single desk selling and of the orderly marketing system. The board should be prepared to gain for all producers when times are good and share amongst all producers when they have to move product off on the market. So to support such a system is really pointing a finger. We really don't believe in orderly marketing. We really are prepared to circumvent and allow things to disintegrate. Allowing that to happen certainly over the long run would, unless producers banded together, would allow the system to disintegrate, Mr. Chairman.

With respect to the issue of cream shippers, Mr. Chairman. As I indicated in my remarks the other day we were very concerned about the issue that the board without great notice imposed a quota system on cream producers virtually, and in fact, I don't know if I mentioned it, I attended the annual meeting of the board, I believe, in November of 1983 and spoke at that meeting. There was no indication at that annual meeting that there would be any change in the system whatsoever. No one knew. Then that very next month, virtually out of the blue, a quota system was imposed on cream producers. I can tell the honourable member I was as shocked as most producers were when that letter came out to . . .

**MR. J. DOWNEY:** You were as shocked as the cow that couldn't get relief on her bag eh?

**HON. B. URUSKI:** Well, Mr. Chairman, we had an understanding that quota policy, and quota regulations in terms of the issuance of quota rests with each individual board subject to an overall provincial policy. We have asked, and we are hoping that by the end of this month that the Milk Marketing Board will come up with a quota transfer policy and a policy dealing with the long-term future of the milk industry which would, I hope, include the cream industry.

You know, Mr. Chairman, during one of the meetings I have to say that I was shocked. It came to the question of price. Many producers had contacted me and indicated why does one creamery pay a different price for cream than another creamery? Mr. Chairman, I raised that question with the board as to how did they deal with pricing of cream on behalf of their producers?

Do you know what the answer was? Basically they said - look we really have no interest in the pricing of cream in this province, and we really have not done anything about it. Mr. Chairman, and I say I was shocked because the board has responsibility for all producers, whether they be milk or cream producers in this province, and it is clearly, and I said to them it was my opinion that they have direct responsibility to share any benefits of a marketing board in terms of setting prices, or negotiating prices with a segment of the dairy industry on behalf of, and there is I believe 2,200 cream producers in this province basically belonging to a board but yet not sharing in any of the benefits. Only the dis-benefits that they can see of saying - when times get tough we get a quota imposed on us.

I really believe that many producers said - well what the heck, what kind of a system do I belong to? Everytime I turn around I get one extra cow or something and I want to do a bit of expansion, the boom is lowered on me. Yet when it comes to pricing and negotiating for a price for a product the board says we've got no responsibility, and we're not prepared to recognize responsibility. I've asked the board at several of those meetings to take seriously under consideration the whole area of their relationship with the cream producers, their relationship as it relates to an Advisory Committee, or a board, to the Marketing Board which virtually went by the wayside over the last number of years. There is an Advisory Committee, virtually non-functional and those kinds of concerns I raised with the Milk Marketing Board and it is my hope that in terms of building a better relationship and better communications with a major sector, we consider a very major sector of the industry, with their own board and some better responsibility on behalf of those producers that that board would take seriously our advice on these issues, understanding that the entire milk situation in this country, in terms of quotas, is fairly tight.

**MR. J. DOWNEY:** If you do understand.

**HON. B. URUSKI:** There is no doubt, but, Mr. Chairman, one has to look at it in perspective. What is happening in this country, in Canada, in terms of milk supplies? Well, they may be tight. One just has to look at what's happening in Europe and what's happening south of the border. The massive reductions and the massive depletion of their milk herds south of the border because of oversupply, because they don't have some managed systems - they first build up a system and then have placed thousands of tonnes of products, both milk and cheese, on the market and in storage that can't be used or are unable to be used. Now they're in a massive reduction program of reducing of herds.

Mr. Chairman, what has happened here in Manitoba in terms of the board's action, if viewed in the context of what happened south of the border or in Europe, is very minor, but it could have been handled. It could have been handled by the board in a much much easier and a much more realistic manner. There could have been more notice, there could have been better consultation, there could have been better forecasting, because surely when the 1981 production cycle was looked at as being the bottoming out, '82 started

climbing, one could surely visualize that the trend was continuing. And '83 still went up even more and at that time, only at that time, the brakes were put on and very suddenly at that. We certainly were not in favour of that kind of an action on those producers.

I can well understand it in terms of their quota situation vis-a-vis the national market. One can understand the action that they took. One doesn't have to agree with the method that they undertook to put that action into place, because clearly it was out of the blue and many producers were caught off guard. Fortunately they have reconsidered their position and they've allowed no one to be cut off, as I understand it, as a result of filling their quota, and extensions were given I'm advised - I can only take that advice from them - that no one will be short of quota. Expansions cannot occur and that is true and inside, as part of the total Canadian market, they have to manage the supplies as closely as they can because they will be subject to massive penalties under the quota system. Unless the quota system is managed as best as it can, there is no other alternative but to face massive penalties on behalf of producers, and of course one can see what oversupply and mismanagement of a system what has occurred. As I indicated, just look south and to the east of us.

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

**MR. A. DRIEDGER:** The Minister made reference to the fact that there were changes or a review taking place under the transfer of milk quotas, possibly the report or changes could be anticipated by the end of May. Could the Minister indicate - is it the Manitoba Milk Producers Marketing Board that is working on the changes or is it the council that has recommended changes? Has the Minister given instructions as to the changes that are being worked on or has this initiative come from the Manitoba Milk Producers Marketing Board?

**HON. B. URUSKI:** Mr. Chairman, one has to go back a bit on this whole issue. In October of 1982, I met with all the marketing boards. Both the supply managed and non-supply managed and some of the issues pertained only to the supply-managed commodities and marketing boards, and it related primarily to the issue of comparative advantage and over based quota in our national negotiations. That was one of the prime meetings that we had, because of the problems that we encountered, and the member knows what I speak of in this Chamber, about national negotiations. I wanted to sit down with all the boards to make sure that there would be a consistent approach taken by Manitoba marketing boards in their negotiations in supply-managed commodities in national agreements; that we would not be singing a different tune if it was the Milk Board or a different tune if it was the Turkey Board, or a different tune if it was the Broiler Board. The message for additional quota for this province would be the same when we would go to national negotiations.

During these discussions as well, the issue of quota transfer and consistent quota transfer policy was raised and almost all the boards at that time had not yet reviewed and updated their quota transfer policies so

that policy would match overall governmental objectives which have crossed several administrations. Whether it be Conservative administrations or NDP administrations, it was a matter of making sure that the policies were the same, that basically was that there be no value attached to quota transfers when changes in ownership were made. Some boards had not completed their updating and the Milk Board was one of them. Most boards have now completed them and have filed them with the council. The Milk Board has not completed them.

Earlier this year, during the meetings that we had in February, part of the discussions on the cream situation and on the quota transfer policy occurred. I did offer help to the board, either someone from staff in the marketing council or in the policy area of the department; that if they needed some help to flush out and work towards a quota transfer policy consistent with overall governmental policy we would assist them. The council has met with the board on a number of occasions and they are at that stage now I believe that they should be ready to file with council their quota transfer policy, which I must say that there has been a fair bit of, in the Milk Marketing Board, per se, confusion, because questions periodically have been raised with myself and with members of staff as to what are the actual policies. There have been answers given by directors of the board in different areas of the province giving different interpretations of what their policy is. There have been no clear policies set out and that's what we're trying to get from the board at the present time.

**MR. A. DRIEDGER:** Can the Minister indicate whether he himself has given directives to the Manitoba Milk Producers Marketing Board in terms of what he wants them to develop in terms of policy regarding quota transfers?

**HON. B. URUSKI:** Mr. Chairman, the principles that are all that I have put forward are the principles that we would like to see which are basically consistent with the principles that were enunciated by my predecessor, the Member from Arthur; that is that any transfer policy should have, as one of the major criteria, as I said, no value imputed to the quota; that there should be in any change in quota and any change in transfer policy room for new producers. Those are the two main criteria and that there be an ability for inter-generational transfer of production, but consistent that there be open, as best there can, an ability for new producers to enter into the industry.

**MR. CHAIRMAN:** 6.(d)(1)—pass; 6.(d)(2)—pass.  
6.(e) - the Member for Emerson.

**MR. A. DRIEDGER:** Just a question here to the Minister. Does the Minister feel that the Milk Prices Review Commission is working effectively or are there any changes contemplated in the cost of production formula?

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that in order to deal with the increases that were imposed by the industry on the

retail market the government had to move by appointing a marketing commission to deal with the excessive prices that were imposed on consumers in the province. We had to use another statute so that the actual Milk Prices Review Commission in its present form is non-existent. We had to establish by other legislation, the commission to deal with the problem, of excessive pricing in the marketplace. The member knows well and the actions that we took were supported by members of his party to regulate the excessive prices that were put into place.

Mr. Chairman, for the record, the honourable member, members opposite, have been making statements in the past that we did not support the establishment of the present Milk Prices Review Commission and the setup. Mr. Chairman, we did not object to the formula setting of the cost of production for the farm sector, we did not. That could have been accomplished under the old legislation. What we objected to is what we have seen in the last several months in the marketplace: predator pricing, massive discounts on the one hand being offered to retailers and, on the other hand, demands by the processing industry for increases in the retail price. At the same time, they were going out and giving 20 and 30 percent discounts to retailers, which were not being passed onto the consumers.

So, Mr. Chairman, we did not object to the setting up of the formula, and for the honourable member's information, we had to change the formula because I don't believe there was adequate work done in determining the actual formula when it was set up. We had to actually make changes to the formula to be more sensitive to the production costs to producers because the way the formula was set up — (Interjection) — Well, Mr. Chairman, the honourable member crowed and said that it was the best system that could be devised and there would be no problems from here on in. Had they sent somebody from their Policy and Economics Branch to check out the wording in the formula - even staff at the Milk Prices Review Commission, you know, they couldn't understand the formula. They couldn't explain to me how the formula worked and I guess maybe I'm fairly low in my thinking in terms of understanding things, but I can tell you, they couldn't explain it to anyone else either.

So that the formula had to be reviewed and had to be changed to clearly be understandable and, in consultation with the industry, changes were made and the formula now, we believe, may still require a bit of change in the future. One will have to see how it works over the next while, but certainly there were pressures and demands for increases in producer price of milk, and even honourable members opposite were demanding, but it was their formula that wasn't working. It was the formula that they agreed to. They said that this is the formula that is good for your producers. This is what we're going to do for you. But, it didn't work, Mr. Chairman, and the Honourable Member for Emerson should be aware of that. We did have to change the formula.

The act, in its present form, does not work in terms of being able to get at the predatory pricing and the massive discounting that has occurred in the industry. We had to create another commission to deal with the problem in the industry and I venture to say that there will always be problems in terms of pricing in the

industry, but the commission is working on them and we will try and deal with them as best we can.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister can explain to me how the situation works. I'll give him an example. The bulk of the milk coming into the Swan Valley area comes in from Saskatchewan. How does the milk pricing policy apply to that product coming in? Is there a reciprocal agreement or just how does that work?

**HON. B. URUSKI:** Mr. Chairman, there is a reciprocal agreement, as I understand, between the Milk Marketing Board in terms of milk supplies. I know that, for example, during the period that the Rossburn Creamery was shut down for a while, large amounts of milk from that area of the province were diverted to Saskatchewan plants, and I believe that occurs eastward and westward as the case may be.

In terms of supply of milk, there is one area - and I'd like to raise it with the honourable member and maybe he might have a reaction to it - the supply of milk for Northern Manitoba. As you know, fresh milk is freighted up into Northern Manitoba at a fairly high cost and limited shelf life. We do not have any facilities in the Province of Manitoba to have UHT, to produce UHT, Ultra High Treatment of milk, to be able to have a long shelf life and basically at a fairly reasonable price if quantities were made.

It's my contention that I believe that the board here in the province, in co-operation even with Saskatchewan, because I believe there is a plant in Saskatchewan that does produce UHT, which I'm sure would be only too glad to increase their capacity because that kind of a plant, you don't need another one in the Province of Manitoba. The market doesn't dictate it. There should be some exchange of milk supply between the two provinces to be able to have a supply of long-shelf life - UHT - not only for Northern Manitoba but even for the Manitoba market, because I believe that is a product that could be sold, would be good, for example, in terms especially during the summer trade where you can carry that milk and not be worried about short-shelf life, but especially in northern communities where the shelf life would be extended and that kind of exchange should be promoted and possibly have some benefits for consumers in the North.

**MR. D. GOURLAY:** Mr. Chairman, I have had some calls recently from storekeepers in the area where they don't get the Saskatchewan product, that they're being undersold by, I think, some 20 cents for a two-litre container. The Saskatchewan milk is underselling other stores. Now the consumers, of course, are not going to be complaining on this, but I'm just asking the Minister for clarification, how this situation could exist?

**HON. B. URUSKI:** Mr. Chairman, I appreciate the member bringing it to my attention. We will have to look at it. As the member knows, there have been massive discounting in the Province of Manitoba, basically there has been a war for market share as between processors and there have been some very massive discounting, especially into the large chains

in the City of Winnipeg and to some retailers outside the city. However, many of the benefits, because of the discounting at the wholesale level, were not passed on to consumers and when we acted in regulating, setting the price of milk on the basis of the wholesale price that was in January, we on one hand had processors saying that the price wasn't high enough and, yet, they were continuing to go into the marketplace and discount far below what the wholesale price was set at, which we didn't prevent. On the one hand, they were demanding that we raise the retail price of milk; on the other hand, they were going into the marketplace and discounting far below and saying that they're going broke and we're forcing them out of business. That's the kind of action we've been getting from some of the processors.

So the commission is attempting to review the whole situation and deal with the question and basically try and get some kind of a semblance back into the market, some regulation to pricing. I know there might not be from time to time the kind of discounting that has occurred, but the discounting that has occurred, while some consumers have benefited, it has been at the expense of others and mainly in rural and northern areas.

**MR. CHAIRMAN:** 6.(e)—pass.  
6.(f)(1) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, after the question period today, I would have thought the Minister could have got some information for us, and maybe he has. I restate what I stated earlier today, really, is there a need to pass the act which was introduced a year ago and the government actually bulldozed it through as they have traditionally done all other legislation and anything else that is a little controversial, they use their power of the government to accomplish it.

I know that the current act is still in place and must be still working. Why has he not proceeded to proclaim the act that he passed last Session? Why was he so anxious and when will he be doing it? And as well, what are the number of transactions that have taken place that wouldn't be allowed to take place if the act were in place in the last year?

**HON. B. URUSKI:** Mr. Chairman, we don't have that information in terms of any board analysis as to transactions that would have contravened this legislation. I'm not even sure that we set out to look at every transaction on the basis of comparing old and new. We did have, and I brought to the attention of the members of the House, a number of examples which were what we considered blatant examples of what has happened under very open laws in this province.

What we have done since last fall is set up a consultative committee, even with farm groups who were generally on principle in the legislation, opposed to some aspects of the act, to sit down and work together in the formation which is really the part of the legislation, the regulations and the exemptions and those aspects. That committee has met on a number of occasions and they have, as I understand it, virtually completed their deliberations and the draft regulations should be in place. I would say they have to be cleared

by legal counsel, so within the next month it is my hope that that process will be complete and the regulations will be tabled and passed and a new act will be proclaimed.

**MR. J. DOWNEY:** Well I just want to point out again, one has to question the need for a new act, Mr. Chairman, when really nothing has happened that would justify the need for it. I again point out that the Minister may want to reconsider and just leave the current act in place and not wipe it out and proclaim this new one. It may be a consideration that he'll take into account, particularly in light of the desire of a lot of people to probably sell land, not to offshore people but to get a sale for their property. I ask him to consider that.

As well we know that Frank Muirhead was the former director of the Farm Lands Protection Branch or the Farm Lands Protection Board. Who is the new director of that particular board?

**HON. B. URUSKI:** Mr. Chairman, I should tell the honourable member that the legislation that will be proclaimed very soon has, I believe, enough flexibility in it to deal in the main with the concerns that the honourable member raises, in terms of allowing people to sell their land, not to offshore interests but to people who wish to farm in the Province of Manitoba. There is enough flexibility.

I should mention to the honourable member that Mr. Muirhead retired, after I believe 41 years of service to the Province of Manitoba.

**MR. J. DOWNEY:** Dedicated service.

**HON. B. URUSKI:** Probably one of the longest members of the Civil Service, certainly in my history, and Frank to this day looks as young as he did when he joined the service 40 years ago. He still has the boyish smile that he had when he joined the department. I think the only thing that is different, he has stopped drowning provincial automobiles in rivers in the Province of Manitoba, that he did when he worked for the department. He's got his own car now to look after and doing an admirable job, I'm sure, in retirement and I'm certain that all members here would wish him well in his years of retirement. But knowing Frank, he will not sit idly by. He will always be active and be interested and involved in some form or another.

Mr. Chairman, the position of the executive director of the Farm Lands Board is presently vacant. It is being advertised and will be bulletined and a selection will be made, I would say in the next six to eight weeks.

**MR. J. DOWNEY:** Mr. Chairman, just before we proceed, I would expect the Minister to provide the information on land transactions and that type of information that we requested at some point in the near future.

**HON. B. URUSKI:** Just so I'm clear in my own mind as to the information that we're to provide, can the honourable member raise that question again that he wanted, just so that we can readily get it?

**MR. J. DOWNEY:** Yes, Mr. Chairman, the type of land transactions that may be taking place, that this current



legislation that will be introduced or it will be proclaimed, will stop. Apparently we're passing legislation and proclaiming legislation to stop some undesirable-type land transactions. How many of those have taken place in the last year?

**HON. B. URUSKI:** Mr. Chairman, I'm not sure that the board has been specifically and I know I haven't given the board a specific direction to attempt to pinpoint any and every transaction of what might be suspect without investigation. Mr. Chairman, the law of the Province of Manitoba dealing with farm land does not change until the new act is proclaimed. There is no one that we should be going after or disallowing any purchases by virtue of the new legislation or examining, or investigating, Mr. Chairman. The law is as it stands.

**MR. J. DOWNEY:** Well, Mr. Chairman, apparently the Minister isn't able to answer the question. The question is, how many parcels of land have traded in the province that wouldn't have traded if the current legislation that's going to be proclaimed were in place? There must be some determination. If there aren't any, then why do we need the legislation? That's the question. You know there must be some identifiable numbers of farm land transactions that wouldn't have taken place in the last year, had he proclaimed the act right after it had been passed. How many numbers are there and if he hasn't got it and can't answer it, then it answers itself.

**HON. B. URUSKI:** Well, Mr. Chairman, that is a very Catch-22 question. We will endeavour to provide that information, but I know that the board has never been asked to try and delineate or investigate any of the transactions under the present law as if the future law was in place, because that's what the honourable member is suggesting that we do. Mr. Chairman, he would be the first to get up in this House and say, how come you're investigating and harassing people of Manitoba and investigating people of Manitoba, making legitimate purchases of farm land under the present law, when the new law is not in place, because that's what he's getting at.

So, Mr. Chairman, I have never instructed the board to say, investigate those as if the new law was in place. If we have such information, if the board, out of its routine work, has attempted to get that kind of information, I will certainly be pleased to provide it for the honourable member. If we've got it, we'll provide it.

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

**MR. B. RANSOM:** Mr. Chairman, I have two questions for the Minister.

During the discussion over the bill last year, it became evident that there are corporations in Manitoba which have been conducting farming operations for years and years and they are not going to qualify as family farm corporations, and hence they will not be able to lease or buy any more land under this act, freely and openly. I ask the question once again to the Minister, how can he justify that kind of legislation?

Secondly, I'll give him an example of a situation in my constituency where a family had been farming in

that area for many decades. The son had taken over the farm and subsequently ended up getting into financial difficulty and losing the land, or was in danger of losing the land.

One of the daughters of the family, who happens now to live outside of Manitoba, wanted to buy the home quarter of land and keep it in the family and was able to do so; but she would not have been able to do so if this legislation has been in place. Would he think that it would be in the public interest to block that type of transaction?

**HON. B. URUSKI:** Mr. Chairman, that is why - and I take the examples that the honourable member has given - there is provision, and there will be provision under the regulation for a determination by the board. It is true, all of the kinds of circumstances that that honourable member alludes to in terms of personal circumstances of relatives living outside the Province of Manitoba that can be dealt with which normally would not be eligible under the act. There is, as I've indicated earlier, sufficient latitude for those kinds of circumstances to be dealt with. It is true that the act does not allow total freedom for anyone and everyone, regardless of where they reside under this legislation, to purchase farm land.

So, Mr. Chairman, we recognized some of the circumstances of family farm corporations and we made provision to deal with what, I believe, in the main to deal with most circumstances in the ability of those non-family farm corporations who have, in fact, farmed and who don't meet the criteria.

I should mention to the honourable member that during the deliberations with the farm groups, in terms of dealing with definitions and trying to arrive at some definition of a farmer and the like, which are not easy definitions, we consulted and, in fact, there were a number of farm groups at the meeting represented and they talked about percentages of time spent and the like. It was certain farm groups that were pushing for a higher percentage of one's time to be spent on farming, rather than leaving it fairly open and fairly flexible.

**A MEMBER:** We live in a free province, you know, it's open now.

**HON. B. URUSKI:** Well, Mr. Chairman, the honourable member can make whatever comments he likes. He knows that the . . .

**A MEMBER:** I will, we don't worry about those definitions in a free society.

**HON. B. URUSKI:** Well, Mr. Chairman, it is free. It really depends on who it is free for, and it has been for a lot of people . . .

**A MEMBER:** It's free for everybody.

**HON. B. URUSKI:** . . . while it has been open and free to buy, it's also been open and free to sell; but it also has created for some people great difficulties in terms of where they had to come down and compete, and who they've had to compete against in trying to survive in a farming operation.



I recall, Mr. Chairman, in the late '70s it was members of the opposition who went around this province and said that, since the government is in the land buying business, in the land lease program, that they are competing against the farmers, and farmers can't compete against the government, and they will have to pay too much money for their land and they will be forced out of business because they can't bid against farmers. The farmers can't beat out the government, the government will always beat their price.

Now, Mr. Chairman, they're saying let's have freedom; let's have all the competition we want; let's compete against everybody. What do you want to control competition for, it's good.

So, Mr. Chairman, we've heard it on both sides of the question. On one side when the government was attempting to assist retired farmers who didn't have a buyer and to put young people on the farm we were accused of unfairly competing against potential buyers. Now, on the other hand, when we're saying we want to control speculation in farm land, leave it alone, it's good for competition. What do you want to control speculation for? Which do they want, Mr. Chairman? Is it a matter of principle, or is it depending where you are on the issue, at what particular time, which will gain some public and political brownie points?

**MR. B. RANSON:** Mr. Chairman, the Minister didn't answer the question. He launched off into a defence of something that's not a part of the question that I addressed myself. So be it, I just want to put it on the record that I believe that this legislation is a shameful and, furthermore, illegal restriction on the freedom of people in this province, and in this country, to pursue their right to earn a livelihood.

**MR. CHAIRMAN:** 6.(f)(1)—pass; 6.(f)(2)—pass.  
6.(g) - The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I again want to point out that I'm not extremely happy with the amount of money that is being put into agriculture research, it has been in this range for many years. I agree the Minister could come back and make a great filibuster speech about how we haven't increased it. I think there has to be a commitment made by government, and made by the public of Manitoba through the Department of Agriculture, to put in place proper funding for long-term research. I think the need for funds to promote and to encourage the development in agriculture is essential.

I, Mr. Chairman, am going to at that time - it's not a non-political statement - but I am pleased, and I can use as an example, my desk mate whose son just passed the first year degree course, topped the class, Jeffrey Ransom; I think we should recognize him here as an example of some of the leadership that is shown in agriculture.

**MR. B. RANSON:** And they're going to show us how to farm. They're putting my farm and corporation out of business.

**MR. J. DOWNEY:** What we need is to encourage and promote the kind of programs that will encourage good

people to carry on in the research area. That I believe is essential. I think that we all have to make a commitment to increase the amount of funds that go into this on a long-term escalating basis, not to let the university keep working.

As well, Mr. Chairman, on this particular part, I want to compliment Bob McGinnis, the Dean of the Faculty of Agriculture who made an excellent presentation to the McDonald Commission pointing out the monies that would be recovered; the kind of economic development that would take place if spent in agriculture research and the development of the agricultural industry. I don't want to prolong debate on this but it's essential that a total commitment go from the people of this province, and the people of this country, to bolster and to put monies in and to put people in place that will not see us slide back in this whole area. It is the base for an expanding and developing agricultural community; it has got tremendous potential for the development of Canada, for job opportunities, and I think it should be enhanced, Mr. Chairman, and if we could I would like to see the government put a lot more money into this particular part. I think that's got to be a longer term objective of all people of this province.

**MR. CHAIRMAN:** 6.(g)—pass.

Resolution No. 13. Resolved that there be granted to Her Majesty a sum not exceeding \$2,122,000 for Agriculture, Policy and Economics Division, for the fiscal year ending 31st day of March, 1985—pass.

Item 7.- The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I understand this is the Agro-Man type of agreements, and that type of thing. I'm aware that the government is on the process of signing a new agreement with Ottawa, and possibly the Minister could indicate, were all the funds expended from the former agreement, the \$18 million and something that was in place for drainage, value-added and that type of thing; were all the funds expended through the five-year agreement that'll just be expiring?

**HON. B. URUSKI:** Mr. Chairma, on our side that is shown here, from agriculture, we expect that all the funds on the agriculture side will be expended by the time the agreement terminates. The Water Resources side, there have been carry-overs for a number of years - and I will hesitate in how I say this - it's my understanding that the Department of Natural Resources is attempting to utilize the full funding of the agreement. Whether they will complete it or not, that's very difficult to say at this time. I can't answer for the Department of Natural Resources, but I believe that they are trying to utilize the full funding of the agreement.

**MR. J. DOWNEY:** Mr. Chairman, as I understand it, the funds that are going to be asked for and agreed upon, the agreement that's being worked on, a lot of the programs will be a continuation of the present ones, like some of the crop testing, the trial programs, the Grasslands projects, field trials, crop adaptation, that type of thing; agreements with some of the producer groups, like the Corn Growers Association, as I understand it, that will be part of some of the program.

Tree land clearing and that type of thing, is that part of it?

**HON. B. URUSKI:** Mr. Chairman, I can't indicate the specifics of the new agreement. It is hoped that many of the kinds of things that are now being carried on, the present Agro-Man Agreement which we've had no difficulty with, will be continued. It is hoped that very soon, in the next week or two, that a signing can be concluded on the new agreement, then we can really get down to specifics and finalize all the details. The broad parameters in the Memorandum of Understanding were agreed to and we've moved a fair way, but until I have that agreement signed, I'm hesitant to say exactly what will be done, but we're hoping in the next few weeks that it will be concluded.

**MR. CHAIRMAN:** Item 7—pass.

Resolution No. 14: Resolved that there be granted to Her Majesty a sum not exceeding \$1,355,800 for Agriculture/Canada-Manitoba Value-Added Crops Production Agreement for the fiscal year ending the 31st day of March, 1985—pass.

Item 8. Income Insurance Fund - The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I want to place on the record my concerns. Some time ago I had a call from a constituent who is I believe for the Member for Virden's constituency and I want to ask the Minister specifically about this before I get into some of the broader areas.

This individual, when it came to the income insurance fund, he's from Kenton, and he marketed some, I guess they were dairy type steers, and because he wasn't clear on the kind of support he was to get, he felt he was unjustly treated by the Income Insurance Program and I wonder if the Minister would take the time, if I were to provide him with the name and some more of the detail, if he would contact him because he wasn't satisfied with the way in which it was handled - I know he got a small cheque - but there really wasn't a clear explanation of policy. I will forward the Minister more details so he can get on with this.

**HON. B. URUSKI:** Mr. Chairman, I would be pleased to investigate the matter and get a report on the details if the honourable member will, either by letter or by memo, provide me with the names and we'll be pleased to look after it.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. I want to say that in this program I believe the Minister has failed to really get a grasp of some of the problems that are out there. I think he has been more interested in getting control of the marketing and control of the industry, than he has to really have been a meaningful help. I point out, Mr. Chairman, the example of the Burns closure at Brandon, where this government has continually refused to support in the same way as he's supporting the individual farmer, the feedlot industry.

I note that in Saskatchewan there have been many positive things happen to support their industry and encourage it and I make reference, Mr. Chairman, to a livestock tax credit that was recently introduced in

the Province of Saskatchewan, and I'm sure the Minister would want to take a look at the kind of incentive there is for people to feed cattle in Saskatchewan and encourage the development.

But in Manitoba, we had the feedlot industry that was going broke and has continued to go that way. You could probably count them on one hand or less, the numbers of feedlots that we now have. We've seen some of the major producers of beef go out of business. They were in legitimate need of some support when everyone else got some. They were competing against Alberta that received \$150 million to support the feedlot and beef industry; competing against the Ontario producers that got \$60 million directly as a cash injection; competing against the Province of Quebec that were here at ringside buying the feeder cattle, shipping them to Quebec and our feedlot industry had nothing. They didn't have any support from the Provincial Government.

The Minister will stand up and say, well the feedlot industry could have custom fed cattle for the cow-calf operators. That hasn't been the tradition of our cattle industry in Manitoba, Mr. Chairman. That hasn't been where the numbers of cattle come from, where people would go and custom feed them. In Manitoba there are mostly livestock people who either have grain and feed their own cattle out. They don't traditionally put cattle away into a feedlot and pay to have them looked after.

What I am saying is, this Minister has not acted in a responsible manner to support beef industry in all aspects. He's picked part of it out and I know in certain cases it has helped. One of the criticisms I have, of course, is that there has been a restriction as to the marketing of them; that there have been discrepancies on the types of cattle that go to the packing plant where there's a lot of undesirable types - and I say this - all different kinds of grades put on the market and the packing house has to bid on them. Well, you can be assured they're not going to bid the top dollar; they're going to bid a pretty safe, conservative figure on those animals, because there are so many undesirables. These are all areas that I think the Minister should take a look at.

I can tell you that one of the complaints that I had from the Burns Food Company in Brandon several months ago, was that they were getting cattle offered to them that weren't usable, cows or heiferettes mixed with the top grade type heifers or steers that were not all of the same grade, of top quality grade, and they just were getting undesirable cattle. I think it's wrong that kind of a system is forced in place to get support for an industry.

As well, I'm disappointed that this Minister and the Federal Government have failed to come to an agreement to take some of the pressure off, not only the provincial taxpayers, but to give some kind of return to what I would say is a common sense approach, to the support of beef in Canada, where you're not competing with one province against another; where we're producing a nationally produced commodity we have a national support program in place. I would have thought by now that this government and the Federal Government would have had a program in place that would have helped everyone.

Mr. Chairman, I would expect the Minister to respond to pointing out if he's going to consider a feedlot

program or if he's going to continue on the same way, if he would consider what has recently been introduced by the Province of Saskatchewan as a press release May 11th and it's called, "Livestock Tax Credit Reduces Taxes to Zero for Farmers." I think it's an excellent program, Mr. Chairman, and I would highly recommend that the Minister give it consideration and would have liked to have had that kind of program offered by staff or looked at during my term of office, because I think it's the kind of move that will encourage people to continue to produce livestock and it doesn't cost the Treasury a direct amount of money as this current beef income program does. So those are some of the criticisms I have, Mr. Chairman.

As well, I have written questions on the Order Paper dealing with the Beef Commission. I'll have more questions after that information is provided and that is basically it on this Income Insurance Fund.

As well I will just add, I am surprised in the hog program particularly, that we're seeing a reduction of numbers of people participating. Am I incorrect in my assumption of that, that we're down to about 50 percent of the producers that are involved in the Hog Stabilization Program?

As well, I noticed the Member for Lakeside is here. I think it's important to clearly state that the Minister, I hope, would clarify his remarks as of the other night when he suggested that there were some inaccuracies stated in this House by some of the members opposite where he indicated that . . .

**A MEMBER:** If 10 percent joined.

**MR. J. DOWNEY:** No, I think the figure was higher than that. We were referring to numbers and producers getting involved in the Beef Income Plan and the Minister is complimenting himself because he's got a larger percentage than that of the numbers of cattle in the program. — (Interjection) — No, Mr. Chairman, there are less than 50 percent of the producers of cattle in the Beef Income Program. In fact, there are 4,000-and-some beef producers in the Beef Income Plan and there are over 14,000 beef producers. That isn't 50 percent, it's more like 30 percent and I think the Member for Lakeside was pretty accurate in his assessment.

**HON. B. URUSKI:** Mr. Chairman, I guess I shouldn't be surprised, but I'm a bit disappointed by members . . .

**A MEMBER:** You're never lost for words, I'll bet, Bill.

**HON. B. URUSKI:** I'm never lost for words. I want to be able to stand in this Chamber, Sir, and put on the record here for people of this province that we are very proud of the stability and the investment that this government has put into the livestock industry. You know, members opposite get up and continually make statements that we do not care about agriculture and the agricultural industry. Mr. Chairman, they would have never done these kind of things; they would talk about, as a solution - we just heard it tonight. We heard what the solution of the Conservative Party to the income and stability in the beef industry is, tax credits. Tax credits is the Conservative Party's solution to income instability in the beef industry.

Mr. Chairman, for an industry that has been plagued year in and year out with insufficient returns on the cost of production, how will the tax credit help you when your returns are below the cost of production? Who in the beef industry, in terms of the primary producers, have been paying income taxes? Who would that help, Mr. Chairman? That kind of tax credit plan, yes, it would help. It would help those investors who may be able to jump in and jump out in the finishing of beef in the feedlot industry and they would be able to capitalize, at least once in a while, when the market prices would go up and they happened to be investing in the feeding of cattle. Mr. Chairman, that's who it would help. Maybe even the Member for Lakeside who sometimes in the past has taken a chance and dabbled in the market . . .

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

**MR. H. ENNS:** I'm just saying that's impossible.

**MR. CHAIRMAN:** Thank you for your comments.  
Mr. Minister.

**HON. B. URUSKI:** I said, Mr. Chairman, even the Member for Lakeside may once in a while be prepared to dabble in the livestock finishing industry if he doesn't get burned or hasn't been burned - and I gather that he has, as well as many other farmers have. But if that is the Conservative solution to the woes in the beef industry, Mr. Chairman, I want the farmers of Manitoba to know what they would have done to assist the beef industry. You know, there were demonstrations when we were in office in the '70s about low incomes in the beef prices and farmers were demonstrating on the steps of the Legislature. I would venture to say that if that happened they would have railroaded the Minister of Agriculture and it would have been that Minister out of this House and there would have been good cause to do that, had he presented that kind of a solution to the woes in the beef industry in the Province of Manitoba. Mr. Chairman, that is shameful.

I find it difficult to understand the honourable members. They don't like our program which does provide stability, even for feedlot operators. They don't want to accept that and many feedlot operators are taking advantage of custom finishing under the beef program. I want to say, Mr. Chairman, that there has been over \$5 million in cash advances issued to beef producers which means — (Interjection) — well, the member says, whoop-de-doo. Over \$5 million of cash advance loans which means that producers are serious about finishing animals in the Province of Manitoba and there has been an increase in the number of slaughter animals available to the meat packing industry in this province. That has been the major goal, two-pronged: one, stability of incomes; two, to increase the supply of finished cattle to the slaughter industry. Mr. Chairman, it has happened and it is happening. It won't happen overnight because it is true, Sir, that we are changing the tradition in the industry, the whole move to central-desk selling and orderly marketing of beef products is a move from the tradition in the beef industry.

But, Sir, I want to put on the record, that in 1981, slaughter cattle hit a low of 297,807 slaughter cattle for Manitoba packing plants. Thereafter, Mr. Chairman, a steady increase in numbers occurred, to 326,706 in 1983. We've had an increase - not a great increase, but an increase - of slaughter cattle available to Manitoba plants. Mr. Chairman, in the first quarter of 1984, slaughter cattle numbers showed an increase of a further 12 percent over that in 1983, not a great amount, but an amount that is significant enough to certainly change the tide and change the pessimism in terms of availability of slaughter animals for packing houses and of course notwithstanding the Brandon plant which does have an advantage in terms of the Manitoba scene. They have about a 1.5 cents a pound advantage over the Winnipeg slaughter plants because they do have a large catchment area in the western part of the province, where we have a lot of slaughter cattle. In fact, Mr. Chairman, in the member's own region, the Member for Arthur, there are over 70,000 beef cow herds registered under the plan out of a provincial total of 235,000, which there is over 75 percent of the cow herd enrolled in the plan.

As well, when we look at Manitoba and Saskatchewan, there is an increase in the numbers of slaughter cattle available for plants. Alberta, there has been a decrease in the last year as compared to this year of about 6 percent, a decrease in the numbers of slaughter animals. So we know that the investment, while it is a major investment, it has brought about income stability in a sector that we consider important to the lifeblood of this province. It is a major investment, an investment of over \$30 million into that one sector of the industry.

We believe that over time, that kind of co-operative approach between producers and government to provide stability is really the only way that agriculture can survive in these uncertain times. We certainly are proud, this government stands full force behind its programs of income stability.

As to the hog plan, Mr. Chairman, we've had an increase from 957 producers who were enrolled at the end of 1983, we are now up to 993 and every week there are more and more producers joining. Over 50 percent of the production is enrolled in the hog plan. The present amount - the government provides a loan to the fund and there is approximately a \$6 million deficit in the hog fund. Mr. Chairman, I want to place on the record now that there is a major difference between what is being proposed nationally and what has been the case in the provincial plan. I want to say to the Honourable Member for Arthur that under their short two-year program they did not charge any interest to the hog producers under the Hog Stabilization Plan. I want to tell the honourable members that that stability in terms of premium cost and interest stability to the plan on interest alone to the hog producers since the start of the plan, is \$96,000 in actual benefit as to what it would have cost the plan to borrow.

For the beef producers, the benefit to date on interest alone, is \$707,000.00. The federal proposal that is being talked about does not talk about any interest-free advances in times of depressed prices. The full loans have to be repaid at the current interest rate. If you look at that benefit of an additional - between the two programs of close to \$800,000 is a very major, major

income support measure in terms of no interest costs to those two groups of producers. We certainly want to tell producers that that is one aspect that they should consider carefully when they are discussing the national stabilization plans, because that is one aspect of it.

I'm advised by staff, Sir, that this support on interest monies alone is equal to 1 percent of the premium that producers would have to pay, which is a very major amount in terms of producers' costs to any program, so not only do we support in the premium dollars, but the province supports on the basis of the interest forgiveness on the loans.

So, Mr. Chairman, I say to honourable members that we have certainly much to be proud of in terms of the Income Stabilization Programs that we have put into place and it has gone a long way to assist producers who have had difficult times during these high interest rates and a difficult period of low incomes and low prices. These two programs alone have assisted the incomes of producers in this province immensely.

**MR. CHAIRMAN:** Item 8—pass.

Resolution 15: Resolved that there be granted to Her Majesty, a sum not exceeding \$7,062,000 for Agriculture, Income Insurance Fund, for the fiscal year ending the 31st day of March, 1985—pass.

Item 9. Drugs and Semen Purchases - the Member for Arthur.

**MR. J. DOWNEY:** Yes, Mr. Chairman. There's over \$1 million increase here. What is the reason for the increase?

**HON. B. URUSKI:** Mr. Chairman, the increase is solely due to drug purchases of just under \$1 million, and semen purchases of over \$200,000.00.

**MR. J. DOWNEY:** I had asked him a question the other night dealing with the veterinary clinics as to the reason - or I asked him to take a look at the cost of a particular drug through the drug service of the department, as compared to some of the drugstores that were selling it, and there seemed to be a tremendous amount of difference. Has he checked into that at this point?

**HON. B. URUSKI:** Mr. Chairman, I can't provide the honourable member any more information than I did the other night, that we, upon learning of that price discrepancy, were as shocked as I'm sure the honourable member was in terms of the price there. We are investigating and we've done spot checks in the past in price determinations and this is the first time that we've come up with a discrepancy. But we are concerned and we are investigating as to how this is occurring and want to find out what the reasons behind it are.

**MR. CHAIRMAN:** Item 9.—pass.

Resolution 16: Resolved that there be granted to Her Majesty, a sum not exceeding \$4,662,500 for Agriculture, Drugs and Semen Purchases, for the fiscal year ending the 31st day of March, 1985—pass.

Item 10. Expenditures Related to Capital Assets - the Member for Arthur.

**MR. J. DOWNEY:** What basically is covered by this, Mr. Chairman? What are the capital items? Would it

be the Water Services Expenditures? The Minister said earlier today he'd get us a list of the projects that are at different stages. When will that be provided?

**HON. B. URUSKI:** Mr. Chairman, yes, I want to provide the honourable members with three copies of the sessional notes dealing with the Water Services Board.

The Capital Assets are totally for the Water Services Board Expenditures - \$3 million for sewer and water grants and the \$920,000 for water development grants and it's broken down into farm water source, community water source, water pipeline and water and sewage and future water use. Those are the breakdowns of the expenditures.

The reduction of, and the honourable member should know, \$30,000 of last year to this year is solely Research and Development. There is no sense putting an amount of money that we could not expend and we felt that in terms of the capability of the Water Services Board, that they could handle \$120,000 rather than \$150,000.00. That's where the reduction of \$30,000 in the last year's and this year's budget occurs. There's a \$30,000 difference.

**MR. CHAIRMAN:** Item 10.—pass.

Resolution 17: Resolved that there be granted to Her Majesty, a sum not exceeding \$3,920,000 for Agriculture, Expenditures Related to Capital Assets, for the fiscal year ending the 31st day of March, 1985—pass.

Item 1.(a) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, the situation in which we're finding ourselves in agriculture today is somewhat unfortunate. I look back at the record of incomes to farmers and the continued lower net returns that we've seen imposed upon them in the last few years, as pointed out by the Budget Address of 1984 which the government tabled several weeks ago.

The fact that we're seeing a record number of farm bankruptcies, and as was pointed out earlier, the numbers being something like a 400 percent increase since 1981. Those are the recorded farm bankruptcies, not included in that are the numbers of people who have decided to just phase out of the farm community by having a sale or just quitting and throwing in the towel. I'm sure they're not calculated in. The kind of pressure that this kind of loss puts on small town businesses and the province as a whole, cannot be continued to be tolerated.

We, as an opposition, have continually pointed out our concern to the Minister. We've pressured him to take action in support of the farmers at the federal level and finally see some rewards coming from the pressures that have been put on Ottawa with the rate stabilization payout being announced to take place, I believe by the end of July. I think it's that kind of pressure that's needed, the kinds of situations that we continue to see projected, Wheat Board grain prices being reduced to farmers; the continued high cost of fuel; the continued increase in freight rates - I believe there's something like a 35 percent increase in the freight rate for this coming year and since the change to the national freight rate structure or program that's something like a 54 percent increase that farmers in

Manitoba are faced with, as far as movement of product costs are concerned.

I don't believe that this government has acted strongly within his own Cabinet to put the farmer's case forward. We dealt with it in Crown lands where it seemed that the Agriculture Minister and the people of the farm community come in second place - again pointed out by the allocation of some of the Crown lands, the inability for him to administer a policy that I think worked fairly well within Crown lands, an individual who I think has been treated unfairly. I would have hoped that the Minister would have become a little more involved when it comes to those individual cases.

As well, I spoke privately to the Minister a short while ago, or earlier today, about a concern that I have where we've seen some farmers who have run into difficulties financing their operations and having difficulty understanding how some of the banks are handling their accounts. I know it was brought to my attention as recent as last evening about an individual who has paid back fairly large sums of money and yet has a hard time really understanding where he stands with the bank, he's hired legal counsel and hasn't had much satisfaction there.

I've asked the Minister to have the committee that he established to look into some of the problems that farmers are having with economic difficulties, and I appreciate the fact that he's agreed to have them look into it, but I think we are talking about agriculture in crisis as far as I'm concerned. I think that we can't continue to expect the pressure to be put on the farm community from all directions and expect them to feel that they are a major part, which they are, a major part of our country and our economic stability, which add economic stability.

I would hope that the Minister of Agriculture in Manitoba would put a little stronger case forward. He makes certain cases for all the good things he's done. I want to, again, go back to his opening statement that he continued to pat himself on the back and want to emphasize to him that, if he's doing his job properly, he doesn't have to pat himself on the back, the farm community will do that. It's unfortunate that he spends most of his time in self-importance.

We're extremely disappointed, as I indicated, in the loss of another packing plant. We're not seeing the kind of economic expansion or development in the agriculture processing that we saw take place during our term of office, or we saw major tax breaks and initiatives put in place that did accomplish that and it's on the record; I can refer to the Harrowby crushing plant, and I can refer to the - I won't make special reference to a tax break on that one - but there was infrastructure money put in place by our government, as well as a tax break to encourage the production of gasohol in the province. Major initiatives, Mr. Chairman, that I think augur well for the continued growth of job opportunities which are so important and, as I say, I'm disappointed.

As far as support to the beef industry, I again point out to him that during a time of extreme economic difficulties and feed shortages the province, during our term of administration, didn't hesitate to put \$40 million up front to support that industry. It all wasn't used up but it was there, there weren't any strings attached to it to speak of, Mr. Chairman, and it was a commitment.

He refers to the fact that the MACC has done things under his government. They really haven't done anything more as far as new initiatives, Mr. Chairman.

We put in place the Debt Consolidation Program, a debt rebate program; it was a Conservative Government that set up the instrument to start with. As far as this Minister's concerned, there aren't any new initiatives I don't believe that he can be proud of. I would just hope that he would pay a little more attention to putting a stronger voice forward as far as his Cabinet his concerned. I think Agriculture should rate a little higher in priority as far as he is concerned and his Cabinet, and would hope that in the coming weeks and months that we can get more out of this Minister of Agriculture than a moisture report which he indicated was his major thrust in the Throne Speech, Mr. Chairman.

**MR. DEPUTY CHAIRMAN, H. Harapiak:** 8.(2)(1)  
The Minister of Agriculture.

**HON. B. URUSKI:** Well, Mr. Chairman, there is some information that I wanted to provide the honourable member some specific information; that was the office that is used in Arborg as the Executive Council Office in the Arborg Building. It's an office that's 9.5 x 9.5 and the governmental cost — (Interjection) — Pardon me? No feet; a it's 10 x 10 office, it's one room. Public Works charges the cost of that office, \$902.50 a year for the office. There's no secretarial assistance and no government vehicle. — (Interjection) — \$902.50 a year. No, it hasn't, Mr. Chairman.

There are Executive Council offices in several regions of the province. This one is similar to that which was there since the '70s. It was the same office that was used and continues to be used to this day.

Mr. Chairman, questions were raised with respect to a contract with Harry Weiss. He had a contract, it would be November, 1983. He was paid in October and November of '82 a total of \$3,780; and a total of \$4,800 from October to December of 1982; and in '83-84 an amount of \$10,440, period of February till the end of April of '84, in terms of contract work in review of crop insurance and other policy areas.

Mr. Chairman, the honourable member made statements with respect to our record, or lack of it, in Agriculture. Mr. Chairman, I just leave this on the record; our expenditures in 1984-85 were at least 50 percent higher than the last year when he was Minister under the previous Conservative administration. It is clear that the programming that we have provided, and the list is there - loan guarantees; MACC buy down; we have interest rate relief; income stabilization of beef and hogs, and so on.

Mr. Chairman, the record is clear, while it is the most money that any government and any department has provided in the history of this province in difficult times, it is not enough and, I think, as I see the future of agriculture is this province is one of prominence, it will continue to be so and we will do everything in our power to assist, not only directly on the farm income side, but time will show that we are and have been, even in the Brandon situation, are prepared to put our money where our mouth is to support agriculture direct.

**MR. J. DOWNEY:** Mr. Chairman, I thought the Minister would maybe wind down after all his former . . . I just

want to comment it would appear that the contract to Mr. Weiss was - or two of them, I'll get it off the record - it looked like it's a fairly healthy amount of money, particularly when we're not getting any reports back from him on the study in crop insurance. I would ask the Minister to table the reports done by him, if that's the case, what he has done.

As well, Mr. Chairman, I want to point out, as I said earlier, the Minister took on a lot of good policies that were in place, he just hasn't been able to administer them properly.

As far as the funds are concerned, we don't dispute the fact, Mr. Chairman, that there's been increases, we certainly support increases. I don't believe it's been handled properly, I think there have been too many restrictions. The policy such as the restriction of who and when and what the price - not necessarily what the price - but the control of agriculture farm land which is one which has caused us major concern.

I don't believe their philosophy and their policies fit with the mainstream of Manitoba agriculture. In fact, it's evident daily that they aren't in tune with the wishes and it's unfortunate that the Minister hasn't shown some support for a farm organization in the province. He made a move to destroy the Cattle Producers' Association and he hasn't done anything to enhance the Manitoba Farm Bureau.

As well, Mr. Chairman, I'd like to close on a positive note. However, we have to recognize that Manitoba will be hosting all the Ministers of Agriculture from across Canada this year. A lot of them I know personally, and on behalf of the opposition, we wish to give our whole-hearted support to the conference which the Minister is hosting here in Manitoba.

If we have the opportunity - and I know many of us would like to meet some of those individuals again as we've had previous occasions to get together - we look forward to participating and wish them well in their deliberations. Hopefully, there can be positive and constructive suggestions and actions taken from that particular meeting this summer. Hopefully, some of the good ideas from outside of the province may rub off on the Minister here and can enhance the Minister's position within the province and help the farmers. But I say that in all sincerity, we would hope that they have a fruitful conference and am pleased that Manitoba has the opportunity to host such a distinguished and notable annual conference.

Thank you, Mr. Chairman, and with that, we'll let the Minister's Salary pass.

**MR. DEPUTY CHAIRMAN:** 1.(a)—pass.

Resolution No. 8: Resolved that there be granted to Her Majesty a sum not exceeding \$2,573,100 for Agriculture, Administration and Finance—pass.

That concludes the Committee of Supply for Agriculture.

Call in the Speaker.

The Committee of Supply has adopted certain resolutions and directs me to report same, and asks leave to sit again.

## IN SESSION

**MR. DEPUTY SPEAKER, P. Eyles:** The Honourable Member for The Pas.



**MR. H. HARAPIAK:** Mr. Speaker, I move, seconded by the Honourable Member for Rupertsland, that the report of the Committee be received.

**HON. A. ANSTETT:** Mr. Speaker, I move, seconded by the Minister of Government Services that the House do now adjourn.

**MOTION presented and carried.**

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

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Tuesday).