



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

DEBATES
and
PROCEEDINGS

33 Elizabeth II

*Published under the
authority of
The Honourable D. James Walding
Speaker*



VOL. XXXII No. 41A - 2:00 p.m., TUESDAY, 12 JUNE, 1984.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Hon. Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, Hon. John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Q.C., Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	IND
DOLIN, Hon. Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virden	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Hon. Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, Hon. John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Hon. Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 12 June, 1984.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I am pleased to announce a new joint effort between the City of Winnipeg and my department for Dutch Elm Disease control.

The new Elm Guard Program will be run as a pilot project in the Armstrong Point, Wildwood, Wolsey and Crescentwood Homeowner Association districts. Volunteer groups and co-ordinators have been organized and will begin the program immediately. Weekly reports will be sent to foresters who will investigate suspicious trees.

I believe that the key to Dutch Elm disease control lies in making Manitobans aware of the symptoms. As the Elm guard volunteers go through neighbourhoods, they will be distributing information pamphlets.

The more Manitobans that become involved with Elm guard the more eyes we will have on our elms. Early detection of Dutch Elm Disease will prevent further outbreaks.

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker. I find it interesting how these people are going to investigate suspicious trees.

I want to say to the Minister that I think any movement in regard to the Elm guard is appreciated, but I want to caution the Minister that I've had some involvement with some of the programs that have been in place in the past where people went out and investigated diseased Elm trees and had them subsequently removed and this is always in people's yards, and out in the rural areas as well.

I would encourage the Minister to possibly look along the natural river banks, specifically the Rat River area where some of these examples happen, where people in the Village of St. Pierre had to have their trees removed, beautiful trees, supposedly diseased, and I have no argument with that, but what happens, just outside of the organized area along the river banks there's many trees that are diseased that are not being treated at all or removed at all.

As a result, many of the people that have had these trees, had them for many many years, are part of the yard system, and what bothers me and bothers the people is that this outside of the organized yards and

homes, the government isn't doing anything to control the disease. It creates a little bit of a suspicion that we're picking out only the suspicious trees in people's yards when there are many areas along the natural river banks, as I indicated before, that should receive attention as well. If you have diseased trees along the natural river banks, the disease keeps spreading anyway. If we keep on removing the trees in the organized areas, I think we're sort of missing the beat a little bit and I would encourage the Minister to possibly look at that aspect as well.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery. We have 30 adults of the Golden Age Club from Main Street under the direction of Mrs. Olfman. The club is in the constituency of the Honourable Member for St. Johns.

There are 45 students of Grade 6 standing from the MacGregor Elementary School under the direction of Miss Karmam and Mr. Long. The school is in the constituency of the Honourable Member for Gladstone.

There are 16 students of Grade 8 standing from Ontario, the Hornepayne Public School under the direction of Mr. Burnett.

There are 18 students of Grades 5 and 6 standing from the St. Gerard School under the direction of Mrs. Joseph. The school is in the constituency of the Honourable Member for Elmwood.

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

ORAL QUESTIONS

Legislation - appearance of

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Government House Leader. I wonder if he could indicate how many more pieces of legislation he intends to introduce to this House.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker. I do not expect that there will be any change in the totals I predicted to the House several times during the last month. I believe most of the legislation has now either been introduced or is on the notice paper and approximately two-thirds of that has already been distributed.

Hydro power - sale of

MR. H. ENNS: Mr. Speaker, a question to the Minister of Energy and Mines. We in the opposition, of course, have received so little information with respect to the negotiations that he and his department are carrying on with our neighbours to the south with respect to power sales.

I ask him, specifically, in the negotiations that he's carrying on with Northern States Power, is there a diversity agreement being proposed? That is, we're aware of the announcement about the sale of Manitoba firm power to the United States, is a similar reciprocity agreement being talked about that utility providing power changes to us?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, the diversity will be provided through the MANDAN line. That is how the diversity is being dealt with. At present, diversity is not being negotiated with Northern States Power.

MR. H. ENNS: I thank the Minister for that answer. Just to have it on the record, there is no diversity agreement in the Northern States Power currently being negotiated. It is being pursued though with respect to the MANDAN line.

Cost of smelter to ratepayers

MR. H. ENNS: Mr. Speaker, a further question to the Minister of Energy and Mines. Will he confirm that in order to lure the world's, America's largest, aluminum producer to establish an aluminum smelting capacity here in Manitoba, that Manitoba taxpayers will be asked to pay out \$4 out of every \$5 to establish that smelter in Manitoba?

HON. W. PARASIUK: No, Mr. Speaker, I can't understand the arithmetic of the Member for Lakeside.

MR. H. ENNS: Mr. Speaker, will the Minister confirm that Manitoba taxpayers and our Manitoba Hydro ratepayers, which are one and the same thing, will have to put up all of the up-front money of the \$3 billion should Limestone have to be reactivated, and are being asked to contribute an additional half or 50 percent of the proposed aluminum smelter which, when put together, represents \$4 out of every \$5 to lure the largest aluminum smelter in the world to come to Manitoba? It's being talked about as the sweetheart deal of the century on the streets and the business community in this province.

HON. W. PARASIUK: Mr. Speaker, that shows the incredible difference between the Conservative Party and the New Democratic Party Government. The Conservatives would give away, Mr. Speaker, the Hydro resource and have other people own it for generations to come. We believe that the Hydro resource of Manitoba will lead to tremendous benefits for the people of Manitoba, will provide significant profits to the people of Manitoba. Mr. Speaker, those profits should be kept within the Province of Manitoba.

If we have a publicly-owned hydro system, Mr. Speaker, for which we can pay and provide significant

profits for economic development or other development in the province, as we will be able to do because it is owned by the public, we believe that is the best thing that can happen for Manitoba.

We have confidence in Manitoba Hydro; we have confidence in that resource, and we believe that it can lead to the long-term betterment of Manitoba if it is preserved, and its integrity is preserved, and if the resources are preserved for the people of Manitoba for their use today and for the future.

MR. H. ENNS: Mr. Speaker, Manitobans have enjoyed the profits of A.E. McKenzie Seeds Company for the last number of years, of Flyer, and of various other ventures that this government - Saunders Aircraft to mention another one. We understand what those profits and those benefits, how they accrue to Manitobans, not to speak of the King Choy food plants, Mr. Speaker, of yesteryear.

I just want to ask the Minister one question. Can he give the undertaking that Manitoba taxpayers, Manitoba Hydro ratepayers, will not be asked to accelerate their costs of energy to facilitate the incompetent deals that he is now negotiating?

HON. W. PARASIUK: Mr. Speaker, let the people of Manitoba be reassured that they will receive a far better deal from those undertakings that we are negotiating than what they would have received from a Conservative Government.

If he is so against those possible developments, Mr. Speaker, because he is clearly on the record as being against them now, why didn't he raise those questions with respect to the negotiations that they were conducting some three or four years ago? Mr. Speaker, his negativism surprises me, because the people of Manitoba want those energy developments. We will go out and find out this summer when we talk to the business community as to whether, in fact, they want them.

They have told us to date that they want them, because they believe, Mr. Speaker, that we do have the lowest unemployment rate in the country, that we can build from that. We on this side have confidence in that, Mr. Speaker, we want to ensure that we achieve it. They are the negative people, they want to make sure that we don't achieve it, and the people will have a good chance to choose between a positive approach on this side and a negative approach on that side, Mr. Speaker, and I believe they'll choose wisely.

MR. H. ENNS: Mr. Speaker, a final supplementary question. I simply ask the Minister to confirm that this government refused to deal with a Canadian company that was prepared to put up 100 percent of the cost of building an \$800 million aluminum smelter in Manitoba and, furthermore, help us and put up front the money of the power that they were going to use, some additional half-billion dollars and that's all they were going to do, not buy Manitoba Hydro, at no cost to the Manitoba taxpayer we could have had an aluminum smelter with the necessary power source there . . .

MR. SPEAKER: Order please.

MR. H. ENNS: . . . will this Minister confirm . . .

MR. SPEAKER: Order please.

MR. H. ENNS: . . . that the . . .

MR. SPEAKER: Order please. The honourable member is aware that questions offer information and should not be argumentative. If the honourable member has a question, would he please pose it?

The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, a simple question. America, the world's largest multinational, is only interested in coming in Manitoba if we build half the plant for them and if we take all the risks of spending the \$2 billion of providing the power source for them. That's the deal we're negotiating.

MR. SPEAKER: Question.

MR. H. ENNS: These people can't run a peanut stand, Mr. Speaker.

MR. SPEAKER: I'm not sure if there was, in fact, a question.

The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, the Member for Lakeside is so apoplectic about the good news that the New Democratic Party Government is bringing Manitobans, that he is acting in a rather strange behaviour and, surprisingly, trying to paint something that is so positive for Manitoba in such a negative light.

We, on this side, Mr. Speaker, would not sell a Hydro plant or a portion of it because we believe that would ruin the way in which Manitoba Hydro would operate in the future. They, in fact, were prepared not to let a company put up front money, but they were prepared to privatize a part of Manitoba Hydro, not only from them but with other companies as well.

That is the Conservative giveaway. We in contrast, Mr. Speaker, believe that the Hydro resource which is a renewable resource . . .

MR. SPEAKER: Order please.

HON. W. PARASIUK: . . . can last the people of Manitoba virtually into infinity. Because it's such a valuable resource, it should be kept for all the people of Manitoba. We are prepared on a rental basis, to look for power contracts with Inco, which we've done with Inco; to look for it with Alcoa; to look for it with Alcan, with all people, because we believe that's how the long-term development of — (Interjection) —

Mr. Speaker, I'm hearing this man shriek from his seat and I feel sorry for him, that he can't join with the people of Manitoba and rejoice in the good news that we have and look at the positive aspects and go out and talk to the business companies and say, let's all be part of this, let the workers be part of this, let's in fact build a better Manitoba . . .

MR. SPEAKER: Order please.

HON. W. PARASIUK: . . . Mr. Speaker, we on this side want to carry that out despite the obstructionist

negativism of the members on the other side. Mr. Speaker, the people can choose who are the better developers for this province.

Bankruptcies of farmers

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker. I have a question for the Minister of Agriculture. In view of the fact that we've seen a 50 percent increase in the numbers of farm bankruptcies in the first quarter of this year, will the Minister confirm that this is only the tip of the iceberg and, in fact, there are many other hundreds of farmers that aren't declaring official bankruptcy but are just automatically closing out and shutting down their farm operations? Can the Minister confirm that this is only the tip of the iceberg and that there are many others as well going out of business that are unregistered?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, there's no doubt that any bankruptcies in the business community, whether it be in small business or in farming, is a concern to this government, and the increase from 18 to 27, which is the 50 percent that the honourable member speak of is that. Of course it is of great concern to us and I'm sure that there are other farmers who are in difficulty.

Some of the general surveys that we have done within the department show us farmers, generally in the grain-related areas of farming, are the ones that have been hardest hit. As the member well knows, Manitoba is not the only province experiencing difficulties in bankruptcies, the Province of Alberta had a 56 percent increase in bankruptcies for the same period. British Columbia, 55 percent; Quebec, 100 percent increase for the same periods from the year before.

All those are of concern and all those have developed over a number of years, they didn't start overnight, Sir. Part of the problem is that short-sighted governments were not prepared to invest in the income stability of the farm community and, Mr. Speaker, part of the difficulty that we face is as a result of very negative governments who, when farmers came for long-term income stabilization to those governments, they basically said, see the door. They said that to the beef community; they said that to the hog community.

We have made long-term commitments and I admit that, even though it is the most money that any government in the history of this province has put into agriculture, for many it will not be enough.

MR. J. DOWNEY: Mr. Speaker, it's interesting to note the selective figures the Minister is using. Can the Minister confirm that the actual rate of bankruptcies in Manitoba is 58.3 percent, compared to a national average of 42 percent, and a Saskatchewan failure rate, where there is a Conservative Government doing something for the farm community, of a 27.2 percent? Will the Minister come clean and tell the story totally as it is, not use selective figures, Mr. Speaker?

HON. B. URUSKI: I want to tell the honourable member that I am quoting figures from the farm bankruptcy

statistics that my colleague, the Minister responsible for the Statistics Branch, gets from Federal . . .

MR. SPEAKER: Order please, order please.
The Honourable Minister.

HON. B. URUSKI: Mr. Speaker, the honourable member should be aware that there is a Conservative Government in Alberta and their increase in bankruptcies are from 16 to 25 for a 56.3 percent increase. You have a P.Q. Government in Quebec where there is an increase from 33 to 66, 100 percent increase in bankruptcies; you have a Socred Government in British Columbia where there are increases - who are basically Conservative - from 55.5.

In Saskatchewan, there is an increase - the figures that I have - of less than 20 percent increase in the Province of Saskatchewan. Part of the difficulty is that the Province of Saskatchewan inherited a number of Income Stabilization Programs that did and was able to protect many of the farmers there, Sir . . .

A MEMBER: Under an NDP Government.

HON. B. URUSKI: . . . and from an NDP Government. They were prepared to invest in the long-term future of their farmers. This was not done here.

Almost a third of the hog producers ceased production over a two-year period in the slump, until the Government of the Day decided to bring in Income Stabilization. The MCPA, the Cattle Producers Association came to this government and said, help us out. What did that gentleman say to them? Do you see the door? Help yourself, boys. The free marketplace is what we subscribe to. You can live through the free marketplace. That's the kind of support that they gave to the farm community, Sir.

There is no doubt that many of the farm community are in difficulty, and we have pressed the Federal Government for changes in the fundamental income stabilization plan, the Western Grain Stabilization Plan. We were the only province, Sir, to make concrete representations to the Federal Committee on Agriculture for massive changes in the Grain Stabilization Plan, Sir. That is one of the areas that there is great need for income stability, because our grain farmers have to compete on the world market. It is in this area that they need the greatest stabilization.

Canadian Wheat Board prices

MR. J. DOWNEY: I have a further question. I have to, first of all, indicate though, that it's pretty cold comfort to those farmers in Manitoba who are closing out and being forced out of business to just show them the statistics from other provinces, Mr. Speaker, and a lack of action by this government.

In view of the fact that this government to now blame it all on the Federal Government, was the Minister of Agriculture able to encourage the Federal Government to maintain the Canadian Wheat Board initial prices at the same level as they are now and not have them reduce that level of initial payment coming up at the beginning of August? When in Ottawa, did he take the time and did he attempt to and did he accomplish the

maintaining of the Canadian Wheat Board prices that the farm community such as Manitoba Pool have requested? Did he accomplish that, Mr. Speaker?

HON. B. URUSKI: Mr. Speaker, what we did attempt, which would have been far more beneficial to the farmers of Western Canada, is to save the Crow rate. Mr. Speaker, for Manitoba farmers alone, it means an additional payment of \$50 million a year in income lost out of the Province of Manitoba.

The Honourable Member for Arthur, when he was Minister, was prepared as was his Premier to send the Crow rate down the tube. It was their federal party that brought in the current Deputy Minister who set the stage to get rid of the Crow, Sir. Whether it be a Liberal administration or a Conservative administration, the Crow was gone in Ottawa, albeit — (Interjection) — well, Mr. Speaker, the honourable members don't want to . . .

MR. SPEAKER: Order please, order please.
The Honourable Minister.

HON. B. URUSKI: Mr. Speaker, one of the greatest problems that farmers have faced, and I repeat what I said yesterday, is the impact of high interest rates. It was that administration that said high interest rates were what this country needed. That's one of the greatest problems that farmers - you go and talk to any farmer who is in difficulty - it was the high interest rates and the high borrowing that got them into the difficulty they have.

Now with the lack of income, suggestions coming from a party who espoused the free and open marketplace, Sir, I find their suggestions of government intervention in the marketplace somewhat hollow, because it is members of that side of the House, Sir, who espoused the open market.

Mining fatalities

MR. SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Speaker. I have a question for the Attorney-General about the recent inquests which have been held in regard to the mining fatalities at the the Inco Mine in Thompson.

In view of the fact that the lag between the accidents and the calling of the hearings was seven and nine months respectively in two particular cases; and in view of the fact that both union and management officials have expressed concern about the delays in calling these hearings, I would like to ask the Attorney-General whether he would review the delays with the Director of Prosecutions and the other involved officials with a view of having those inquiries called more quickly after the accidents?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, I will undertake to do that; that is to review the situation with the Director of Prosecutions who is now the Assistant Deputy, and with the Chief Medical Examiner. Whatever steps can

be taken to reduce the time between fatality and inquest will certainly be taken.

MR. S. ASHTON: As a supplementary, Mr. Speaker, I would just ask, in view of the fact that a Mines Department official indicated that it only takes six weeks to prepare the official reports in regard to any mining fatality, whether it might not be possible to have those fatality inquiries called within two or three months?

HON. R. PENNER: Well, there are rather variables that will have to be looked at. One, of course, is the availability of a provincial judge; and secondly, the availability of a Crown Attorney to conduct the fatality inquiry. In a centre like Thompson that ought not to be a great difficulty because of the availability of both on a regular basis, but it may present some difficulties in other remote areas where we don't have a Crown Attorney or a provincial judge present at all times. Certainly, whatever steps can be taken will be taken to shorten the length of time between fatality and inquiry, and I would think that the suggestion of two or three months is not an unreasonable one.

Co-operative Curriculum

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I address my question to the Minister of Education.

Last week, the Minister of Co-operative Affairs tabled and gave to my colleague, the Member for Roblin-Russell, a copy of the Co-operative Curriculum which is now to be available and offered within the public school system. I would ask the Minister of Education what subject this curriculum is to be included in and in what grades will it be offered within the public school system?

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Mr. Speaker, the Co-operative Curriculum has been integrated into the social studies curriculum and it is being taught in Grades 3 and 5 of the social studies curriculum; Grades 9, 10 and 11 deal with co-operative curriculum.

MR. C. MANNES: Mr. Speaker, I read some of the outline material in the history of co-operative development within Canada. I find it interesting that no mention is made of the fact that early co-operatives, and particularly agricultural co-operatives, came into being strictly to make the free enterprise system work better.

I would ask . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. C. MANNES: Mr. Speaker, obviously the members opposite don't understand that. Mr. Speaker, can the Minister tell us why this curriculum has not made mention of that fact at all anywhere through the introductory aspects of the curriculum?

HON. M. HEMPHILL: Mr. Speaker, perhaps it's important to just give a little bit of information about

the process we did go through in developing this curriculum because we took about three years to do it, and developed a curriculum with what is recognized by the Science - I think the Member for Morris quoted the Science Council Report in a previous question so he is impressed by the information they put out. They have suggested that Manitoba's curriculum development model is one of the best in the country and they have asked other provinces to . . . So we have taken one of the best methods of curriculum development which involves social studies teachers and takes a long period of time, goes out into the field, gets information from the co-operative department and developed an excellent curriculum.

It is being recognized and has been tested and evaluated by the Ontario Council for the OISE which is one of the best research departments in the country for educational research. They say this is excellent material, excellent curriculum.

I would like to make an offer to the Member for Morris, and that is to say that we take information and feedback from anybody, including the education critic and the Member for Morris. I would be glad to set up a meeting with members of my department where he can provide the information that he thinks about deficiencies in the curriculum because we are always changing and revising and we will take his recommendations seriously.

MR. C. MANNES: Well, Mr. Speaker, I thank the Minister for that kind offer, I appreciate it very much.

My final supplementary, Mr. Speaker, I would ask the Minister whether she has reviewed the new Co-operative Curriculum and can she tell us - I am picking out specific subjects here, particularly a comment about an ethnic graphic pie, a visit to a graveyard, Page 9, and a focus on sex roles, Page 12, further on in the curriculum - what this has to do with the development and the training of the co-operative movement within this province to our school children?

HON. M. HEMPHILL: Mr. Speaker, it's a little bit difficult to respond. There are about 600 pages of curriculum materials that he is quoting from and, clearly, this is not the forum. If he wants to go into that kind of detail it requires setting up a meeting and going over the detail with him. I think that what he is referring to is simulation exercises that teach co-operation. I can tell you that anything that teaches our children better co-operation in any area the better off this world is going to be.

Driver testing - cutbacks on staff

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker. I have a question for the Minister of Highways in charge of the Manitoba Motor Vehicle Branch, and I would ask him if he could inform the House whether his department has cut back on staff that are doing driver testing.

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: Mr. Speaker, I don't believe we have. This was discussed in detail during Estimates

and the Highway critic had all the information there. I don't believe there has been a cutback in actual driver testers.

MR. R. BANMAN: Mr. Speaker, I wonder if the Minister could confirm that people in centres, such as Steinbach, are lining up at six o'clock in the morning hoping to receive a driver test that day, and that the appointment book in Steinbach, for instance, to receive a driver's test is full now till some time in the middle of August.

HON. J. PLOHMAN: Mr. Speaker, I will certainly look into that problem. I know the honourable member mentioned, as I explained clearly during the Estimates process, that appointments are the best way to arrange for driver tests, rather than lining up. However, if there is a lineup, if there is no time for appointments at Steinbach, I will look into that.

Traffic lights - Whitemud River

HON. J. PLOHMAN: I want to at this time, Mr. Speaker, also provide an answer to a question that was taken as notice by myself from the Member for Virden last week when he asked why traffic lights were being installed at two bridges on Highway 16, how much they cost and how much it would have cost to hire students to act as flag persons, I would expect, instead of putting in traffic lights. I just want to provide the honourable member with the answer to that.

The two bridges are in the neighbourhood of \$300,000 for the two bridges, which involve redecking and changing the guardrails on those bridges. The cost of the installation of the lights is \$10,000.00. Now that is about 3 percent of the total cost of the project. It is estimated that, and I think the honourable member overlooked this when he was asking the question, flag people would have had to have been out there 24 hours a day and would have required illumination during the night time. If we would have had flag persons out for the duration of the period of construction, Mr. Speaker, it would have cost about \$70,000.00. So we are looking at about a 7-1 factor there.

I want to thank the honourable member, Mr. Speaker, for taking an interest in job creation. It's good to see that when something is working, it's a typical "me too" attitude of the opposition that they are interested in job creation after they see the lowest unemployment rate in the province and they want to get on the bandwagon, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you very much, Mr. Speaker. A supplementary question to the Honourable Minister. Since he seems to be concerned about the cost, he mentioned \$10,000, was that per light for installation? At the same time, he was concerned about the cost of flagmen. Has the Minister given any consideration at all to the cost, the inconvenience to people that are using the highway? Is he allowing them to work 24 hours a day and the weekend, seeing as how the bridge is protected by barriers, in any event, or are they allowed only to work eight hours a day, five days a week?

MR. SPEAKER: The Honourable Minister of Highways.

HON. J. PLOHMAN: The first question, Mr. Speaker, dealing with the cost of the lights, that is for the cost of all of the lights for both bridges, both locations, to both put them in place and take them down after construction has taken place, that is the total cost of \$10,000.00.

The normal procedures are in place with regard to reconstruction on those bridges, as is the case and has been the case for many years, with regard for redecking and changing and construction on major routes. The same procedures would be followed as they have in the past.

MR. H. GRAHAM: A final supplementary. From the answer of the Honourable Minister of Highways, then we can assume that it will take three months before traffic will normally be allowed to use those bridges, rather than three weeks, if they went full-bore with the work.

HON. J. PLOHMAN: Mr. Speaker, they're taking into consideration the practical concerns with regard to traffic and so on, as well as the overall costs and, of course, the honourable member again is speaking out of both sides of his mouth when he wants, on one hand, to have us paying overtime and, on the other hand, saying that we should be saving money when we're talking in Estimates and that is typical of the opposition's situation there.

I want to just point out that the traffic lights also provide greater flexibility in working on both sides at one time, Mr. Speaker, as well as better traffic control and they do not require additional lighting that the flagpersons would require. I think the honourable member would be interested in knowing that, as he was suggesting that we use flagpersons on that job.

MR. SPEAKER: Order please, order please. Order please. Has the Honourable Minister of Highways completed his answer?

The Honourable Member for La Verendrye.

Driver testing - cutbacks on staff

MR. R. BANMAN: Thank you, Mr. Speaker. A final supplementary to the question I asked some 10 minutes ago.

I wonder, Mr. Speaker, to the same Minister, since many people in southeastern Manitoba rely heavily on their driver's licence for a means of livelihood, and since many truck drivers have to upgrade their licences because of different government restrictions, would the Minister be willing to meet with the Mayor and Council of the Town of Steinbach to discuss the establishment of a full-time driver-testing station in Steinbach so it can serve the people of southeastern Manitoba and allow people to go ahead and not be held up with the time problems and also the loss of dollars when they have to take off from work and then can't get tested.

HON. J. PLOHMAN: Mr. Speaker, we'd have to look at the demand requirements in those communities and, of course, as an open government - I think the Minister of Government Services probably expressed it best when he talked about an open-door policy that our

government has. Certainly all of the Ministers have that and we are interested in meeting with any delegations at all times, whenever they can be scheduled. There's no doubt that we're interested in meeting.

Let me say, as well, that I haven't had any complaints with regard to the Steinbach area, with regard to line-ups. Certainly, there are no line ups in the Dauphin area and I don't think any staffing changes have taken place in that area or in the Dauphin area and we haven't had any complaints there, Mr. Speaker, so I would ask him to ask the individuals that are concerned with the timing with regard to testing if they would come forward and raise them with me or send me a letter or call and I will be pleased to deal with them.

Core Area - resignation of General Manager

MR. SPEAKER: The Honourable Minister of Labour.

HON. M.B. DOLIN: As Minister of Urban Affairs, I would like to answer a question that I took as notice on the 8th of June from the Member for Kirkfield Park. It was with regard to the Core Area and the new general manager that will have to be appointed for the Core Area.

The question had to do with the selection committee and I am pleased to report to the member that the management committee of the Core Area is acting as the initial review committee for the selection of a new general manager. That management committee, of course, consists of representation from the city, the province and the Federal Government. Mr. Nick Diakiw from the city, he's the city's Chief Commissioner; Cliff Mackie from the Federal Government, who of course works with DREE; and Peter Diamond from the Provincial Government, he's Deputy Minister of Urban Affairs.

Once they have reviewed the applications they will recommend to policy committee which are the political members, of course, of the group and a selection will be made.

Sports hunting regulations

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Mr. Speaker, my question is to the Minister of Natural Resources. It appears that new sports hunting regulations are being contemplated by the Minister, for example, a 300-yard hunting restriction along developed roads, uniform blaze-orange uniforms and carrying guns in cases. Can the Minister indicate whether he is contemplating bringing in these kinds of regulations for the coming season?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: I thank the honourable member for the question. It is true that I have had extensive meetings with my staff and have been discussing various initiatives that we consider will be helpful in respect to protecting our big game populations in the province.

There are various options open to us, some of which are under active consideration, a number of which have

also been discussed with interest groups in the province. I haven't formally indicated the nature of these proposals and their specifics from the point of view of their being brought forward for adoption at this time.

There is speculation about them and I can understand, by the honourable member's probably referring to an article that indicated there was some leak from my department. I'm not familiar with the leak from my department. Some of the points that were made in that article are under consideration, including the possibility of a 300-metre refuge area along some road areas in the province.

MR. A. DRIEDGER: To the same Minister then. Instead of trying to snuff out sport hunting, would the Minister rather consider hiring more COs and try and stop poaching instead of trying to stop sport hunting in this province?

MR. SPEAKER: The question is argumentative. Does the Honourable Member for Emerson wish to rephrase his question?

The Honourable Member for Emerson.

MR. A. DRIEDGER: Can this Minister give the sport hunters of Manitoba assurance that they will have some input into this matter before the Minister proceeds with implementing these kinds of restrictive regulations?

HON. A. MACKLING: Mr. Speaker, I have had consultations with sports — (Interjection) — Well, the honourable member seems to know all the answers and yet he asks questions. Surely he would like an answer. He asked me whether there was any consultation with people who enjoy the sport of hunting. The answer is yes. I met with the Manitoba Wildlife Federation and reviewed some of these proposals with them and the reaction has been very favourable.

The honourable member says I don't consult. That is false, Mr. Speaker. We have a grave concern in respect to the continuing viability of some of our big game populations. We are not going to sit back and do nothing. Those problems have to be addressed and we are looking at them. We are not ignoring the problems.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

ORDER FOR RETURN No. 4

MR. SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Speaker, the Government House Leader and I have had a number of discussions with respect to this Order for Return, and we have agreed upon a different form of Order for Return.

So, by leave, I would move, seconded by the Member for Sturgeon Creek, that . . .

MR. SPEAKER: Does the honourable member have leave? (Agreed)

The Honourable Member for St. Norbert.

MR. G. MERCIER: THAT an Order of the House do issue for a Return showing the following information:

1. The complete advertising budget and costs of the government including all departments, Crown corporations and agencies, and the Manitoba Jobs Fund from November 18, 1981 to date hereof including:

- (a) the cost of television time;
- (b) the cost of radio time;
- (c) the cost of newspaper or other print advertisements;
- (d) the cost of producing the television commercials;
- (e) the cost of producing the radio commercials;
- (f) the cost of producing newspaper or other print advertisements; and
- (g) the cost of producing, printing and distributing materials such as brochures or any other form of advertising.

2. The names of all firms or agencies producing material for the government including all departments, Crown corporations and agencies and the Manitoba Jobs Fund from November 18, 1981 to the date hereof, showing the total fees or commissions and expenses received by each firm or agency.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker. We are prepared to accept the Order as amended.

Mr. Speaker, I would add parenthetically just a note of thanks to the Member for St. Norbert for his cooperation in discussing the matter so that the Order could reflect the ability of the government to prepare the information in a standard format.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker, would you call second reading on Bill No. 16, please?

SECOND READING

BILL NO. 16 - THE CHILD WELFARE ACT

MR. SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH presented Bill No. 16, An Act to amend The Child Welfare Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. M. SMITH: Thank you, Mr. Speaker. I rise today to speak to Bill 16, An Act to amend The Child Welfare Act. The amendments contained in this bill, among other things, provide legal authority for Winnipeg's six child and family service agencies. They expand the

definition of child abuse, and provide procedures for child and family matters to be handled in the new, Unified Family Court of the Court of Queen's Bench. I would like to speak to the specifics of some of the amendments.

The definition of child abuse has been expanded to include physical injury, emotional disability and sexual exploitation. This is a significant change, and brings The Child Welfare Act into line with the province's recently announced revised guidelines on identifying and reporting child abuse. Approval by members will give additional strength to government's efforts to put a stop to child abuse by encouraging the identification and reporting of cases. Furthermore, it will strengthen government's program efforts in this area.

I know that all members are deeply concerned about the alarming increase in reported cases of child abuse. I'm confident of their support to this amendment.

A variety of amendments have been included to provide authority for the role of master of the Unified Family Court. Under the Unified Family Court, a division of the Court of Queen's Bench, the master will be responsible for dealing with preliminary appearances and the scheduling of court cases. The amendments presented provide legal authority for the master to assume these responsibilities.

Following considerable consideration and discussion with child-caring agency officials, Subsection 3(2) of the act is being amended to give authority to the Director of Child Welfare to issue a written directive to an agency on a specific matter if required. Though we anticipate the amendment will be used only sparingly, we are convinced that it is essential in order to ensure greater accountability and consistency in the delivery of Child and Family Services.

A number of amendments have been proposed which will provide legal authority for Winnipeg's six community-based, prevention-oriented Child and Family Service Agencies which will come into operation next April. The amendments confirm the established board structures for which elections were held this past April. The new agencies will be incorporated as societies. Each will have a board of directors which includes individuals elected by community members, social service providers and agency staff. As well, there is provision for appointments by the Lieutenant-Governor-in-Council. Mr. Speaker, I want to emphasize that these provisions do not apply to Children's Aid Societies operating outside Winnipeg.

Section 4(9.1) has been added to deal with the dissolution of the assets and liabilities of the Children's Aid Society of Winnipeg. This amendment is necessary, given the winding down of the agency's activities, and transfers resources and assets to the new agencies.

Other amendments are included to enable the transfer of contracts and court orders to the establishment of the new agencies. These are administrative in nature. They will ensure that the new agencies begin operations on a sound, administrative footing.

Finally, Mr. Speaker, I wish to draw attention to the amendment to Section 41 of the act. It provides for a better framework for transitional planning on behalf of permanent wards at age 18. It will support the continuity of care to those wards of the Director of Child Welfare or a child-caring agency who have experienced disruptions in support when they turn 18. Under the

amendment, permanent wards will be allowed continued assistance up to the completion of the transition to their non-wardship status. Assistance would not be extended beyond the age of 21.

Mr. Speaker, these are the major points in the amendments contained in Bill 16. Most importantly, they represent a further focus on the government's intention to strengthen Child and Family Services. We consider the strengthening of Child and Family Services a priority. We have taken a number of initiatives to tackle a difficult and very complex problem. We believe we are on the right track, and will be able to effect significant and needed change in the delivery of Child and Family Services by supporting the development of a community-based, prevention-oriented support for our children and families.

I commend this bill to members.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Mr. Speaker, I move, seconded by the Member for Roblin-Russell, that debate be adjourned.

MOTION presented and carried.

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker. Mr. Speaker, it would be my intention to move the motion for the House to go into Supply. Before I do that, Sir, I would like to advise honourable members that we will be continuing consideration of the Estimates of the Department of Community Services in the committee room. Here in the House, we will consider the Estimates of the Department of Finance this afternoon, but interrupt that consideration to do the Estimates of the Department of Legislature this evening at 8:00 p.m.

Mr. Speaker, I believe there may be a willingness to dispense with Private Members' Hour. If there is leave to do so, I would add that, Sir, to the motion.

MR. SPEAKER: Does the Honourable Minister have leave? (Agreed)

The Honourable Minister.

HON. A. ANSTETT: Mr. Speaker, I would then move, seconded by the Honourable Minister of Finance, that Mr. Speaker do now leave the Chair, and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty, the Committee of Supply to sit through Private Members' Hour.

MOTION presented.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I rise to speak on a grievance.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Speaker. I am somewhat disappointed in the Minister of Agriculture, as I am the rest of the government, and find a very displeasing situation in the Province of Manitoba with the recent reports coming from the farm community that we've seen the kinds of numbers of bankruptcy increases that we've seen.

I rise to speak today, Mr. Speaker, and will try to not become emotional, but with some difficulty, because we are seeing Manitoba's No. 1 industry being eroded, being torn apart internally, losing the kind of people that I think would be our future farmers and should be those people who are going to add to, not only the economic well-being of our community, but to the social fabric, the very grassroots, the very beginning which everyone, probably native Manitobans, has come from in this room, this Assembly and throughout all of Manitoba. To see the kinds of bankruptcies, not only tears the hearts out of communities, as individuals, but out of this province; that's what we're seeing happen under a New Democratic Party, Mr. Speaker.

We are seeing people who are, yes, forced to register bankruptcies, but there are many hundreds, as I indicated in question period today, that are leaving, not through the registered and the formal process, but are calling an auction sale, salvaging what they can and leaving that very very important community in Manitoba, Mr. Speaker, moving off.

Mr. Speaker, it is an unfortunate situation that we have to rise in our place and bring this to the attention of the public, to this government, who should appreciate more than they do the kinds of policies that they should be looking at to change the environment for those people who are going through extreme hardship.

Mr. Speaker, it hasn't been that we haven't been warning them for the last two-and-a-half to three years, ever since they came into office. Mr. Speaker, we laid numbers out, we told them what had to be done. And what did they do? The Minister of Agriculture stood in his place and said we have helped 1,400 people with interest rate relief; we have helped a few people in the beef industry. At the same time, we've seen our feedlots go broke and close their doors; and the Minister of Agriculture stands and says, well there's a program for them. There are people going to custom feed. Custom feed is not the custom of the farm community in Manitoba, they are diversified self-supporting industries within themselves and they haven't traditionally gone to spend money to custom feed their cattle; they've been self-contained units and, up until the time of the NDP Government, have been fairly healthy, thank you very much.

It all hasn't been roses, Mr. Speaker, it all hasn't been roses, but we are seeing a depression in the farm community under the New Democratic Party not unlike the 1930 Depression. NDP times are tough times and the farmers will remember them for that.

We used some figures earlier, Mr. Speaker, where in fact Saskatchewan, neighbouring province, basically the same kind of base, in fact more grain than anything else. The Minister stands and says there's extremely difficult times in the grain industry. We know that there's extremely difficult times in the grain industry, but the

Province of Saskatchewan under a Progressive Conservative Government is basically grain-oriented and it is not them that has the record of farm bankruptcies in the first quarter of this year, it's the New Democratic Party in the Province of Manitoba, the figures which I have, Mr. Speaker. Let him not blame the Federal Government.

I was aghast yesterday when the Minister of Community Services stood in her place and said "we've given up"; the NDP Party have given up on the farm community and are totally now depending on the Federal Government to bail the farm community out. That's not good enough and we're not going to stand for it.

Mr. Speaker, I will go through my comments and try to point out to this Minister of Agriculture how important it is that he take action, that he take the lead, that he show his government colleagues what has to be done, and we'll be helpful as we can in our recommendations, in our solutions to the problems. The problem is, you see, they have had the blinkers on. They thought, yes, we'll put a program in place and we'll throw X-millions of dollars at it, and we've helped 1,400 people. What about those other hundreds of people that are crying for help, Mr. Speaker, those other people that need the kind of economic climate that would assist them during extremely difficult times?

We are seeing agriculture at its lowest time in our current history and I'm sure even worse than some of the times in the 1930s, because in the 1930s people could move, they were mobile, they could sit down and they could milk cows and they could ship the cream. I'll tell you, Mr. Speaker, and I'll lay on the table today that a farmer can't do that anymore because of the restrictions that government have imposed on the people. You cannot start milking cows today and ship cream and sell that because you haven't got a quota. That's the kind of a state of an industry we're in, you cannot help yourself, Mr. Speaker, and as I said that's not good enough.

We need a shakeup and we need it now. We don't need the Minister of Agriculture flying off to Ottawa saying, well, I made some great points on The Grain Stabilization Act. Mr. Speaker, that decision was made weeks ago that there would be changes made to The Grain Stabilization Act. What did he accomplish? He spent some taxpayers' money, he made some cheap politics out of it, but he didn't increase the payment, he didn't get it now as we are requesting it. Mr. Speaker, he has failed and he did the worst sin of all when he was there, he didn't lobby the Federal Government to maintain the initial grain prices the 1st of August of this year. That's what the farm community are currently calling for. They have accomplished getting some pay out of the Grain Stabilization, he is about X-number of years behind, or months behind, in the needs of the farm community and I call on him to take immediate action or step aside because his Minister of Community Service has given up, she's given up. She said that we've done all we can, it's in today's press, she said, we have given up. Smith said Ottawa should move in and assume full responsibility, for it alone can remedy.

Mr. Speaker, where have we gone to in the province as far as the community of agriculture is concerned? We are members of the Legislative Assembly that are elected to represent the farm community. The Member

for Morris, for Swan River, Roblin-Russell, and Pembina were sent here to represent all their people but, Mr. Speaker, the strength of those communities comes from agriculture, and the day that the Government of Manitoba gives up on that community and that sector in society, as this government have done, then I say it's a shame and cannot be tolerated and they can't get away with it.

Where is the Premier of the province? I want to speak to him, Mr. Speaker. What is he doing? I want to speak to the Premier of the province, I want him to come before the farm community and account for his actions, or lack of his actions. We want him, Mr. Speaker, at the head of the Agriculture Committee, we want him sitting in on the Committee. Why hasn't he called the Agriculture Committee, Mr. Speaker, to deal with the problems farmers are facing? Why hasn't he said we will assemble and we will meet in Dauphin, we will meet in the southwest region, we will meet in the southeast region, and in The Pas and Northern regions to ask the farmers what some of the solutions are, to get at the grassroots level. Let's get with it, Mr. Speaker, why isn't that happening?

No, Mr. Speaker, they're not doing it because they don't have the answers. They have failed, Mr. Speaker, they have failed miserably in their efforts to support the farm community.

Look at the headlines in the Free Press - "50 Percent Increase In The First Four Months." That's the quote there, the numbers that I have that Manitoba has 58 percent for the same period over last year, as opposed to 20 - the Minister said today he has a figure of 20 percent in Saskatchewan.

Mr. Speaker, when are we going to bring to the attention of the public the need to address the basic problems in agriculture? Why hasn't this Minister taken action? What has he been doing? He's been handing them the shell game, Mr. Speaker. He goes to a meeting and says well I have made representation to the Federal Grain Stabilization Committee, the only one in Canada. Well, Mr. Speaker, hurray for him but he should have been dealing with the more important issue of initial grain prices when he was there.

Let me make some other suggestions, Mr. Speaker, when we're talking about this. Yes, he immediately refers to the Crow rate. Well, I don't mind talking about the Crow rate because it is imposing a 54 percent increase in freight rates on the farmers of this province since the inception of The Grain Transportation Act. Who introduced that, Mr. Speaker? The Honourable Lloyd Axworthy who is going around, looking for re-election to the House of Commons.

But who has he been holding hands with? He's been holding hands with this Minister of Agriculture, Mr. Speaker. They were hand in glove in this Assembly. We saw them vote every time there was a vote in this Assembly. We saw them tout him as the biggest Minister from Ottawa when they signed the Transportation Agreement, Mr. Speaker. It's all right to condemn him on one hand, but he is a king on the other, Mr. Speaker.

Mr. Speaker, the Minister of Agriculture and the Minister responsible for the national grain transportation increase in rates, they're hand in hand; they are partners, Mr. Speaker, the Minister of Agriculture in Manitoba and the Honourable Lloyd Axworthy, and don't let him beg off. Has he ever said to the Minister,

hold up the increases in the transportation charges to the farmers? Has he ever in his private little tête-à-têtes, said, Lloyd, our farmers can't tolerate an increase? The best thing you could do politically would be to stop that increase this year. Never, Mr. Speaker. He hasn't dealt with the basic problems. He just smokescreens his way along, holding hands with that Minister.

Mr. Speaker, let me refer to a few other programs that we could talk about. The farmers in Manitoba have had to look at what kind of hydro increase in their use of hydro in Manitoba, 16 percent since they took away the hydro freeze from the farmers in Manitoba. Yes, Mr. Speaker, the farmers of Manitoba are big hydro users. Under a Progressive Conservative Government, they had a frozen hydro rate. But what have they got under this government? Increases that are intolerable, Mr. Speaker, and this Minister of Agriculture could have said, we don't have to. Because of the plight of the farmer, we should exempt farmers from that hydro increase. It is easy to pick out the farm use, Mr. Speaker, but this government says no, we will tax them to the maximum even though they're down and out and we see record numbers of bankruptcies.

Mr. Speaker, what about the land and education taxes on the farm community, continually seeing an increase of education taxes on the land? Why hasn't the Minister of Government Services, when he was the Minister of Municipal Affairs, dealt with the Weir Commission? Let us come to grips with the problems. We have the majority of taxes coming from the land in this province that farmers have to produce the food from and yet there is no relief in sight for the farmer who is paying excessive land and education taxes. Why haven't the Minister of Agriculture and the Minister of Municipal Affairs come to grips with that problem?

Let us look at another example of increases to the use of Crown lands, Mr. Speaker. This is the Minister of Agriculture that reimposed the cost of Crown land charges, increased the cost of farm lands through their Crown land program.

Mr. Speaker, what have they really done to help the farm community? What have they really done? They have used taxpayers' money to pretend they're dealing with the basic problems of the agriculture community.

What have been some of the impacts? What have been some of the impacts of this government not paying attention to the agricultural industry? We have seen the recent announcement of the closing of Burns, Mr. Speaker, Burns of Brandon closing. I challenge the Minister of Environment, because he is dug in. The Minister of Environment has said that the rendering plant at Brandon will not close. I challenge him to keep it open because they need the by-product of the Burns packing plant to make it a viable operation. He is on record in this House, saying that it will not close. I challenge him to live up to his word, Mr. Speaker. If not, then apologize to the western region and the people who are depending on that to get rid of by-products and waste products from small killing plants and dead animal stock. I challenge him to live up to his commitment to that region of the province.

I tell you right now, Mr. Speaker, he won't be able to do it. He stood here, made a political statement in the House, and he won't be able to back it up. That is everything that we've seen how the farm community have been dealt with by this ill-conceived government.

What about the small communities? Do a survey, Mr. Speaker. I challenge the Ministers of Economic Development and Agriculture to do a survey of the farm machine dealers in the Province of Manitoba. They aren't very happy. They aren't selling many big combines, tractors or equipment, and do you know why? Do you know who their biggest competition is? The hundreds of farm auctions that are selling farmers machinery at less than should be sold. They are selling out farmers. I'm an auctioneer. I have been watching what's going on, Mr. Speaker, and it bothers me to see the bankruptcy sales or the forced closure sales. I don't think there is any auctioneer that likes to see the kind of sale activity that's going on now. I don't think there is really in their heart, Mr. Speaker, even though they get paid a commission. I don't think it is good, because it's hurting Manitoba. The long-term impact of the multitude of farm auctions is hurting Manitoba totally.

So I say, ask the farm dealerships how many combines and tractors and how many people are interested in buying machinery. I'll tell you what they will tell you, Mr. Speaker. They say, we may have to eat the iron that's on our lot. It is not going to be sold this year. Mr. Speaker, we are in dire straits in the farm community and this government is doing absolutely nothing in a meaningful way. It isn't only throw money at it, Mr. Speaker. Policy changes have to be implemented.

What happened in Saskatchewan when some of the farms got into dire straits? They implemented a several million dollar emergency loan program to those farmers, Mr. Speaker. Those farmers in Saskatchewan got a relief from their government. This government didn't do anything to help those farmers in dire straits. Oh yes, the Minister organized a meeting between the farmer and the credit union. I heard he did that a while ago, got great coverage, but it really didn't do a lot, Mr. Speaker.

We have an industry that is in a very critical state, and it has to be turned around - and now. We can't wait on this government to continually play politics with the farm community, because when it's all over with, the NDP Government will be gone, and there will be a major job to rebuild the confidence of farmers in Manitoba. By example, I have pointed to Saskatchewan. They are rebuilding the confidence in that province for the farm community.

What happened, Mr. Speaker, last weekend? They have the unfortunate situation in Saskatchewan as we do in Manitoba where the northern regions have been receiving excess rainfall. The Premier of Saskatchewan last Friday announced a multimillion dollar program to assist the transportation of cattle out of the dried-out area of the southwest region into the northern regions for pasture, and all those kinds of emergency programs that governments are called upon to do whether there is flood or drought.

The farmers of Riverton and the farmers of many regions of the province have got problems, excess rain in the North in the Riverton area. But let me tell you what's happening in the southwest. We haven't got, haven't been blessed with the kind of rainfall they have in the Winnipeg region, the eastern region, the southeastern region. We have a massive outbreak of grasshoppers, Mr. Speaker, a massive outbreak. I have had nothing but phone calls all weekend, asking me when this government would introduce a program to

provide or supply chemical to help combat the great grasshopper outbreak in the southwest, phone calls from the Virden area, from the Napinka area, from the Grande Prairie area, Mr. Speaker. When grasshopper outbreaks take place, it comes in and literally wipes a pasture out, Mr. Speaker.

This government says no, we'll continue to provide a bit of chemical to the municipalities. I can tell you right now, I talked to the Reeve of the Brandon Municipality yesterday. They have just hired an airplane to spray the municipality road allowance where it isn't going to affect the people. That is what they are doing at their expense, except the chemical. I believe it's time this government took the responsibility to introduce a program to help the farmers of the Riverton area and to help the farmers who are plagued with grasshoppers in the southwest.

It is by example, Mr. Speaker, and it's happening in Saskatchewan. You bet they are taking on the responsibility as a government to help the farm community. They appreciate the farm community.

Mr. Speaker, I am concerned and I feel strongly about this, that if action isn't taken, the small towns, the communities that we all have depended upon for our resources, for our people, for the base economic activity of services to our farmers will disappear. They will not be able to continue to carry the load of the economic depression that the farm community are in.

Mr. Speaker, it is time for action, and I don't think that this House should take this question lightly. It is not to be taken lightly, not to be kicked around politically, and the Minister stand and pat himself on the back. There is a time to deal with issues, and this is the time.

We all saw this government, after pressure from the Progressive Conservatives, go to the country to find out what the public thought about their change in language or their imposition of the language. Mr. Speaker, I think it's time we went to the country with an economic task force or the Agriculture Committee to find out some of the answers the people of the province have dealing with agriculture problems. I challenge the Minister to call the Agriculture Committee to go out and ask the farm community and the business community what can be done.

Why are his policies failing? Ask them the question. Why hasn't all this great stuff that he has told us he is doing, working? Why are we seeing the continued increase in farm bankruptcies?

Mr. Speaker, it's critical; the timing is critical. We are only seeing the tip of the iceberg in the agriculture industry. As I said before, we have continually warned this government for the last two years, since 1981. We had a review done and we were told that if the economic conditions did not improve, we would see an increase in farm bankruptcies that we had never seen before and that is what we are seeing come true.

We saw the government introduce, as I said, an Interest Rate Relief Program, Mr. Speaker. What did that do? He says it helped 1,400 farmers. Well, Mr. Speaker, what about the other 20-some thousand farmers who are in the same position? They haven't been able to help, to get right to the basis of the problem, and I am suggesting that the Agriculture Committee, if it were chaired by the Premier of this province, let him go out and find out what is going on,

let him replace his priorities. He put a committee together to go out and hear the public finally after pressure on the language issue. Why won't he put a committee together and go out and hear about some of the problems and the solutions on the agricultural problems that are being handed to him daily by public press reports and by the farm community?

Yes, Mr. Speaker, it's time that Manitobans came to the recognition that if we don't deal with the crisis in the farm community, then we will not have the kind of strength, the kind of demand that these Ministers continue to tout about some of their major projects that they are going to try and accomplish. Well, if they don't deal with the biggest mega project that we have in the province, and that's agriculture, then all the rest won't matter.

I indicated in my opening remarks that we had seen some things that this government could do. I suggested rather than increasing the hydro rates that possibly there could have been an exemption for the farm community during these tough economic times. You know we see, Mr. Speaker, the purple gas law in Manitoba where they are exempt for the use of purple gas.

Let's show some leadership, Minister of Agriculture. Let him show some leadership. Let him show that he is worthy of the kind of office and the kind of position he holds in this province, the No. 1 position as far as the majority of farmers are concerned, all farmers. But look at the number of people that are dependent upon the farm community. Probably over half the people of the province depend on the farm community, whether it's serving the farmer, producing the commodities they produce or serving those commodities, using those commodities or handling those commodities after they are produced.

Mr. Speaker, let us come to the realization that if we don't take action now, it will be too late. I feel sad that I had to stand in my place today to put this message through to this Minister because he should have known. He should have been more in tune with what was going on. But here it is, it's collapsing around his ears and he is doing nothing about it. As I indicated, it's time for action.

I said that I believe we should have the Agriculture Committee meet, that the Premier, rather than running around doing his little political thing, should become actively involved. I challenge the Premier to do that. I believe that they should be prepared to act on the recommendations that the committee puts forward if there are some that are positive and can help the farm community. As I indicated, there are areas where the costs to farmers can be reduced and reduced in a meaningful way.

I, Mr. Speaker, point out again to you that the impact of the collapse of the farm community is demonstrated by the closure of the Burns plant, by the fact that there is lack of product. It all started without a support program to the feedlot industry, a commitment that this government said that they would live up to after the election. By the way, I know my colleague has the manifesto that they were going by - that there wouldn't be a farmer, no one would lose their homes, their farms, because of high interest rates.

The Minister of Community Services has quoted yesterday's press. She said that it's the high interest

rate policy. She added, without a change in federal interest rate policy, there is little the government can do. They have thrown their hands up in despair; they have abandoned the farm community. The commitment that they gave to the farm community to get elected the last time was false. It was hollow, Mr. Speaker, the same as the policies that they are — (Interjection) —

I know that heckling is something in this House that some people feel they are effective at. I let the Member for River East know that I heard him mumble and grumble back behind me. If he has something to say, I would hope that he would stand in his place in defence of the farm community and support what I am saying here today and speak out, because his mumble and jumble in the background is not impacting at all on what I have to say.

Mr. Speaker, when we look at the figures again, and we will go over them, at least 50 percent if not a 58 percent increase in farm bankruptcies in the first quarter of this year compared to 27 percent or less in the Saskatchewan, a comparable basis. Yes, the Government of Saskatchewan took action; they didn't blame the Federal Government; they took active action. They introduced emergency programs to help those distressed farmers in the southwest and the northeast part of the province. They implemented an emergency financing program for those farmers who virtually had very little possibility of improving their lot. They imposed programs and took on the responsibility, but in Manitoba we haven't seen that happen.

We have seen the political smoke screen of a Minister of Agriculture who does not have the kind of support in his caucus and in his Cabinet that he needs. We asked the Minister of Agriculture today, Mr. Speaker, what he said to the Federal Government about the lowering of initial grain prices when he was in Ottawa. He didn't even suggest there should be a maintenance of the same price as there is this year. He did not answer the question. What did he do? He put a bunch of buffoon on the record, a bunch of gobbledegook, saying that it was our fault that the Crow rate was changed.

Well, Mr. Speaker, has he asked the Federal Minister of Transport, the Honourable Lloyd Axworthy, to roll back those increases or to hold them because he and the federal Liberals are part of the same thing? He and Lloyd Axworthy are part of the same thing. Why doesn't he take on Axworthy and tell him what a bad Minister he is, why he isn't fit to be the member for this area or for the area of the City of Winnipeg, because he has let the farm community down which the City of Winnipeg depends on? Why hasn't he done that? But you have never heard him attack Lloyd Axworthy; you have never heard him take on that attack. Never. Why hasn't he, Mr. Speaker? Why hasn't he held him up and said he is the man that is responsible for a 54 percent increase to your grain transportation costs? Yes, Lloyd Axworthy is, Mr. Speaker. Yes, Mr. Speaker, it's Lloyd Axworthy and Lloyd Axworthy joined by the New Democratic Party. We will not rock the boat.

Mr. Speaker, I will make a few other recommendations, and I make the recommendation to this Minister that he support Manitoba Pool Elevators and ask for a maintenance of the grain prices. They did on well-founded information that the appearance of the total world trade in grain would at least be as

good as, if not better, than last year. Yes, they made it on substantial information that they had. Why hasn't this Minister stood up and supported that farm organization?

We all know one of the immediate problems that could help the farm community by the removal of the federal fuel tax. The Minister was again in Ottawa. Did he raise that particular issue with the Federal Government? Did he ask the immediate removal of taxes on fuels that went to farm food production? No, Mr. Speaker, he didn't deal with that. But he dealt with The Grain Stabilization Act that was a fait accompli.

The Grain Stabilization Act, the decision had been made. Yes, there were some details that we all would like to have seen changed but this Minister didn't accomplish it. He went strictly for a political tour. Political advantage is all he went for, so he could say he was the only Minister of Agriculture in Canada to go to Ottawa to be heard before the Stabilization Committee. I have no problem with that, Mr. Speaker, if he had increased the payment and moved that payment forward this year.

Mr. Speaker, I'm pleased to know that we have the Ministers of Agriculture from all across Canada coming to Manitoba this year. I'm pleased that we are. I would hope they would band together, and this is a recommendation, because I've got two or three others that I've given the Minister, what he could do locally. What he could do locally in Manitoba is to form the Agriculture Committee, deal with the problems now, look at solutions and ask the Conservative opposition for some of our suggestions through that committee process, go to the public hearings throughout Manitoba and ask the farm community for some of the solutions that they see are available. Of course, he's afraid of being criticized, Mr. Speaker.

I've asked him to remove some of the costs that are incurred by the farm community at the provincial level, but more so on a national level. I would ask this Minister of Agriculture to present to all the Ministers of Agriculture across Canada, plus the Federal Minister - by then he may be the Leader of the Liberal Party and the Prime Minister, we're not sure yet. The Honourable Eugene Whelan may in fact accomplish that this weekend, we're not sure - but whatever capacity, I would ask them to bring to the attention of the Prime Minister of Canada, all the Premiers of the Provinces, the need to address the plight of the Canadian farm people, particularly as it relates to costs versus incomes.

You know, when we look at what happened in this country when we met a national energy crisis, yes, we had the Premiers of the province and the Prime Minister of Canada prioritize the problems of the energy industry, it was a national focus, Mr. Speaker. It was a national platform; it was of national debate.

In agriculture today, we are still in the crisis in agriculture. We are still in the crisis of agriculture that no one has addressed. When the energy problem was before us, we saw action taken by the producing provinces, negotiating with the Prime Minister, and it was a national interest, because all at once everyone was afraid they were going to run out of motor fuel for their cars and for their services. Yes, Mr. Speaker, it was a national crisis.

Today the agriculture community faces a national crisis and it is getting worse. I challenge the Ministers

of Agriculture from across Canada to call a national convention, a conference, to bring to the attention, to invite the Prime Minister of Canada, to invite the Premiers of the provinces of this country to come to grips with the food energy source that we are having to produce, Mr. Speaker, at less than what it costs to produce. I challenge this Minister of Agriculture to stand in his place today and tell us that he is going to call the Agriculture Committee, that he's going to bring before the National Conference of Agriculture Ministers the plight of all the farmers of this country, bring to the attention of the Prime Minister the need to deal with agriculture as was the non-renewable energy industry was dealt with on a pedestal, on a priority list, and not make fun as the Minister of Finance would do, of our very basic industry in this province.

Mr. Speaker, the Minister of Finance has great pleasure in making fun of the farm community. Let it be on the record that he is taking it very lightly. I've got news for him. It wouldn't take the farm community long to sort him out and put him in his place if he had the intestinal fortitude to confront them or to meet with them at some point to deal with them.

He's a great guy behind all the buffoon that he puts up, but when you get underneath, Mr. Speaker, there's very little substance there.

In concluding my remarks, as I've indicated, I challenge the Minister to call the Agriculture Committee and have provincial meetings with the farm community. That, Mr. Speaker, I believe is a must, be prepared to implement the kinds of actions and policies that will help the farm community and as I made reference to some of the things that could be done, education taxes, hydro cost increases. I'm challenging him to do that; I challenge him to support Manitoba Pool Elevators and all other farm organizations, to maintain the initial grain prices as of the 1st of August this year and not see them reduced.

I challenge him, Mr. Speaker, to take on Mr. Axworthy, to not support him in his bid for the next federal election, but to criticize him and him alone for the increase of 54 percent to the farm community. That's the kind of thing that I challenge this Minister of Agriculture to do, Mr. Speaker. I challenge him to live up to his commitment as he did in the election, that no farmer would lose their home or their business, that nobody would lose their job - and we're seeing Burns close. I challenge this Minister to live up to what he's saying and quit playing politics with the farm community.

Mr. Speaker, this Minister has gone too far. He's gone too far; he has sat back on his haunches in the Cabinet and let the Minister of Energy, let the Minister of Finance just play with him. He has no say in what happens within the whole system. In fact, the Member for Inkster, I'm sure, when it comes to Natural Resources, that the Minister of Agriculture yields to the Member for Inkster on the policies that affect farmers.

As I said, it's unfortunate that I had to rise in my place and speak on a grievance. I am emotionally upset, Mr. Speaker. I am in a position where I - the members can laugh as they like, but we are seeing the tearing down of the basic industry in this province and these people sitting by the wayside blaming it on the Federal Government, saying it's their high interest rate problem. Mr. Speaker, there are many areas of action. This Minister could stand; he could do those kinds of things

that I've recommended, and we would be fully supportive of going to the hearings throughout Manitoba, going to Ottawa, if invited, to meet with the Federal Government. Just give us the opportunity to reach out and help those farm people who are desperately in need and want the support of a government policy, Mr. Speaker.

Thank you.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, if I ever heard a diatribe from the Honourable Member for Arthur, we heard it today.

Four years, when he was Minister of Agriculture, when he didn't know what to do, he blamed the Federal Government. Just read all the press releases, Sir. When he wanted to get a few headlines, because nothing was going on in Manitoba, he would write a press release and fed-bash. Mr. Speaker, we will bash the Federal Government when there is a matter of principle to bash them on, like the Crow rate; and the honourable member talks about us being very close to Lloyd Axworthy or Bud Sherman, a Tory or a Liberal, on the Crow rate, when he talks about the Crow rate, is like Tweedledum and Tweedledee. It really doesn't make any difference of which one you have.

Mr. Speaker, who appointed the new federal Deputy Minister of Transportation, the one who put the blueprint together for the changes in the Crow rate? A Tory Minister of Transportation. The stage was set by the Tories. Mr. Speaker, the former Premier of this province went to Prince Rupert when they had a conference dealing on transportation and what did he say? The Crow rate had to go. Mr. Speaker, the former Minister of Agriculture of this province, in discussion with his western colleagues, said that the Crow rate is an impediment to the expansion of livestock production in this province.

Mr. Speaker, talk about speaking out of both sides of your mouth. On the one hand he gets up here and he goes on a diatribe of saying we want government intervention, while they're in opposition. On the other hand, when they're in government, the free and open market system is the one that is the best to have farmers survive. If ever I heard of a fundamental solution to the ills of agriculture, I heard it today, Mr. Speaker.

Farmers who are in difficulty should be able to milk cows. We've got to start milking cows, Mr. Speaker, because the farmers are in financial difficulty. That is the Member for Arthur's solution to the financial ills of many of our farmers in this province. We got to start milking cows. They can't get into milking cows, Mr. Speaker, that is the problem. Well, if ever there was an attack on the orderly marketing system in this country, it comes from the Conservatives and the Member for Arthur, Sir. It is statements such as this that lead to the chipping away of the orderly-marketing system. If ever a party is prepared to put the farmers of this country on the line in terms of leaving them to the wolves, to the free and open market system that they espoused, Sir, it is the Conservatives in this House. It is the Conservative Party who are prepared to say we will compete, let the farmers compete when they're in government.

The hog producers came to them, no assistance until a deathbed repentance just before an election. That's when they brought in assistance.

The beef producers, Sir, came to them. They showed them the door, Sir, there was no assistance. They ruined a program that we're still trying to piece together, Mr. Speaker.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

HON. B. URUSKI: The Member for Arthur said that we go around and we pretend that we are doing something for the farmer of Manitoba. Mr. Speaker, let's look at what we are pretending to do: \$25 million of provincial revenues - that's not including the producer premiums to 5,000 beef producers in the last two years - 5,000 producers; 1,000 hog producers received \$7 million in income support; 1,300 producers received \$14 million in interest rate relief; between 400 and 600 producers received loan guarantees . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please.

HON. B. URUSKI: . . . Mr. Speaker, over 600 farmers received assistance under the MACC Interest Loan Guarantee Buy-down, \$18 million saving.

Mr. Speaker, directly about one-third of Manitoba's farm producers have been directly impacted in a financial way by programs that this government has instituted since we've been in office. About one-third of the province's producers have had some financial support, direct financial support from this government, Mr. Speaker. For the Honourable Member for Arthur to say that his greatest solution to agriculture is let's start milking cows, I find that shallow. After a government . . .

MR. J. DOWNEY: Mr. Speaker, on a point of order . . .

TABLING OF A DOCUMENT

MR. SPEAKER: The Honourable Member for Arthur on a point of order.

MR. J. DOWNEY: Mr. Speaker, if the Minister would pay attention to what I said; I said they weren't allowed to start and I said I would table a letter, which I'll do now, just to make sure the record is straight. As I'd indicated earlier, I did make some solid recommendations, Mr. Speaker, to some of the problems and I would like him to pay attention to the full comments that I made and not just take it out of context.

MR. SPEAKER: It was not a point of order.
The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, the honourable member, one of his statements he made - we'll check Hansard - but he said one of the greatest problems

that farmers are having is that they can't get into milk, they can't milk cows. They used to be able to milk cows and they can't do it today.

Mr. Speaker, the member well knows that in supply-managed commodities that there is a quota system. Mr. Speaker, when one attacks the supply-management system as the Honourable Member for Arthur does, why did we get into a supply-managed system, why? Because there was chaos in the marketplace. The Honourable Member for Lakeside is standing up in his place. He's one of the Ministers that did have a hard time, I believe, with his colleague, the Minister of Industry and Commerce of the Day to bring in some orderly marketing into the feather industry in this province.

Precisely the reason that supply management came into being was that there was going to be a collapse in the industry because the free-and-open market system that they so greatly espoused would have collapsed and we'd have had a demise of a large sector of the agricultural industry, Mr. Speaker. That's the reason that the system came into being because there would have been a collapse and, now, Sir, to have Conservative members of the Legislature saying we want an expansion in production in those areas well knowing that can't occur is very shallow. Talk about playing politics, Mr. Speaker! Truly, there is one way of playing politics with the fate and lives of those producers who are and have been active in the industry and have stayed in an industry through the good and the bad times and did survive and now are enjoying some of the benefits of supply management and guaranteed incomes. That's who the honourable member and his party are playing with, Sir.

Mr. Speaker, one of the biggest problems and the most fundamental problem that the farming community is faced with is as a result of what, a collapse in world markets? I have to say that members on this side supported the resolution calling for the continuance of the initial price on grain, Sir, but you see an opposition that really speaks out of both sides of its mouth.

Here we've had suggestions today for greater intrusion into the free-market system. Mr. Speaker, put more money into agriculture. They wanted greater federal participation in stabilizing grain prices, which we have no difficulty with, but, Mr. Speaker, throughout this country the Conservative Party, whether it's in Manitoba or whether it's nationally, has criticized vehemently the deficits that the Federal Government is facing and the deficits that the Provincial Government is facing. They have criticized the extent of the deficit and said that spending should be curbed with the exception of programs that they would like to see.

On the one hand they want to see massive expansion, massive expenditures into programming and, on the other hand, they want to go around the countryside and say the deficit's too big, we're going too far into debt, Sir.

Mr. Speaker, the Member for Arthur talked about purple gas exemptions. Mr. Speaker, the province has an exemption in purple gas. He didn't talk about, Mr. Speaker, the removal of capital gains tax off family farms. They didn't want to talk about that measure because they were in government and that continued on. We brought in those measures and we exempted those and Minister of Finance increased those exemptions this year, Sir.

Mr. Speaker, the Member for Arthur, I guess, doesn't understand that in order for farmers to survive there has to be a stability in income or else what is the converse? Either (1) land prices have to go down, interest rates have to drop, all the input costs have to be dropped because today based on the market system that they support, land cannot return. The production of the land that many farmers purchased in the last number of years cannot return the income that is required from the world prices of grain. It just cannot, Sir, it just cannot.

There is no magic about it. When you're going to pay \$1,000 an acre for land to produce barley or wheat on the world market today, it cannot give you enough money to pay the interest costs and consequently, Mr. Speaker, with a party that supports high interest rates combined with the two which has had a broad impact on costs to the farming community, we have a problem, we have a massive problem and a massive problem that was seen in the late '70s as coming on. It wasn't something that has come on in the last year or two, it was something that could have been perceived in the late '70s, Sir. In '79 and '80 it was there on the horizon.

Some of the farmers that the Member for Arthur raised during Estimates and, specifically, the one, my colleague indicated to me that his machinery was repossessed in 1979 yet while they were in government.

So, Mr. Speaker, the problems of bankruptcies do not start overnight, and have not started overnight. They are a phenomenon that has occurred over many years of (a) low incomes, Mr. Speaker, increasing costs of production, wrong management decisions in terms of the purchases that many farmers made at the wrong time at high prices, because they were management decisions. Some of the difficulties that farmers got themselves into were as a result - some of them felt that there was no end to the prices of grain and livestock returns, and they made massive purchases which cornered them when the interest rates went into the 15-plus, 20-plus range, Mr. Speaker.

Mr. Speaker, to have a party on the other side say that there has to be a massive move into agriculture by this government is very shallow indeed. When they supported high interest rates at the national level, their own lending agency in the province loaned money at 17 percent to farmers, Sir, their own lending agency.

Mr. Speaker, we turned that around. We offered a buy-down to the farmers of Manitoba, and saved 600 to 700 farmers \$18 million over the life of those loans, Mr. Speaker. That is the kind of action we had, Mr. Speaker.

Mr. Speaker, bankruptcy and bankruptcy legislation in this country is of national importance, and we have made submissions to the Federal Government months ago on their new bankruptcy legislation. We expect, at least by the announcements in the paper, that they have taken into account our submissions dealing with farm foreclosures and farm bankruptcies.

While we are not happy that bankruptcies are occurring, we believe that the amendments and the suggestions we've put forward dealing with bankruptcies are a step in the right direction to protect the family farm where there are extenuating circumstances, Sir. Those suggestions are being made.

The suggestions dealing with Western Grain Stabilization, I believe that the Conservative Party or

at least their critic doesn't understand that the changes that are being proposed now by the Federal Government are not near what is required to change the plan to make it more sensitive to Western Canadian farmer needs. If he would only do a bit of research, he would better understand what that program was designed to do. I have to admit that the way it was legislated, it is doing exactly that, not working, but, Mr. Speaker, we not only made criticisms to the Federal Government on the plan, but we made definitive proposals as to how to make that legislation more sensitive to the individual needs of Manitoba farmers and western Canadian farmers.

The honourable member should be aware that there will not be a pay-out, and there will not be a pay-out in the future under the plan if it is continued as it is presently structured. Mr. Speaker, there will only be a pay-out if the honourable member should understand that there is an averaging of all the grain sales in Western Canada before a pay out is made. So if there is a collapse in the canola industry or in the flax industry, Mr. Speaker, there will not be a pay-out, because the only time that there will be a pay-out under that legislation is if the main commodity, and that is wheat in Western Canada, the market for wheat collapses, because the pooling of the incomes of all grains are combined.

We have said that the stabilization plan should, in fact, be segregated by commodity so that when Manitoba farmers in 1982, because of the frost, or in 1980, because of the drought, had massive losses in the grains industry, that's when the pay-out should have been triggered, at the time of the massive losses. That won't occur, Sir. That will not occur even by the changes that they are making today.

I find it very shallow that the Honourable Member for Arthur, a grains person from southwestern Manitoba, doesn't even understand the program as it's presently envisaged. They don't even understand the program, Mr. Speaker. They asked for a pay-out. The Conservative Caucus met in Saskatchewan. They asked for an immediate pay-out out of the Grain Stabilization Plan. They could not even get their act together to say that there had to be fundamental, structural changes, Sir, in the — (Interjection) — well, Mr. Speaker, where were their recommendation? Where was their position? They met. Where were the other provinces dealing with the Western Grain Stabilization Plan?

A MEMBER: Where were you?

HON. B. URUSKI: I have to give their federal colleagues in Ottawa and their Agricultural Critic, Charlie Mayer, I have to give them credit that they were interested, and they were very supportive of the definitive recommendations that we made to the Committee of Agriculture. I give Charlie Mayer credit there. He, along with the NDP Members of Parliament, were very supportive of the changes that we recommended to The Western Grain Stabilization Act, but no credit, Mr. Speaker, to the members opposite in this House, no credit whatsoever, none whatsoever.

All they talked about was an immediate pay-out. Mr. Speaker, that's what the Liberals are doing. They are making an immediate payment. Mr. Speaker, that isn't

going to settle or solve the fundamental problem of The Western Grain Stabilization Act. It will not, Sir. To suggest that somehow we are not supportive of initial grain prices or trying to tie the two, Mr. Speaker, is really sliding so thinly that one can skate right off the edge and fall off.

Because what the Honourable Member for Arthur was suggesting, because he really made the point that we weren't supportive of maintaining initial prices of grain. Mr. Speaker, the record in this House shows the opposite. The Member for The Pas proposed an amendment, Mr. Speaker. I spoke on the resolution. The amendment was put forward but, Mr. Speaker, for Tories to say we support initial grain prices, well knowing what the impact will be or could be on the federal deficit, Mr. Speaker, is really really speaking out of both sides of your mouth.

Because on the one hand, they say the deficit is too high. We have to cut spending. On the other hand — (Interjection) — well, Mr. Speaker, the Honourable Member for Morris says, priorities. Is education a priority, Mr. Speaker? It is. So we can agree to higher spending in education. Mr. Speaker, is health care a priority? Let's have premiums in health care as the Honourable Member for Morris has suggested in his leadership bid or in other provinces of this country, Sir.

MR. DEPUTY SPEAKER, P. EYLER: Order please.

The Member for Morris on a point of order.

MR. C. MANNES: Mr. Speaker, I would like the member to retract his statement, suggesting that I indicated I was in favour of premiums in Medicare. No statement was ever made to that effect.

MR. DEPUTY SPEAKER: The Honourable Minister of Agriculture to the same point.

HON. B. URUSKI: Mr. Speaker, I withdraw the specific statement, but certainly statements made by the Honourable Member for Morris alluded in that direction, Sir. Certainly they alluded in that direction. There is no doubt.

Now let's go through the programming. Is highways a priority in this province, Mr. Speaker? I don't hear the Conservatives. Highways is not a priority? Absolutely, okay.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: Order please.

HON. B. URUSKI: Mr. Speaker, let's deal with . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER, J. WALDING: Order please.

A MEMBER: How about the army?

MR. SPEAKER: Order please, order please. Order please.

The Member for Lakeside will have his opportunity to speak. In the meantime, I would appreciate it if he would give a courteous hearing to the Minister of Agriculture.

The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, is disaster assistance a priority that my colleague, the Minister of Government Services, announced? Is that a priority? Do I hear that from the Tories? — (Interjection) — Oh, the Honourable Member for Emerson says, restricting farmers' freedoms.

MR. A. DRIEDGER: I said spraying, spraying I said.

HON. B. URUSKI: Mr. Speaker, oh my goodness, if that is a priority, I don't believe that there is anyone on this side of the House that is restricting anyone's spraying, farmers' spraying specifically. No farmers have been affected. I think the Minister of the Environment indicated that, Mr. Speaker, that no farmers are being affected.

Mr. Speaker, the Member for Arthur wants now as a priority for the government to set up a massive assistance program for spraying of grasshoppers. That was one of his suggestions he indicated here today, that we should — (Interjection) — Mr. Speaker, there were grasshopper outbreaks, the province did support and does continue to support the spraying of public areas for grasshoppers.

But the cost, and really let's understand how the program came about. Initially the program came into being because: (a) there was a lack of chemical in terms of grasshopper spraying at the time that this program was established; (b) the cost of the chemicals were exorbitant, were very high. The Province of Manitoba during those years felt that they would try and lower the cost by having bulk purchasing of the spraying and providing it to rural municipalities to spray in public areas. But, Mr. Speaker, since that time let's understand that the cost of the chemical has declined substantially from what it was originally. — (Interjection) — Oh, yes, Mr. Speaker, in terms of what it was in the early '70s, the cost of the chemical has in fact declined for grasshopper spraying, and the cost per acre by virtue of that has been reduced.

The availability of the chemical has increased. There are several chemicals, insecticides, now on the market. So, Mr. Speaker, I — (Interjection) — oh, yes. Mr. Speaker, they have the same — the Member for Morris indicates, Sir, that Saskatchewan still has a supply. Sir, they're running into the same problem that we ran into — reformulation, because cans were leaking and because of the age of storage. They were in metal cans, and cans were being eroded. They were leaking, they had to be reformulated because the formulation was weak.

Let's not forget that some of the formulation that is being put on the market even by Saskatchewan today is at a reduced price. Why? Because the formulation is out of date. The formulation is — (Interjection) — oh, the strength. I agree that Manitobans went over there, but they should be aware that the strength of the chemical has been reduced proportionately. So, Sir, the program will continue to be covered in terms covering public areas, but at the present time we would have to look at other areas, unless there were some greater or severe problems than we see at the present time, we would have to review our whole program. But at the present time we will continue as it is.

But, Sir, the statements calling for the establishment of the Agricultural Committee - if I ever saw a desire of an opposition wanting to grandstand, this is exactly it in the House today. Mr. Speaker, a total grandstanding attempt by members of the opposition, Sir. — (Interjection) — Mr. Speaker, I didn't put the headline in the paper either. — (Interjection) — No, we didn't.

Mr. Speaker, we didn't raise the question. Your leader raised the question, right? I wish I did have some hand in writing some of the articles at the time, but you wouldn't like it, and I guess the Free Press will have to have their day. I wouldn't mind having the chance of writing some of the headlines and the stories. But certainly the Honourable Member for Arthur can't get up in this House and condemn us for blaming the Federal Government for a lack of initiative in terms of income instability in agriculture. I mean his whole four years in office was fed-bashing, Mr. Speaker. Most of his colleagues fed-bashed.

There is a time, Sir, for fed-bashing, and there is a time for co-operation, Mr. Speaker. We have said that we will bash and we did on the Crow rate. We were the only western Canadian province to go and do a massive advertising campaign and a massive informational campaign throughout this province to say that the Crow rate would do damage not only to the farm community but to the small business people, to the small towns, everyone that the farmers deal with, to local government, because the costs would be shifted from the railways to the local taxpayer to the local municipalities, Sir.

Mr. Speaker, all we heard from members opposite was criticism that we were spending money on advertising to inform the public of Manitoba the damages that the change in the Crow rate would do. It will be gradual, Sir, it will not happen overnight. It will be gradual. It is true, Mr. Speaker, that we have not been able to help every farmer in the Province of Manitoba, it is true, there is no doubt, but I just want to say that the calling of the Agricultural Committee will not help.

The Premier and my colleagues are out in rural Manitoba today talking to small business people, to municipal leaders, to farmers in this province. We were out there last week, we'll be out there again. We were in the southern region last year, we were in the western region before that, we were in the eastern region, and we will be touring the province. I will be touring the province over the next number of weeks talking to the farmers of this province myself, Mr. Speaker. But for the honourable member to suggest that we're — (Interjection) — well, Mr. Speaker, the Honourable Member for Emerson says, will it help? If it won't help, Sir, then why is his party calling for the Agricultural Committee to meet and talk to farmers? I can't understand their logic. On the one hand if they're there it will help, but if we're there it won't help, Mr. Speaker. Now that is Tory logic, Sir. That is real Tory logic in terms of how we talk of farming. If ever there was an admission of grandstanding it is by the very words from the Honourable Member for Emerson admitting that they are grandstanding because if we go out there and talk to farmers it won't help, but if they go out and talk to farmers and they're there, oh, it's going to help a great deal because they want to grandstand, Sir.

Mr. Speaker, 5,000 beef producers, 1,000 hog producers have received financial assistance, over \$32

million; interest rate relief, 1,300 farmers, \$14 million; loan guarantees, 400 farmers to 600 farmers, \$24 million in assistance. Mr. Speaker, MACC Buy-Down between 600 farmers and 700 farmers, \$18 million; MACC loans, \$44 million in the last year. Over 9,000 farmers in the Province of Manitoba have received direct financial assistance from this province in one form or another, Mr. Speaker. — (Interjection) — I will not use the 1980 drought as a blame on my colleagues for hurting the farmers of Manitoba, Sir, but they better realize that was the beginning for many of them in terms of having hardships because many of them during the late '70s made major expenditures into land and equipment. Interest rates went up, high priced land, and what do you see, Mr. Speaker, down the road? Financial difficulty, financial ruin to many of them.

Mr. Speaker, at a time when the hog industry was crying for support, they weren't going to do anything until the deathbed days of their government. They said we'll put in \$5 million in the industry in short-term support into the hog industry. Mr. Speaker, the beef industry came to them for support because they killed the previous program. They showed them the door, Sir. Did they help the milk producers any? No, Mr. Speaker, they really didn't know the industry.

So, Mr. Speaker, it is true that many of the farmers of Manitoba are in difficulty. They're in difficulty as a result of a massive world recession in terms of grain prices, and it will not be this government that will be able to assist them. It will not be this government to be able to assist the grain industry. We will be able to assist — (Interjection) — Well, Mr. Speaker, the honourable member, he said we heard it all. Mr. Speaker, that just reminded me - they sent out a brochure throughout Manitoba where they indicated that one of the faults of this government was that there were no changes in the Western Grain Stabilization Plan. Mr. Speaker, did the Tory party realize that The Western Grain Stabilization Act is national? No, they want to blame the Provincial Government when it comes to grain stabilization. They want to lower every program on this government. They went out and they told the farmers of Manitoba, Sir, that inaction under the Western Grain Stabilization Plan is a fault of the Provincial Government.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: What does it say, Mr. Speaker? Under Provincial Government Inaction.

Mr. Speaker, talk about misrepresentation. Talk about misrepresentation of the fact. Either that, if it isn't misrepresentation . . .

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: Mr. Speaker, it's even less than that. They are totally clueless. They don't know a federal program from a provincial program. If they don't know the difference, Mr. Speaker, no wonder the people of Manitoba put them where they are and they deserve to be there for the next number of years, Sir. And they will be there. They can't even tell the difference between a federal and a provincial program, Sir.

So, Mr. Speaker, they will continue to be in opposition for many years to come, but it will be this government,

it will be this party who has supported agriculture in its endeavors to support the incomes of farmers. By doing that, Sir, we are protecting the jobs in the urban centres, in the beef industry, in the processing industry. That kind of investment, Sir, is working together with the farmers of Manitoba and working together with the people in the food processing industry to make sure that agriculture in Manitoba will prosper and will grow even though it is going through some difficult times today.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Finance, and the Honourable Member for Burrows in the Chair for the Department of Community Services and Corrections.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES AND CORRECTIONS

MR. CHAIRMAN, C. Santos: Committee, please come to order. By common agreement, we shall start the proceedings by considering Item No. 4.(e)(1) Child Day Care, Salaries; 4.(e)(2) Other Expenditures; 4.(e)(3) Grants and Subsidies - the Member for Rhineland.

MR. A. BROWN: Mr. Chairman, I wonder if the Minister could give us a rundown on what has been happening in the Child Day Care Department in the last year.

MR. CHAIRMAN: Madam Minister.

HON. M. SMITH: Yes, Mr. Chairman, the major development was the act which set the standards which the department is now in the process of applying in order to license both the group day care and the family day care.

In this month of June, the completion of the inspections and licensing is to occur, because the final group that were licensed under the City of Winnipeg are coming under the program. At the same time as work has been done on the standards, since it does involve quite a lot of expectation of training of staff, there has been, through the committee appointed by the Minister to supervise the qualifications of staff, a committee of 10 or 11 people from the day care field. They are developing standards of skill and of training required in order to recognize people's qualifications and they are including a process for recognizing experiential learning and skills acquired not just to formal training but on the job.

There has been an increase in the numbers of families qualifying for subsidy during the year, which accounts for a major part of the increase in funding; year-over-year, '84-85 over '83-84, there has been a 19.7 percent increase in the total amount allocated to the program. It is actually a 6 percent increase as an individual centre would experience it, and the other percentage increase represents the higher number of families that are qualifying for subsidy, and some increase in volume that occurred in the previous year.

There are over 9,000 children in the non-profit and family day care and another 4,000 under private centres. There is a great deal of pressure in the system since the need is still running ahead of demand. The shortages are in the infant care, the Lunch and After School Program and some special needs type of children.

We are trying to increase and accommodate special needs children in the day cares, integrate them in and provide the support services, training to staff, in some cases an aid to help deal with their care, and extra money grants to the centres to enable them to handle special needs children.

The salary levels are still relatively low. The increases this year will permit some modest improvement, but the total program, the salary levels are relatively low and that's an issue that we hope to be able to see getting gradual improvement over the years.

There's been a great deal of activity in the program and the combination of good standards and of gradual expansion and licensing, we feel, really puts Manitoba in the forefront of the development of this program across Canada; but that doesn't mean there isn't a fair way to go before we meet the need. In times that are very difficult economically, we feel that we've been able to expand the system in a very solid and responsible way and we do, of course, see this service as an important economic support to families and single parents who are doing their best to get along in employment and often in fairly low paying jobs, so it's a high priority program for the government.

MR. A. BROWN: I see that there is a substantial increase in the total monies paid, up \$3 million from the previous year. Would that increase be primarily an increase in the number of pupils or infants, or whatever, children, within the system or where would the major portion of that increase be?

HON. M. SMITH: Approximately \$700,000 increase is attributable to more families qualifying for subsidy. That means more lower income people are using the service and the other is volume increase and the increased amount available, as I said, 6 percent was the amount allowed centres year over year.

MR. A. BROWN: Some of the difficulties, of course, that have been brought to my attention and that is by higher standards, fire control and regulations as far as day care is concerned. These have caused a number of problems within the different agencies. I am wondering how strictly is the Minister adhering to these when an agency such as, well, almost all of them, have problems adhering to the code. Is the Minister enforcing them very stringently, or is some leeway given to those areas that do have problems in finding the necessary funding?

HON. M. SMITH: There has been time given to centres to meet the standards. Of that increased amount of money, \$1.61 million has been allocated to assist with the physical upgrading for fire and safety so that centres can meet the licensing standards. That money has been flowing out to the centres. They can get assistance in planning how to upgrade in the most efficient way from the day care staff. So that's an important component in the current operation.

MR. A. BROWN: The upgrading of the staff themselves, I understand that 60 percent of the staff-people in day care in the city probably would have the kind of standard that the Minister had set, but that in the rural area it's more like 15 percent. Is the Minister allowing these day care centres time and these people time with which to upgrade themselves?

The other question that I would have, how long a course would this be? Would this be a year's course in which to upgrade themselves or two years, or what length of time are we talking on an upgrading course?

HON. M. SMITH: The phase in is to occur up until 1988, and people are granted provisional licences so long as they are developing a plan whereby to achieve that. We expect to have a third of the staff upgraded by October, 1986, and the other two-thirds by October, 1988.

The rural centres will be meeting the same expectations. Now in order to facilitate their receiving training, the courses that are being developed at the colleges are going to have an outreach component so that people will be able to get some of that training in their local area. In co-operation with Education, which is working on satellite outreach and so on and correspondence-type courses, there will be a variety of ways that people can upgrade, in addition to a challenge for a credit on the basis of experience and demonstrated skill. So we feel there is a combination of some pressure on people to upgrade, at the same time a reasonable time frame within which to achieve the standard.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: During the Education Estimates, I had asked the Minister about the salaries that people were earning after they had taken the two-year. She indicated approximately 18,000 a year. When I further checked that out, that was for a very limited number of people and that the salary range is still around \$14,000.00. Do you have any figures on that?

HON. M. SMITH: Yes, the average salaries, there is quite a range. The average salary for directors in the city is \$19,800; non-Winnipeg directors, \$16,200; and Winnipeg workers, \$12,700; non-Winnipeg workers, \$10,800; that's the average. Then there are also range figures which I could give you. They go below and above, of course.

Since the day care program developed from a service that was provided for free in the home, it has never had very high salaries and we believe that the whole salary range should move up to recognize both the importance of the work, the skill required, and the training. That improvement will occur gradually over time, but we have adopted a principle. Instead of making direct grants for salaries, we make grants to the boards and then they must prioritize whether the increased money year by year goes into equipment or program or salaries. So there is some variation between the centres.

MRS. G. HAMMOND: The other thing that has come up is that the turnover rate for day care workers is

about 50 percent and that they stay less than the two years. I can understand that as long as the salaries are that low, that after someone has two years of training, they are going to want to and expect more money, but the money isn't there.

I am just wondering how the Minister plans to resolve this dilemma so that we are not training people for day care at some expense and then not have them stay in the field.

HON. M. SMITH: Well, the solution will be slow in coming, but we take some comfort from the fact that on a comparative basis across Canada, Manitoba has been developing its day care program at a faster rate and at a more highly funded rate. Part of the monies come under the Canada Assistance Plan which is needs based and some of the provinces don't supplement very much. Manitoba has developed a provincial grant system that supplements those funds to centres and therefore it's our belief that we're making reasonable progress; but as I said in my opening remarks, there is quite a long way to go before we're satisfied that the pay levels do in fact recognize the skills. Largely the employees are younger women, often without a lot of formal education, and I think you'd find that their turnover rate wherever they're working is fairly high, but we believe as we build the standards and the status, in a sense, of the job, that we also will be seeing the salaries mounting.

You might be interested just to compare the level of effort in Manitoba relative to other provinces, because I think we all started to develop our programs at about the same time. It's very interesting to note, on the '84-'85 data that we have, prepared in May, '84, Manitoba tops the list at \$85.52 spent per capita for our population in day care; British Columbia, \$53.34; Alberta is the one that comes closest to us at \$82.88; Saskatchewan, \$53.59; Ontario, \$49.84; Quebec, \$42.96; New Brunswick, \$9.35; Nova Scotia, \$31.02; Prince Edward Island, \$17.80; and Newfoundland, \$3.62, so that although we don't feel we've got our system at the level we would like, we do feel, in terms of comparative effort, that we're doing very well indeed.

MRS. G. HAMMOND: Could the Minister indicate, are there any figures on the number of nursery schools - they come under the regulations, I believe - the number of private nursery schools that have closed or are threatening to close because of the pressure put on them because of the regulations?

HON. M. SMITH: We don't know of any that have closed. We haven't been authorizing funding of any new ones since 1976, on the basis that a nursery program that's part-time and there for the social experience of the children and part-time relief of parents is usually something that can be managed with a lot of volunteer input in a community. We felt our top priority had to go to the day care service, which enabled single parents or low income families, to carry on with their employment.

MRS. G. HAMMOND: I wasn't suggesting funding, but at the same time I do know of a private nursery school that closed because of the regulations and could have

gone maybe on a year-to-year basis. But once the final year was approaching, it looked like they were going to have to put their funding up too high for anyone to want to use it; and while I recognize it's community and it's only three mornings a week, it was in operation since 1969 and has closed this year, will not be operating next year. They had 12 students, and I think the criteria was one to 10, I believe, for staffing. It just didn't turn out to be - it looked like it was going to be a viable operation, and yet in the community it was certainly something that had been well-used. It was in a good location. It was in a church, really a very nice spot. It seems a shame, because they are not asking for funding. We're not looking for funding, yet the regulations were so threatening that the woman who had it was forced to close it.

I am just wondering if there is any leeway at all that could be applied to private nursery schools who run possibly on a part-time basis. She wasn't suggesting the safety regulations. Both the church and the nursery school could find no fault with the upgrading there, but the staffing was an extreme problem. I'm wondering if there are any other nursery schools - I haven't had time myself to check it out, I just happened to notice it in a bulletin that came out from my own church, saying that it wouldn't be operating - I was wondering if there are any other nursery schools that are going to find themselves in this same situation.

HON. M. SMITH: Well, we don't know of any, and would appreciate having the name of this particular one. When we were developing the standards, one of the concerns was with the variety of places where children are left, particularly families where there is informal care. We felt that the most exposure of youngsters to abuse or neglect could come in a family situation where there was no supervision or licensing.

But we did develop the standards after extensive consultation with people who were in the field, and they were in unanimous agreement that the staffing and the ratios of staffing, the qualifications, was perhaps the most important element in the total program. So we don't feel that the standards on the staffing side are too onerous. They are things like not just fire safety in terms of technical or physical elements, but if there were an emergency, is there enough staff around to move a group of toddlers to a safe situation?

We're certainly flexible in the sense we've been helping centres develop plans to upgrade and would give sensitive attention to a particular case, but there are some bottom lines and we would be more than happy though to look into this particular situation. We don't know of any nursery schools that have closed.

MRS. G. HAMMOND: When I spoke to the woman, she had indicated that when she went to the co-ordinator and said that she was planning to close the school or to find out a little bit more about it, it was just a matter of, well, all right, we'll cross your name off the list. I think probably that astounded her as much as anything, that no one seemed to really care and yet this is the service in the community three mornings a week. When you were talking about volunteers, it was the type of program - because the parents in this situation and I'm sure there are others aren't working

- but it is a spot for their children to get together with other children and for them to have some time to themselves; that the program certainly in the community was filled but she felt that she owed it to the parents to let them try and find another spot. So I'd be more than happy to give the Minister the name, so that they could look into it. Because it seems a shame in a situation like this where the program's been running very well for a number of years - it's in a very good location - that parents are left to look elsewhere because of maybe temporary insensitivity to a situation.

MR. CHAIRMAN: The Member for Wolseley.

MS. M. PHILLIPS: Yes, Mr. Chairperson, on that topic, if I remember correctly, when we were doing the consultation and we spent a fair amount of time meeting with part-time nursery schools, whether they were in the program or not, that one of the concerns that was in the original consultation paper was whether parent volunteers could be included in the staff ratio. In the final regulations, we did make some adjustment to facilitate that in certain situations. I would hate to see any dilution of the staff ratio or raising of the staff ratio for situations like this where on a rotational basis something could be worked out with the parents in a co-operative fashion, if it's a matter of having a half-time person there to make up the staff ratio.

We felt very strongly in terms of quality on the safety level, that the staff ratios were extremely important as well as on the programmatic level, and where the staff ratios are tighter is where children are spending more time and longer time and full time in day care. When it gets to part-time nursery schools, it's up to one to 10 rather than one to eight, and one to four of course for infants. So it's based on the age of the children and the number of hours per day and the number of days per week that children are enrolled in that setting as a strong component of a quality care and quality program situation. So I would personally not like to see any dilution of those standards.

In fact, the pressure from the day care community at the time was that the staff ratio should be smaller, that it should be one to six and one to eight in nursery school situations. In those circumstances, we did adjust it so that parent volunteers could be included in that staff ratio in the part-time situations. For the day cares that we're concerned about, that seemed to be a very satisfactory solution to their problem in terms of the cost of an extra staff person. If you are looking into this particular situation, I guess I'm just offering a word of caution that I don't mind some exceptions but keeping in mind the basic principles of why those standards were developed to the level that they are, and that assistance should be given to help centres who are having certain kinds of problems to find solutions that meet the standards without diluting them.

I contend that the standards are not maximum standards, they are minimum standards, and that certainly as time goes on and training is available and money is more forthcoming, we can move to even higher standards than our excellent minimums at this point in time.

MRS. G. HAMMOND: Just a comment from the Member for Wolseley's comments on the situation -

and I don't want to belabour it - but I would hope that there is room for some exceptions in this area. We have areas like this one which is a three-morning-a-week program and is performing a really good service in the area. I would like to think that the people that are in the community that are looking after the co-ordinators, that are looking after these areas, could spend a little bit more time looking at it.

Just another comment on it. I'm just wondering if the people in day care would be as anxious to have the ratio lowered now that they've seen the type of funding that's come along with it because I know their expectations when the regulations went in were certainly much higher than what they've seen.

HON. M. SMITH: Over 500 centres have been licensed since the qualifications, the standards, have come into effect. That's been accomplished with a staff of never more than 15. We consider it a real accomplishment to have done that. There is ongoing help available with centres and we've already asked the member to give us the name of the centre and we'll ensure that it gets every reasonable attention. As I say, though, we do have a bottom line that we feel is important for the safety of the children.

MR. CHAIRMAN: The Member for Rhineland.

MR. A. BROWN: How many children are on the waiting list at the present time? Awhile back it was 700, if I'm right, and I was just wondering whether that number had increased or decreased.

HON. M. SMITH: We don't keep the numbers for the centres, but we do have a listing for family day care needs and there are 700 on the waiting list. Again, it's been a difficult year because of the growing expectations in all aspects of the program, a demand for more infant spaces, for more lunch and after school, more special needs, better salaries, more training. What we've done is try to prioritize carefully, grant more than the average increase relative to other social services and try to keep the program improving. Our hopes are that as the economic conditions ease and provincial revenues start on the upward swing again that day care will, in fact, be able to move forward more quickly.

MR. A. BROWN: Are any new day cares being accepted at the present time, or have any new day care centres been accepted in the last couple of months?

HON. M. SMITH: There are some reassigned spaces that will enable six day care centres to be either expanded or developed by community groups in different areas of the city.

MR. A. BROWN: Is the Minister encouraging private day care centres? This is being advocated by some of the groups who are involved with day care. They would like to see more involvement in private day care centres. Apparently, this has been quite successful in some provinces, Alberta specifically, where they have a number of private day care centres. Is the Minister encouraging this, or what is being done in that particular direction?

HON. M. SMITH: We do require that centres have parent boards which makes them private in one sense of the word. We are not funding profit-making day care centres, because it is our contention that having looked at the cost of providing day care that there really would not be profit in it unless very high fees were charged or there were shortcuts taken on the staffing or the program side. Rather than foster with public money the development of a two-tier system, one for the well-to-do and another for subsidized parents, we felt the wisest way to go was to not subsidize the profit-making centres but focus on the non-profit and the involvement of parents through parent boards.

MR. A. BROWN: How does the Minister determine whether it is a profit or a non-profit? Which is the magic number at which it becomes a profit organization? This must be difficult to determine because more than likely somebody who was doing it in a private sort of way really would only be doing it to make a living and possibly would be receiving just as much money if they were under one of the public day care services.

HON. M. SMITH: Well, they must incorporate as non-profit. It's true that there were some that you could say made a profit possibly by running them in their own homes, in which case they didn't charge any rent to themselves, probably subsidized the materials and equipment and probably didn't take a salary.

Now, we aren't subsidizing any new profit-making day cares. As I say, our knowledge of the field is such that we think it is very difficult for anyone to make profit in day care. The salaries are already very low and the fees are controlled, so that people are having trouble even paying the controlled level of fee. So we can't see where the profit would be. It is our belief that our priority is to have a good quality, publicly-supported, parent board-operated set of centres.

MR. A. BROWN: There are a number of infant day care centres in private homes. Does the Minister have any idea how many of these infant day care centres they have that are operating out of private homes?

HON. M. SMITH: We do license and subsidize where people qualify, infant care and other children, too, in family settings. There are about 300 infants currently cared for under that system now.

MR. A. BROWN: What is the staff ratio under that particular incidence? Let's say that there is a housewife who would like to look after some infants, how many children is she allowed at the present time?

HON. M. SMITH: One person in the home cannot care for more than eight children including their own. There would be a maximum of three over the age of six, and no more than three under the age of two. In fact, many of our homes don't have that many youngsters.

MR. A. BROWN: I know that there is a scale. Where do we start from? Let's say that somebody is earning \$5,000, \$6,000 a year, and then we pay a subsidy and it ends, I don't know where. It used to be \$14,000, I believe. I wonder if the Minister could find out and let me know what that scale is at the present time.

HON. M. SMITH: It has been adjusted by 6 percent for 1984-85. Currently, a single parent with one child would stop receiving subsidy when their income got up to \$18,672, and they would get full subsidy if their income was under \$11,522.00. For two parents with one child, the total subsidy would start going down when the family income reached \$13,658, and it would disappear entirely when they got to the \$20,808 figure. For two parents with two children in care, the figures would be \$15,794 and the high figures, \$30,094.00.

MR. CHAIRMAN: The Member for K.P.

MRS. G. HAMMOND: I was wondering in what direction the department is taking for shift workers, people who need day care or night care, whatever you call it, after the normal hours.

HON. M. SMITH: That is one of the undeveloped areas. There is a need in that area. Some of the family day care can be available on that basis, but that's another area that is yet to be developed.

MRS. G. HAMMOND: Is the Minister saying that there is no focus in the department at this time? Is there any thought to helping these parents, maybe giving them the same type of subsidy that they might be able to get in a day care to have somebody in the home overnight or for the number of hours, say, from four to 12 to cover that area?

HON. M. SMITH: The subsidies are paid to the centres based on the needs test of their families. They don't go directly to families. That pattern was one that we had to follow if we were going to recoup cost-sharing under CAP. That's the Federal Government requirement.

MR. CHAIRMAN: The Member for Wolseley.

MS. M. PHILLIPS: Thank you, Mr. Chairperson. I think it's really interesting that the Minister responsible for the Treasury has turned up when I want to ask my question.

HON. V. SCHROEDER: I will be leaving.

MS. M. PHILLIPS: In fact, he might be kind of shocked. I did want to say to the Minister that I am extremely pleased with the amount of money that she has in her Estimates this year for child care, and I find it very interesting to listen to any criticism about waiting lists and backlogs, considering that day care in this province went through a period where there were no increases and no new spaces. We not only have had a massive catchup to do, but also while we are trying to catch up to help centres to improve both their quality, the staff training, the facilities, etc.

I just wanted to point out that even though there is \$3 million in the day care budget this year, I think it is also very important to note that there has been many other government programs that have supplemented that amount either through the Municipal Community Assets Program or through the Core Initiatives Program.

I wonder whether the Minister has any totals about the kind of money that has gone to day cares in the

Province of Manitoba in the last year. I know all those other programs are not necessarily in your department, but they have ended up to assist day care centres throughout the province in getting into adequate facilities and helping to provide more quality and equipment and assistance to staff people throughout the province as a whole.

HON. M. SMITH: There was a figure in the neighbourhood of .75 million that came from the community assets. I am just unclear in my own memory as to whether the core area support was in addition to that, but it's of that order.

MS. M. PHILLIPS: I think the core area program that is being administered by the Manitoba Child Care Association is a very substantial amount and has helped a lot of inner city child cares establish much better centres or new facilities. There also has been a lot of funding going in through the NIP program or the community improvement projects. So, all in all, I think the Minister is to be congratulated for the amount that she has in her budget to build on those other programs.

I guess my major concern in terms of an area where there is yet a lot to do is in the area of new spaces, and I was concerned when you mentioned the figure 700 on the waiting list at the day care office and not counting those waiting lists that an individual centre might have. I wonder if you could take that as notice for action for your next year budget as a priority now that we have got most of the centres that are in existence upgraded and in proper facilities and, hopefully, most of them out of grungy basements with no sunlight.

So, to me, the major thrust should be on improving the number of spaces so that we can meet the need both for infant care special needs and regular child care spaces for working parents, either shift or during the day, as well as an improvement in funding to day care centres, so we can start to work on the need for pay levels that meet the value to society as the work that is being performed.

MR. CHAIRMAN: 4.(e)(1) - the Member for Rhineland.

MR. A. BROWN: In the beginning of the year there were a number of day care centres that seemed to be in special financial difficulties. I will name them and then maybe the Minister can tell me how they are coming along at the present time: the Fort Rouge Co-op Day Nursery, the River Avenue Co-op Day Nursery, the Carter Day Care Centre, the Action Centre, Place for Kids Inc., and the Knox Day Nursery. They seem to have special difficulties.

Can the Minister tell me how these are getting along at the present time?

HON. M. SMITH: Five of these have ended the year with a surplus, and since they have received a 6 percent increase they are in a position to improve their situation next year. Now, they have to budget tightly, and we know that no one is out there finding it easy, but at times when other provinces are cutting back or not expanding at all we feel that the gains being made in day care are really significant.

There is a flexibility in the funding structure in addition to the subsidies given for families. Over top, the fee, there are start-up grants of \$286 per space; there is a maintenance grant or operating allowance of \$922 per space per year; there is an audit grant to a centre of \$980 per centre per year; there is a start-up grant for a handicapped youngster of up to \$530 per space; there is a daily \$9 per child per day up to that grant for a handicapped child; other specialized staffing and training grants for handicapped youngsters; and, in addition, there is an added \$6.35 per space per day for infant care. So we feel that in tough economic times that we have targeted resources very effectively, and the fact that centres are managing I think is a great tribute to them.

A lot of the centres who made their needs known have since received monies for upgrading through that \$1,610,000 increase that I identified earlier. They have also received a 6 percent increase instead of the average 3 percent that they were anticipating. In fact, I have had letters from a couple of centres who said we were quick to criticize early on when we thought we were only getting 3 percent. Now that we are receiving 6 percent, we think we should also write to say that we appreciate it and in the circumstances find it generous.

MR. A. BROWN: I doubt whether the Minister is going to receive that kind of a letter in the near future because there still are difficulties, especially as far as staff salaries are concerned. There are difficulties within the system and there always will be difficulties, I am certain.

The Minister mentioned that there were 500 licensed day care centres in Manitoba. Do you have any idea how many unlicensed day care centres there are?

HON. M. SMITH: As of June 1st, the centres that operate are required to have a licence now. There may be some that are functioning but we haven't, through our network, been able to identify. They are operating against the law if that's the case, so if anyone knows of any we would like to know. I also am delighted to hear the member supporting the cause of better salaries for workers in day care. I know I can count on his support as we gradually increase the money available for day care.

MR. A. BROWN: The reason I asked that question was because the licensed day care centres were specifically mentioned, so I was just wondering whether there were any unlicensed ones that were operating. The Minister says there are not, or at least not to her knowledge, well, that's fine.

I have no further questions on this, Mr. Chairman, unless anybody else has.

MR. CHAIRMAN: 4.(e)(1)—pass; 4.(e)(2)—pass; 4.(e)(3)—pass.

As agreed, we only skipped two items so we are returning back.

4.(c)(1) Seven Oaks Youth Centre: Salaries; 4.(c)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Could the Minister explain just exactly what the Seven Oaks Youth Centre is doing and what they're supposed to do?

HON. M. SMITH: This is a reception and shelter facility for children who require a secure environment. It can accommodate up to 45 children for short-term care and assessment prior to their placement in a more appropriate setting.

MR. A. BROWN: What does the Minister mean when she says they require a secure environment?

HON. M. SMITH: Either by their age or by their previous behaviour. They may be running away from home, they may be in either an aggressive mood against other people or property, or they may in fact be turning an aggressive behaviour in on themselves and require constant supervision to see they don't harm themselves.

MR. A. BROWN: Would most of these children have parents? From what I understand, they have not broken the law in any way or at least not necessarily broken the law, so I'm just wondering, are they running away from a family situation or what is the problem?

HON. M. SMITH: We're dealing with an adolescent population between 12 and 18, who have not broken a law, but whose behaviour is out of control of family or such other placement as they have, and they do require, for a time, some kind of close setting where they can get the attention and assessment they need to see what kind of follow-up treatment they require.

It could be any one of a number of reasons. It could be peculiar to the individuals in their adjustment stage; it could be a bad family situation, unstable home. There's a great variety.

MR. A. BROWN: How many SYs would there be at this time?

HON. M. SMITH: Fifty-three.

MR. A. BROWN: How many of these SYs would be counsellors? I imagine that you'd have quite a few counsellors involved with this.

HON. M. SMITH: Just under half. We had 26 last year and 25 this year.

MR. A. BROWN: In those 26, are there any professionals, psychologists, psychiatrists in that particular item?

HON. M. SMITH: Counsellors would consider themselves professionals. They are professional counsellors. I'm sorry, I stand corrected - paraprofessionals. The director is a professional counsellor and the others work under that supervision.

MR. A. BROWN: Then really we do not have a qualified psychiatrist or psychologist working with these people?

HON. M. SMITH: We draw on the resources available in the city for the services of a psychiatrist.

MR. A. BROWN: What kind of training do these counsellors have? I'm interested in these paraprofessionals. What kind of training do they have?

Do they have to take some special course in order to be a counsellor or can just anybody be a counsellor?

HON. M. SMITH: The director who'd be a professional counsellor would probably have a Masters Program in Counselling available through the Education Department or a Social Work degree. The others would have supervised experience. We do in-house training. The group would have all the way from Grade 12 to university training supplemented by in-house training in the communications skills.

MR. A. BROWN: This in-house training, would the Minister have any idea, would this be a two-month course, three months, where they would be receiving training or are we talking a matter of two weeks or three weeks?

HON. M. SMITH: Ongoing supervision with the occasional half-day session. There is, in counselling, a series of skills. Many young people pick up a lot of these skills during their teen years in different leadership training courses, in summer camping and so on, so that you often have quite a developed level of skill among people who show an interest in this kind of work, and then each one would get ongoing supervision and occasional workshop sessions.

MR. A. BROWN: Does the Minister have a figure on how, what length of time the average youth would be staying in this particular centre and what is the record of repeaters?

HON. M. SMITH: I have the answer to the first question. The average stay is about two weeks. I don't have the stats on the repeat appearance.

There is a fair level of repeat. In last year's group of 126 boys, 59 were in . . . Sorry, wait until I get the totals here. One hundred and twenty six were in once only; 59 were in twice; 39 three times; 24 four times and 62 five times or more.

Of the girls, 191 were in once only; 93 twice; 43 three times; 36 four times; and 75 more than five times.

MR. A. BROWN: If we have that many repeaters coming into that particular centre, does that not indicate then that the counselling possibly should be of a different nature? Maybe we should have them under the care of a psychiatrist or whatever, because this, it seems to me, a very high rate of repeaters.

Incidentally, I am pleased that the Minister can give me those figures. It shows me that at least some statistics are kept somewhere so that some evaluation can be done of the program. But is the Minister concerned that we have that many repeaters?

HON. M. SMITH: I think what we're dealing with here is the phenomenon of adolescence in today's urban society. It has always been an up and down time for each one of us, I guess, as we pass through those years which move us from dependence to independence. There are studies that show that sometimes by not intervening too much, you may accomplish as much as by intervening rather heavily.

I don't think the final word is out on how best to deal with adolescents. Some of them do just mature

through that acting out. They develop more ability to think ahead and think of the consequences of their actions, and more inner security and stability.

However, during that time, there are occasional periods of crisis when they do need the supervision. Again, the staff are working to evaluate the effectiveness of this program. Counselling is one component only. Youngsters have spent many years acquiring attitudes or developing in many cases sometimes negative attitudes to themselves. In other cases, it is positive attitudes that are directed inappropriately. They can be helped.

We are actively looking at whether having such a large number together is the most effective way to handle them, whether they wouldn't be better in a smaller, more personalized setting. But that is part of the ongoing evaluation of the centre, and it's certainly being actively evaluated by the staff at the present time.

MR. A. BROWN: Does the family of whoever is in the Seven Oaks Youth Centre, are they also part of the counselling process?

HON. M. SMITH: These youngsters are the most difficult in the children's aid system, and they all have professional counsellors connected with the Children's Aid Society. The need to place them in Seven Oaks would be because they are either acting out or against other people or their property, I guess, or turning in on themselves. They are the most difficult to deal with.

The secure setting has been the most effective so far that we have found is the time to take a more intensive look at their needs. They're not as easy to place in foster homes, and they are not as easy for families to manage, like their own natural parents. So this has been the method that's been in vogue for the last while, but it is under constant evaluation as you can tell by the stats I've given you.

There are other analytical stats here that attempt to give an accurate picture of just who is there, how long they stay, what their needs are. By next year, we may have what we think is an improved program to recommend, but at the moment we feel this is filling an important need in the system.

MR. A. BROWN: My question to the Minister was that those youths that are in the centre that do have family, is the family also involved in the counselling? There may be a problem at home. There may be a reason why the child is running away from home. That's why I was wondering whether the family was also in on the counselling process.

HON. M. SMITH: Because these youngsters usually have a worker through the children's aid system, to the extent that Children's Aid is involved in family counselling, the family would be involved. One of our program directions with some of the restructuring is to intensify the resources available and the expectations we have of workers that they do spend a fair bit of their time in family counselling, because we agree that the problem an individual youngster has is usually related to what's going on in the family. Treating them too much as an individual isn't always the best solution.

MR. CHAIRMAN: 4.(c)(1)—pass; 4.(c)(2)—pass.

4.(d)(1) Correctional Youth Centre: Salaries; 4.(d)(2) Other Expenditures - the Member for Rhineland.

MR. A. BROWN: Could the Minister give us a statement on that item?

HON. M. SMITH: This is the other half of the residential care for youngsters who have run afoul of the law. It is a place where they get shelter care and custody. There are boys and girls, ages 12 to 17. They require interim detention for assessment and disposition, sometimes for rehabilitation.

The Juvenile Delinquent Act, which has now been replaced by The Young Offenders Act, has been the legislative base for this service. We're in a process of transition now, working with the justice system to see that the appropriate mix of open and closed custody services are available. But to a degree, this system has to evolve, because we don't yet know - the YOA is quite a different act than the JDA, and we have to learn as we go in a sense what the level of need is.

A great deal of work has been done in the last few years to shift the emphasis from keeping so many youngsters in close custody, and community alternatives, restitution, community service and so on, has enabled the staff to keep the population of this centre, to reduce it significantly.

MR. A. BROWN: How many correctional youth centres do we have in Manitoba? Could the Minister name them?

HON. M. SMITH: There are two, the Manitoba Youth Centre here in Winnipeg and Agassiz Centre in Portage la Prairie. It deals just with male juveniles, and it averages over 90 youngsters a day. The average daily population in the Youth Centre is 74.5. It also has a cottage or a centre that's attached to it, Doncaster, and it has averaged 17. So its total is just over 91.

MR. A. BROWN: There are reports from time to time of serious overcrowding. Is 91 what they can handle nicely, or is that overcrowding?

HON. M. SMITH: Agassiz has been operating just over capacity; 80 would be optimum, but they have found some flexibility in their program. They have a very interesting program that works a lot on peer pressure as it were, positive peer culture.

The youth centre has a larger capacity of 150. As I told you earlier, a lot of innovative programming has been going on in that area to keep youngsters out of the centre to the degree possible. So it's a numbering of 74-plus in the centre itself, and 17 in Doncaster, which is a longer-term residential setting on the same site, is under capacity in terms of beds, but we'd rather have it that way than the other direction. As of today, our count at Agassiz is 78. It does fluctuate somewhat during the year.

MR. A. BROWN: Has there been a decrease in numbers since The Young Offenders Act came into force? I realize now that you cannot keep anybody in there that is under 12 years of age. Did this significantly reduce the number?

HON. M. SMITH: We never did keep anyone there under 12. We're getting a slight increase now, and again it's too early - since April 1st was the coming into effect - so there was an initial increase and now a decrease. It just hasn't stabilized but we're keeping a watch on it. Because the judges can make an open or closed custody disposition, we're watching so that we are planning to have sufficient places available but we don't want to open too many centres for open custody, the foster home setting, until we get some indication of the level of need. We'd also had, in working through with the justice system, just what the role of the judge was and what the role of our administration was in providing the care. It required some clarification and we did make a reference to the courts this week. So when that clarifies we will be a little clearer on the guidelines there.

MR. A. BROWN: What is the average stay at each of these centres?

HON. M. SMITH: The average stay at Agassiz runs six to seven months. At the youth centre just over 10 days. At Doncaster, which are the longer term stays, the girls average 238 days; the boys, 248 days.

MR. A. BROWN: Are we doing any follow-up in this particular area when they leave the youth centres? Are we doing any follow-up, do we know how many repeaters we get in?

HON. M. SMITH: This falls under Probation and once a youngster has served their time there, in a sense, we don't have a legal right to follow them. But records are kept so that if they reappear that would be known. There is a peaking of the kind of behaviour that seems to land young people in the correctional system in late adolescence and young adulthood. It seems to taper off and whether that's the people sort themselves out inside, or whether their spirit is broken, or whatever, I must say I don't know. But it seems to be a phenomenon that's particularly evident in older adolescent years and young adult years. The population at Headingley is very heavily loaded in favour of the young adult.

MR. CHAIRMAN: 4.(d)(1) - Member for Rhineland.

MR. A. BROWN: So we have really no figures as to what percentage would be coming in there the second or third time?

HON. M. SMITH: We can obtain that information, but we don't regularly keep track of it in that form.

MR. A. BROWN: I would appreciate that information again. It is some reflection on how successful the program is that we're running over there, whether our counselling is effective, and hopefully the figures would be favourable. I must say this, that I was in the youth centre, the one on Metro Route 90, when it was approximately a year old, and I was really appalled at the condition of the place. The doors were hanging on one hinge and it was very filthy, and I was really quite put out about the condition that it was in for a relatively

new building. I appeared in the area again about two months ago and I was very pleased at the conditions in there this time around. So somebody obviously had done a good job and I want to commend the people that are working in the youth centre for the condition that they keep the building in.

Now, Mr. Chairman, before we break off, I see no place in here for wilderness camps anywhere in the Estimates.

HON. M. SMITH: Yes, that appears under Child Welfare and I guess that was part of the controversy that arose when the judge sentenced the youngster to a specific camp. Because our understanding of the new arrangements under YOA was that the judge would determine the length of sentence and whether it was open or closed, since we manage all the facilities, that it was Corrections responsibility to designate where a youngster would go. In one of the early cases, the judge named the wilderness camp as the preferred place, and there was some confusion as to what the roles were. That's why we got together and the way to resolve a dispute over interpretation of legislation is to put a reference to the court. We're asking those questions in Queen's Bench tomorrow and should have clarification, but all the preparatory work done on YOA had led us to believe that we - it is before the court so we have one interpretation and we're getting that clarified.

MR. A. BROWN: So you're getting the difficulties that you had with The Young Offenders Act, to start off with, under control. I hope that we don't run into that type of situation again as what we had where this youth was sentenced to the wilderness camp and then brought back to the youth centre, contrary to what the judge's sentence was.

MR. CHAIRMAN: 4.(d)(1)—pass, 4.(d)(2)—pass.

Resolution 38: Resolved that there be granted to Her Majesty a sum not exceeding \$70,279,400 for Community Services and Corrections for the fiscal year ending the 31st day of March, 1985—pass.

This is the appropriate time to break and so we are interrupting the proceedings of the committee and we will meet again at about 8 p.m. tonight.

SUPPLY - FINANCE

MR. CHAIRMAN, P. EYLER: We are considering the Estimates of the Department of Finance. I understand the Minister of Finance has no opening statement.
The Minister of Finance.

HON. V. SCHROEDER: No, Mr. Chairman, I've provided the notes that I would have given, had I made an opening statement, to the opposition critic.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, it's true the Minister has provided us with some statement about the administrative detail of the department. I'd be interested

in hearing the Minister's views about the responsibilities that are his. What's the financial situation of the province? Where does he see the revenues going? Where does he see the spending going? What about the deficit? What about the province's ability to finance? These are the kinds of things that we're interested in and perhaps the Minister would care to make some statement about those areas. If he doesn't, then we'll proceed asking specific questions.

HON. V. SCHROEDER: Mr. Chairman, I made those kinds of statements in the Budget Address. There are a number of background documents to the Budget, which basically lay out those areas. I don't have any updated information with respect to last year that I could provide at this stage, nor do I have any information that would indicate that there are any differences from our original projections for either revenue or expenditures for the coming year.

MR. CHAIRMAN: Item 1.(b)(1) - the Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'm more interested in the long-run situation. When I spoke to the Minister's Budget, I used the 40 minutes or so that was available to me to raise quite a number of questions that I thought were important with respect to the financial affairs of the province. Unfortunately, the Minister or the First Minister or people who might be expected to be knowledgeable in the area of finance chose basically not to respond to the concerns that I raised. So, I'll raise them again now then, because I'm concerned about the direction that the deficit seems to be going.

We have had under this government now, when this fiscal year is completed, we will have seen an increase in the deficit for direct government programming of something like \$1.4 billion as compared to the \$1.1 billion that was in place when this government took over. What we have is a situation wherefrom for the history of the province, the province built up a debt of \$1.1 billion for direct government programs. That is going to increase by \$1.4 billion in three years. 127 percent increase. I find that alarming to see that happening. My concern is that this is not a temporary thing now. That we may well be looking at a deficit that in the jargon would be called structural. It's in the range of \$450 to 500 million a year. If that's the case, surely every member on the other side of the House would be concerned about that. If that isn't the case, then I would like to hear from the Minister of Finance of this province why that isn't so. What is the good news that can lead us to have some confidence that we're not going to be continually faced with a deficit of that size? Is there something that the Minister expects on the revenue side? What will it take in terms of the growth of the provincial economy to see the revenues go up substantially? I think this year they're projected to be in the range of 8 percent increase and that's right in the ball park of what the Federal Government is estimating for Provincial Governments and Municipal Governments over the next five years.

The government has, this year, brought in some spending restraints variously put forward as 3.9 percent increase or 5.9 percent increase as compared to

increases in the first two years that had been running 15 - 18 percent or more. It was at that time, when the Minister was bringing in those type of increases, that I cautioned him that the deficit would be going to \$700 million or \$800 million unless the government did something to either increase revenues or control expenditures.

This year the government has chosen to control expenditures. If there had been another ten points on the expenditure, then of course that would represent another \$300 million or more. Does the Minister think now, with inflation running at 4 or 5 percent, that the government is going to be able to hold its expenditures right there, basically at the level of inflation? Is that something that's possible over the next few years? How is this gap between revenue and expenditure going to be narrowed? I would dearly like to hear something from the Minister that would indicate to us and to the people of Manitoba that he can see how that gap is going to be narrowed.

HON. V. SCHROEDER: I think we, if we are going to deal with this, maybe we should go back a few years and go back to - although it seems to me that this is a matter that has gone over in a fair amount of detail during the Budget Debate by different people - when we took office. We inherited some material that indicated the basic, assuming no tax changes and assuming departmental estimates at November in a particular year, November is very late in the planning process. Revenue and expenditures would have worked out without any changes by us to some half-a-billion dollars in revenue requirements. That's what was left by the previous government. We've mentioned that before. We worked it down, and then of course during that first year our revenue practically collapsed. We had some real problems, as everybody in this country did. Let's not pretend somehow that it was an NDP problem.

Let us recognize that what happened was the previous government knew full well in the fall of 1981, when it chose to call an election, rather than go through to the spring with its mega projects and all of those kinds of things and a Budget that they would have had to bring in, which would have been a very significant increase in the deficit; rather than do that, they chose to go for an election. That was their choice, but let us not especially have the previous Minister of Finance stand up here today and pretend that if it wouldn't have been for somehow the bad New Democrats coming into office all of our financial problems would have been solved. I know he didn't say that. He didn't say that it was all our fault, but certainly the implication from that side has been there throughout.

Now in this year, we are moving down from a - I couldn't find my numbers in front of me very quickly, but it seems to me that last year we budgeted for a current account deficit of \$290 million, in that range. This year we're budgeting for a current account deficit of approximately \$190 million, \$188 million, \$167 million. That's a significant decrease in the current account deficit, so it is on the way down.

In terms of our capital account deficit, I am not going to stand here and say that we are going to move down with the capital account deficit in any large way over

the next number of years, but I also say to you that there is a considerable difference between the two of them and we've had those discussions before. In fact, we had them during the Budget.

You know, we're not here as one organization completely different from other provincial organizations across this country. We have similar problems to what other provinces face. Our expenditures, on a per capita basis for this coming year, are the third lowest in the country. Only two provinces in this country have lower expenditures in total, per person - have lower expenditures per person than does Manitoba, so that indicates that we're not blowing money out the window in any kind of way.

There is also no question that we do have some revenue problems and we've discussed those revenue problems with the public, with the opposition. One of the areas that has been particularly difficult is the area of equalization and the change in the formula from what we would have received under the old equalization formula.

We are, for this current year, looking at a total expenditure increase of 3.9 percent over what was budgeted for last year, 5.9 percent over what we actually spent. That is, we spent a couple of percent less than we budgeted for. We are anticipating approximately an 8 percent increase in revenue for this year.

In terms of what we see for the future, I think that it would be foolish of us to be saying that we see some specific number or other. Everything is dependent on the clash of economic forces out there. Just for example, if we continue on with an increase in interest rates which were assured by the American President, whom I wish I could believe that they will soon be coming down, but if we increase interest rates considerably, we're going to have some serious problems out there, in terms of employment, in terms of investment, in all those areas.

If, on the other hand, interest rates come down, as the members of the opposition know, we are the province that is leading the country in investment; we are the province that is leading the country in employment increase; we are a province which is on the verge of tremendous economic growth in the area of hydro-electric development and we expect significant amounts of revenue and again. Now we're talking more than 10 years down the road in terms of revenue, but we're talking about significant amounts of revenue with agreements that are far better than those negotiated on a tentative basis by the previous government and we will put those agreements against any of the ones you negotiated at any time, at any forum. — (Interjection) — We will, we will, don't you worry about it, we will. That is the beauty this time around.

You know I was saying to a colleague of mine the other day, when we heard some of the nonsense spouted by the Member for Lakeside about those agreements, that on this occasion the Tories have themselves a bit of a problem they didn't have with the Japanese deal with the hogs in the 1970s. They could have fun with that, although it was a good deal. They could have fun with that because they'd never made an arrangement like that, and so we couldn't say here, "You did it yourselves." We won't say that and we will say that repeatedly with respect to Hydro, with respect to aluminum, with respect to potash.

We will be able to tell you that we have negotiated a better deal than you people did; that we will be able to keep on you at all times and we are not afraid of the forum of public opinion on that.

So there are those areas where we will be able to obtain some better revenue from more investment. We're the people who have the best investment climate in the country. We're the people, who last year were told that our housing initiatives by the whole building association were the best in the country. We are the people who now have the lowest unemployment rate in the country. How about when they were in office? We had people leaving the province.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.
The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Chairman, I hear the Member for Lakeside muttering about, talking about the Estimates of Finance. I was asked a question with respect to our anticipation of future revenue and I am explaining a little bit about future revenue and why we have some reason for optimism, as against other parts of the country. At the same time . . .

MR. H. ENNS: Do you have numbers?

HON. V. SCHROEDER: Well, no, "Do you have numbers?" The Member for Turtle Mountain had numbers in December of 1982 when he said that for '83-'84 we would have a deficit of between \$800 million and \$1 billion. Those were numbers. We're not going to play that kind of game.

We will say that we have the numbers that we presented to the public in the Budget. We hope that we do better than those numbers project. We have been under circumstances where we've done worse than what we have predicted, and we don't particularly like being in that position. The previous Minister of Finance has been in that position too. We've been in a position where we've done better.

Quite frankly, I like doing better a lot more than doing worse than what we originally projected, but I'm not going to get into the game of numbers. I'm saying that overall things are not too bad in this province. If internationally things go well, we expect to be doing considerably better than the average, as a result of some of the basic structures of this economy and as a result of initiatives of this government.

MR. B. RANSOM: Mr. Chairman, I had hoped that we would be able to have some reasonable discussion with the Minister of Finance about the financial affairs of the province. — (Interjection) — Well, Mr. Chairman, he says stop taking cheap shots. All I did was state a fact, what has happened to the direct deficit of this government in the first three years. Now that's a fact, and I'm asking the Minister where he sees things going. He doesn't have an opening statement to make. The Minister of Finance didn't have an opening statement to make about the financial affairs. I raised some questions with him, which most people would regard to be legitimate questions, and what we get from the

Minister is a tirade of baffle-gab again. If that's all we're going to get from the Minister, Mr. Chairman, then we might as well just pass the Estimates, because we're here to get some information from him and his Budget didn't contain that kind of information.

Now the Minister talks about a number of things to try, and first of all, to minimize what I would regard as the seriousness of the deficit by splitting it into capital and operating. Now let me ask specifically then, on what the Minister refers to as the capital portion, how is that capital spending going to improve the cash flow position of the government? How is it easier to service that debt than it is to service the debt for the operating expenditures?

HON. V. SCHROEDER: Yes, it depends on - you can use a number of examples. You can use, say, the example that probably would be the closest to here, the Woodsworth Building. The government chose to build that building, chose to incur a debt and we are repaying that.

Now we have a choice of either incurring that kind of capital investment, incurring that investment and repaying it, or making our books look nicer. Instead of showing a \$10 million expense item for building an office building, we can show rather \$1 million for rental costs in that particular year. That will look very nice, you're \$9 million ahead.

Indeed, when you mix those two funds, current and capital, that's where you tend to get that kind of thinking going, where you don't look at the long run, you look at the short-run advantages. The short-run advantages to your books are that you show a \$9 million smaller amount of revenue requirement, but in the long run that \$1 million a year will gradually grow to a lot more in terms of your rental payments.

You're going to pay a lot more that way than you would in owning your own property. Just for example, Manitoba Telephone System recently purchased a building about a year-and-a-half ago, two years ago, for about \$5 million. Just recently they had an offer from another party to purchase it for \$10 million or \$11 million. It was about a double your money operation. Government could, by doing those kinds of things, make their books look good, but would they be doing their shareholders or the taxpayers a favour by taking the short-term gains and then turning around and having to pay long-term costs?

I think that's one of the problems that we have developed here in North America with the short-term visions that investors have that people are trying to transfer that onto government. People keep looking at day-to-day share prices, day-to-day bond prices and not looking at any amount of long-run accumulation, not looking at what is this company going to do in 10 years, 20 years, what is the long-term perspective, and because people aren't looking at long-term perspectives, anything that will make your books look good in the short term, somehow is what is very attractive to managers in the private sector and in the public sector, especially if you don't separate capital investment from current investment.

So we think that is fairly significant and that is quite a difference. There is certainly no difference in terms of servicing the dollar that is incurred on a capital as

opposed to a current basis, but there's a considerable difference in terms of what will happen in the future to the economy if we don't do the capital investment now and just play along with current balance sheets.

MR. B. RANSOM: Let me be more specific, Mr. Chairman.

Included in Capital Expenditure is the replacement of cars, for example, included on the operating side would be welfare costs. How is it easier to pay for the replacement of car as opposed to paying for welfare costs? Where is the cash flow, because that's the bottom line - the ability of the borrower to service the debt?

Now why is it easier to service the debt to replace a car than it is to service the debt to pay social allowance?

HON. V. SCHROEDER: I'm really surprised at that question.

You have in the area of replacing a car, a choice between replacing it or not replacing it. If you replace it, then you have your payment for that particular vehicle and you repay it.

You don't have to replace it. You can lease it and then you can pay your costs over a different term and your percentage depreciation is different and somebody else makes a profit on it. That may make some sense. You don't have to do that either, you don't have to either replace or lease. You can ask your employee to use his or her own vehicle. We've done that and we do that with some employees. We look at where the level is where we get a benefit from purchasing, and at that level, we purchase; beneath that level, we do ask employees to use their vehicles.

Now you don't just happen to get cars dropped down into your lap without paying for them. You either pay for them and have them or don't pay for them and don't have them. But if you don't have them, then you have to pay your employee to run. If you pay your employee to run, you'll be paying more money and you'll not be doing the taxpayer any service at all. You're not going to help the taxpayer by paying out more money doing it that way rather than paying less money this way.

MR. B. RANSOM: Mr. Chairman, I am simply trying to find out from the Minister, how the revenue is generated to pay for it. Now he has used examples of a person buying a house, building assets for the future or a car. If I buy a car, I have to generate the money to pay for that. Now what is the difference? Why is it easier to pay for that car if the government calls it capital as opposed to calling it operating? Why is it easier to pay for that? Why should we be less concerned about that deficit figure when it goes to replace a car as opposed to making a social allowance payment?

HON. V. SCHROEDER: Mr. Chairman, I'm flabbergasted that that man was a Minister of Finance and doesn't understand. I have now said to him twice, I'll say it again, when we borrow money, we have to repay money and it doesn't matter what it was borrowed for. Nobody disputes that.

I wish he would stop talking about that, because that is so childish that I don't know why he's wasting our

time with it. But when you talk about the purpose for which debt was created, there is surely a difference between an investment in a vehicle, notwithstanding the fact that it is depreciable, but it's an investment in a vehicle - we had a choice of investing in that vehicle and paying \$10,000 this year or leasing a vehicle and paying \$3,000.00. If we lease a vehicle and pay \$3,000, our books look better. But, have we done a service to the taxpayers? I say, no. We have probably - now unless he can show me that leasing is better. If that's the case, then we should be leasing, but as long as that capital expenditure is providing us the service at lower cost than either leasing or using employees' cars, then I say we should spend more money in a particular year to purchase the capital equipment.

We should be prepared to show it on our books at the higher level rather than fooling the taxpayers by leasing or by doing some other service such as using employees' vehicles, or by not performing the services. The agricultural representatives who operate these vehicles in the countryside and the people working for Natural Resources and so on, you do have choices. They can be leased at greater expense or they can be purchased at overall less expense, but in the year of acquisition, it obviously works out to more.

MR. B. RANSOM: Mr. Chairman, the Minister made comments about, if interest rates go down and he spoke about Manitoba leading the country in terms of investment. One would have to assume from that, if Manitoba's leading the country in investment that there is going to be some improvement in the economic picture of the province.

Can the Minister tell us then, even given certain assumptions of either the interest rate staying where it is or going to 12 percent or 10 percent, whatever level he wants, given the kind of investment that's taking place, what can we expect to see next year or the year after in terms of a deficit for the province?

HON. V. SCHROEDER: Mr. Chairman, I indicated previously, I'm not prepared to get into that kind of a game where I add my voice to a thousand other people who do those sorts of things. Now, I've made the prediction of the department, our prediction, for this coming year. For next year, I will make our prediction again next year. I could go through all of the various economic reports of the banks, economic consultants, councils and so on and say, well, this is what they say. You know, everybody is all over the place. We all know that three months later those things will be out of date. You're not going to have me making those kinds of predictions here. One year ahead is further than most of us should be predicting, but it's a good length of time for government. I'm certainly not going to start talking about what I see as a specific number for next year. Let's wait and see how things turn out this year. Remember, even this year, our prediction - and it's not our prediction, it's the prediction of a variety of institutions that investment in Manitoba is No. 1 in the country - let's see whether that happens. It may not happen; I'm hoping that it will happen. I think we all would share that, but I'm not going to get numbers.

I should say as well that we have in the last year - when the member was Minister of Finance, I believe

he initiated the Econometric Model Project, which we developed for the next couple of years, in which we have taken out of our funding - was it last year or was it for this coming year that we first took it out? I think it was probably for this coming year that it's first out. In any event, we've recognized that after spending some time on that project and after having reviewed what Alberta did, and they've spent a lot more on that kind of a model, that it's pretty difficult for a province to maintain that kind of a model that is going to be really of benefit to us in doing any independent economic forecasting. What we really do is we look at what other people are forecasting.

We of course have several economists on staff and they interpret that, looking at Manitoba data, and pay some attention to Manitoba, but we really are no further ahead in forecasting methods at this stage than we were in 1981, which may or may not have been further ahead than we were in 1977. I really couldn't comment on that.

MR. B. RANSOM: Mr. Chairman, I just find it most alarming. I can't imagine that anyone who takes an interest in the financial affairs of the province wouldn't find it alarming that the Minister of Finance is either unwilling or incapable of giving us some indication where we're going more than a year from now. When we have seen a deficit built up in three years of this government being in power - and you can lay the blame wherever you want - nevertheless, they have added \$1.4 billion in debt to what was \$1.1 billion when they took over, and this Minister won't even venture a guess where we're going in more than a year. Doesn't that alarm people over on the other side? Where are we going to be five years from now?

The Minister talks about information that was there when he took over. Sure, there was information there; there were projections. Where are they now? What are the comparable projections? You can't tell me that the staff in the Department of Finance have not made some projections as to where the revenue is going in this province over the next few years, and that given certain assumptions about expenditures, if it's held to 3.9 percent, as the government has put forward their position this year, or if it's 19 or 18, whatever it was in the first year, or 15-and-some, whatever it was in the second year, given that kind of increase, given the projection for revenues, what's going to happen? Should we be concerned about it or not? Because I'm concerned when I see this deficit, and I know that the Minister is going to have to find next year probably \$60 million or more to service the deficit this year. Another \$60 million, that's an awful lot of money. And where are we going?

If he can't give us a general statement, can he look at the details of the estimated revenue and say to us that there are certain of those areas, the corporation income tax, for instance, where the impact of recovery hasn't been felt yet, or the personal income tax, or the impact of recovery and all this investment that's taken place hasn't been felt and that over time we expect to see that rise dramatically? Are there other items in there where they are still suffering as a consequence of the recession and that when we get back to recovery that will make a big impact on the revenues of the

province? Can the Minister single out even one or two areas there where there is some hope that without any further action on the part of the government by increasing the taxes that the actual take from those taxes is going to rise?

HON. V. SCHROEDER: Of course, if we can experience this year, as we did last year, some real growth in the economy. That in itself kicks along increases in a variety of taxes: sales taxes, income taxes and so on, but I certainly wouldn't want to say there are specific areas that I'm aware of that are going to kick up great amounts of increases over the next period of time. There might be marginal increases in those areas where we increased, or basically in the one area where we increased taxes this year, tobacco, but it would be very very minimal. And I say that there would be some increase because we don't have a full year effect on the increase for this year. So, in that sense, '85-'86 might show a bit of an increase.

Other than that I wouldn't want to say that there is any area that appears ready in '85-'86, and again, minor areas, income from oil revenues would be up a little bit, because you have more wells in production, more oil flowing, but it's not significant.

I think the increases for the next number of years would come with a real increase in the gross provincial product just as a concomitant of that increase. If we can get some added construction going, that of course would add to the gross domestic product which would add to all of the taxes.

MR. B. RANSOM: I take it then from what the Minister says that basically revenues have recovered; that the effects of the recession don't stand out dramatically in these revenues now. Corporate income taxes are higher than any level it's ever achieved before, personal income tax is higher than any level it's ever achieved before. There may be small increases in mining if metal markets turn around, but you can't expect large increases in revenue in any area as a consequence of recovery. I was afraid that was the case.

When one looks at the total revenues of the government, projected this year just under \$3 billion, there has to be next year a growth of 2 percentage points in the revenue just to offset the additional cost of this year's deficit. Now, that has to take place over and above inflation because we can assume there's a reasonable inflation cost in expenditures as there is in revenue.

Now, can the Minister draw any sort of parallel between 1 percentage point increase in the growth of the economy in real terms and what that means on revenue? Does the revenue grow faster than the economy grows? Is there any sort of relationship put before us?

HON. V. SCHROEDER: Mr. Chairman, I wouldn't want to put any kind of a formula on it. Staff indicate they don't have anything available at the moment. I could undertake to check with the department to see whether they could be a little more definitive than that, but certainly we all understand that when you have growth in the economy that that translates into more revenue. Whether it's more revenue as a percentage than the

growth, or less revenue than the growth is something that I wouldn't want to comment on.

I do want to say that - the member has referred to the 2 percent for debt - I point out that that makes some assumptions in terms of interest rates that may not be completely accurate, No. 1; No. 2, there were all kinds of assumptions made last year by the opposition about a debt.

I recall especially the Member for Lakeside going on, and I believe quite sincerely about his concern about how debt, as a proportion of spending, was pretty large and getting away out of control. Of course, I haven't heard him this year talking about the fact that it's come down as a percentage of overall expenditures, but it has. It is down considerably from what we had anticipated at the beginning of the year last year when the Third Quarter Reports came out.

Indeed it is now at about half the level of the Province of Quebec, the latest province for whom I saw the number, but they're somewhere in the range of over 16 percent. So one does have to look at our relative position and not only at where we are as opposed to the past. One has to look at what's happening elsewhere, and one has to look as well at the fact that, and it is a fact, our current account deficit has come down significantly and even if members want to talk about the total budgetary requirements as opposed to the deficit, even that as a proportion of government spending has come down this year considerably. It has come down considerably as a proportion of the total economy.

So there are a number of areas, when you measure it against everything else moving along, where there is good news from the prospective of people wanting to see a deficit as a lower proportion of gross provincial product, a deficit as a lower proportion of spending. Those kinds of things are happening.

MR. B. RANSOM: Mr. Chairman, the Minister cautions me about making an estimate of the debt cost. I'll ask him then what does he think, what does his department estimate that it will cost next year to service a deficit of \$490 million approximately what it's expected to be?

HON. V. SCHROEDER: As the member knows we make those predictions at budget time. I've made that prediction for this year at budget time and I'll make it again next year at budget time. I'm not prepared to make it today.

MR. B. RANSOM: What's the borrowing rate if the government could borrow money in Canada today, say? What would the borrowing rate be?

HON. V. SCHROEDER: I take it that would be a five-year term?

MR. B. RANSOM: Five, ten, whatever you want.

HON. V. SCHROEDER: Currently that rate would be somewhere between 13.5 percent and 14 percent if we were borrowing. Of course, it's at different rates in different currencies, and as the member knows there is not sufficient capital available in Canada for all of the corporations, provinces, and the Federal Government to borrow in Canadian funds?

MR. B. RANSOM: Mr. Chairman, just so that it's on the record, so that there's no belief that I'm simply pulling figures out of the hat, with a deficit of 480 million, and borrowing at 13.5 percent to 14 percent, I think you would see very quickly, Sir, that cost will be over \$60 million at that rate. When revenues are running at just under 3 billion, then you can see that revenues have to rise 2 percentage points just to cover the cost of the interest on the deficit. That's how the figure was arrived at, Mr. Chairman. If the Minister doesn't wish to make that sort of projection, I'll make it, because that's what the figures indicate and he knows that the government has to make certain assumptions about borrowing. I would be surprised if they're making assumptions on an interest rate very much below 13.5 percent or 14 percent.

HON. V. SCHROEDER: Well, Mr. Chairman, I grew up in the country as the Member for Turtle Mountain did and my dad used to have a saying in Low German. — (German spoken) — The Member for Emerson can possibly translate that for the Member for Turtle Mountain.

What one has to keep in mind with those kinds of projections is that they start out without, you know, you build on an if. You say, if you borrow at this rate, you know, then you get that. Nobody denies that. I could come up with a different projection that would be equally inaccurate. If we had borrowed all of our money say in 1978, in Swiss francs, and could have repaid all of it at a negative interest rate as we did the five-year loan that was taken out then, but we didn't pay any interest at all. I could make the argument that it wouldn't cost us anything. I'm not going to make that argument. But I don't think that the argument that the Member for Turtle Mountain makes is any more realistic because it won't happen. It will not happen.

MR. B. RANSOM: Tell me where you're going to borrow the money that you're not going to pay any interest on.

HON. V. SCHROEDER: Mr. Chairman, there was a loan taken out by the Lyon Government, in 1978, Swiss francs that we repaid in 1983, yes, at a negative rate of interest because of the strength of the Canadian dollar during that period of time while that government was refusing to get into the international market. Now I'm not saying that happens all the time. We all know that there are other loans that go the other way, but let's not say that we can just put a number on it today and that number is going to be accurate a year from now.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I'd like to ask some questions along the same vein. Mr. Chairman, it seems the discussion to this point has been rather revealing. Last year when I asked the Minister to provide for us, if he could, some long run projection of revenues, he scoffed at me and said that was absolutely a ridiculous request on my part. I suppose the heavy emphasis on revenues comes about because of the concern as to whether the revenues will be there to support the indebtedness. I'm not going to move into a long

philosophical discussion on capital versus current, but our backgrounds of course, or certainly my background, leads me to believe that yes, a capital asset has tremendous value and nobody can argue that as long as the funds are available to service the debt of that particular capital asset. There's no great difference I suppose in our view up to that point, but then of course becomes the assurance that we seek as to what the revenues will be there to, in fact, service that capital asset.

Now I can't believe, just like my colleague, the Member for Turtle Mountain, I can't believe that the department hasn't attempted to put numbers into place whereby the Minister will have some understanding of what revenues will be in the next number of years. The Minister may not want to present them and provide them to us. I can understand probably his logic in doing so. — (Interjection) — Well, I can, because like he claims, he would be just another forecaster, but nevertheless, I question - and he made reference earlier on - to an econometric model.

I would ask him specifically whether his department can tell us what a 1 percent increase in interest rates will mean to the capital formation or the investment, in which he gives many references within his budgetary approach? Is there some relationship, mathematical in nature, that his department can share with us that will give us an indication as to what a 1 percent increase - for instance in interest rates - will mean to capital formation in this province and also to employment?

HON. V. SCHROEDER: Mr. Chairman, I may be able to get some information from a departmental staff person, who is on her way down.

MR. C. MANNES: Well, Mr. Chairman, I don't know, down from where? Will this take long? Hopefully, the Minister will be able to provide that question and she will be down before the end of Estimates.

Again I ask the Minister to relate a little more information to us regarding this econometric model, this model that attempts to forecast, given certain parameters and variables. Is his department saying, or is he saying that in fact whatever efforts were performed in developing this particular model has now proven fruitless; that indeed, the concept of attempting to forecast, by way of some econometric model, will no longer be used? Because again I stress, Mr. Chairman, that the expenditures of money that have to be paid back in the future, of course, then take the emphasis and the focus right onto whether the revenues will be there in the future. That's all I'm asking the Minister to address.

HON. V. SCHROEDER: Mr. Chairman, the experience with our own model was valuable for the department and they now have access to several other models such as the Conference Board Econometric Model and the University of Toronto model, to which they add the variables for Manitoba. They still would not be able to provide the very specific kind of information requested, but they are better able to do - especially for example with the Conference Board model - is do more medium-term sectoral analysis and prediction and that seems to be where those models are heading.

MR. C. MANNES: Mr. Chairman, I can accept that, but then again I reiterate the same question asked by my colleague. That obviously is a spinoff into gross provincial product and from that number can there be derived what increase in revenues will be forthcoming? Because it seems to me that without that, then the Minister and the department obviously have nothing to go on, but other than by some subjective surveys of attitudes. Again, is there a tie-in between sectoral analysis, gross provincial product, and therefore the revenues that are coming from that point?

HON. V. SCHROEDER: Basically there are so many variables, that I was right before in saying it's very hard to predict. Even though you can add onto and come up with some number for gross provincial product, even at that stage you have things like use taxes, which don't necessarily go up or down in accordance with GPP. They do, of course, if you have more population then you have possibly more alcohol tax, more tobacco tax, more land transfers, those kinds of things, but that doesn't take into account federal transfers which are now at what? - somewhere around 40 percent of provincial revenue - that has to do with how the whole economy is doing. So in that 60 percent, even there I am told that we don't have the measuring tools which would be able to say that, for instance with a 1 percent increase in real products, that there would be a 1 percent increase in income taxes or 1.5 percent or .5 percent.

MR. C. MANNES: My final question, Mr. Chairman. Not having those tools, the Minister then can understand why we can at times be critical, because we don't really know where we're going and to exist on blind faith really just isn't good enough to some of us, particularly when we'll be taking over government in a couple of years and we want to know specifically where we're going to be at, at that time.

HON. V. SCHROEDER: Yes, that may be a lot longer than the member particularly wants, but it may happen some time in the next 20 years. I should point out that we've won three out of the last four. We're looking forward to another one a couple of years down the roads, when we have forecast year-by-year where we're going.

I recall last year at this time members opposite got up, and I believe quite honestly disagreed with me on my revenue projections for 1983-84. The Member for Swan River said that if my revenue projections were achieved for 1983-84, we would have complete economic recovery. That was his words, "complete economic recovery." So, of course, in the definition of the Conservatives, certainly the Member for Swan River, we now have this is complete economic recovery. I don't think it is. We've still got 7.8 percent unemployment. While we have the lowest unemployment in the country, that's not something that they were predicting last year as a result of the Budget. They were predicting doom and gloom; they were predicting that things were going to go down the tubes in this province and we have increased employment by much better than the national rate; our population has continued to grow for the first time last year at more

than the national average, the first time since 1919. All of those kinds of things happened, not all as a result of our Budget, but certainly the Budget had something to do with it. It was positive and it worked and those kinds of policies are going to ensure that we will be around for one or two elections to come.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, does the Minister have a projection of revenues for the next two years, three years, five years? Does the Minister have a projection of the deficit based on certain assumptions of revenues and expenditures?

HON. V. SCHROEDER: Mr. Chairman, I have not seen one since the Budget was prepared and presented. There was a projection as there was when we took office with that 500 million that I referred to at that time. There were projections based on different rates of growth of revenues and expenditures and it's easy to do. Anybody can make certain assumptions and say, "Well, if your expenditures go up by 6 percent and your revenues go up by 5 percent, then this is what happens," but, Mr. Chairman, I want to just make it very clear that I'm not in the business of forecasting longer than one year ahead. Even with one year we are sometimes wrong. I'm not prepared to go further than that.

MR. B. RANSOM: I find that astounding, absolutely astounding, to think that any individual person or any individual business would be able to run their operation and say, "I'm not going to make any projections beyond one year." I just find that absolutely astounding that that's the case.

On some specific questions, Mr. Chairman, last year the debt servicing cost was \$282 million, this year it's down to 253. Could the Minister, and I know, Mr. Chairman, that we're moving around, but the intention would be to deal with all the questions and then pass the Estimates.

On page 52 of the Supplementary Information, which the Minister has provided, which I find very useful by the way, Mr. Chairman. I would hope that the government would be able to make this kind of supplementary information available for every department. It would make it much easier to understand the operations of each department. On Page 52 of that it shows some changes in the revenues. I wonder if the Minister could give us just a quick explanation of why some of those revenue changes are taking place.

HON. V. SCHROEDER: Mr. Chairman, I believe there was about a \$22 million change, which was purely an accounting change which had been recommended by the Auditor. Of course, the note at the bottom of page 52 indicates that, but it doesn't say how much. I think it was \$22 million. Yes, \$22 million for calculating the interest expense on a cash basis rather than on an accrual basis which he found to be more appropriate. In addition, . . .

MR. B. RANSOM: It lowered the figure?

HON. V. SCHROEDER: It lowered the figure, yes. It lowered the figure just for one year, that's right, just on a one-year basis.

The other thing was that our original projections for last year were high. The interest costs for last year were lower than we had originally anticipated because our projections on exchange rates were such that we predicted the dollar would be lower on international markets than it was, specifically against European currencies - the Swiss Franc and the Deutsche Mark also affected last year's cost.

MR. B. RANSOM: Just pick one for example, No. 6, Other Loans and Investments. It was estimated last year that the revenues, the recoveries, would be 58.8 million. This year it's estimated that it's 122.9. Exactly what does that mean? What are we talking about there? Other loans and investments, and what causes that figure to vary?

HON. V. SCHROEDER: Mr. Chairman, last year the department borrowed money and again this year, borrowed money earlier than what it was required for, because of market conditions and then reinvested that money. It was anticipated that there would be more of that this year than last year and that's what that was about.

MR. B. RANSOM: The revenues from the Telephone System, for instance, that's interest paid on money that the government has borrowed in its own name for purposes of the Manitoba Telephone System?

HON. V. SCHROEDER: That's correct.

MR. B. RANSOM: On the adjustment then, this one time adjustment, it is \$22 million. That figure then, had the old system been used the statutory debt would have shown approximately 275 million this year, instead of 253?

HON. V. SCHROEDER: Yes.

MR. B. RANSOM: Okay.

Can the Minister give some indication now of what we can expect for the year ending 1986? Is there an expectation that the public debt costs are going to be up? Is there a projection of that?

HON. V. SCHROEDER: Yes, Mr. Chairman, we do have a projection, but as I indicated on the other items, it is really preliminary and I think that it would be more appropriate to give it at next Budget time.

MR. B. RANSOM: Mr. Chairman, we're dealing with pretty significant finances of the province here and what the Minister is doing is simply pulling a curtain down at the end of one year. We're not privileged to have any information about what's going to happen beyond the end of March next year. That's a really alarming type of thing for any of us who have an interest in the future of this province. Never mind who's in government, whether that party over there is in government or whether we are, we have an interest in trying to determine what direction we're going. He doesn't want to tell us that. Can he give us an indication of what the hydro rate cost, the statutory hydro rate stabilization might be next year? This year, it's about half of what it was last year.

HON. V. SCHROEDER: Mr. Chairman, I should say that I'm not sure of how useful these numbers wind up being. Just for example, last year, as you can see on the paper, we projected a \$282 million debt cost for 1983-84, and that was at the beginning of that fiscal year. At the end of it, we were in the fortunate position where we were about \$40 million below that in our actual expenditures on debt cost.

So for next year, we've certainly made a preliminary projection, but we don't even know how close we will be for this year. Once we get two years down the road and we start giving projections out there, I'm not sure that it does any good. Either we're going to change policy, the policy of many previous governments, and start providing all of the information or we don't. — (Interjection) — Yes, they are done.

Now, in terms of Hydro, I'm going to have to take that as notice. Basically the same principle applies, even though there are a lot less dollars. One doesn't know from this stage exactly what will happen, I'm not sure. Again we have a prediction in terms of the stabilization, and it depends on foreign exchange rates, it depends on interest rates. Those things can change in weeks, let alone in a year-and-a-half.

MR. B. RANSOM: Just to confirm something then with the Minister. He says that the actual is down approximately \$40 million, which would be \$242 million. The other side of the equation would have been about \$275 million if they used the old system. So what they're really projecting this year is an actual increase then of about \$35 million in statutory debt service in costs over what it was last year?

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, the Minister has indicated that under the adjusted vote for public debt, the \$282 million represents an estimate, which has now been lowered by some \$40 million. Could the Minister indicate whether the reduction represents a lowering of the interest costs that were projected to be incurred, or whether it amounts to an increase in the amount of interest and other charges received from the various sources listed from 1 to 8?

HON. V. SCHROEDER: There are basically three areas. There is lower deficit; lower cash requirements overall; lower interest rates than projected; and the Canadian dollar was at a higher level than projected.

MR. D. ORCHARD: So then is it fair to assume that with the lower interest rate than projected that the amounts of interest and other charges received from lines 1 to 8, MTS, etc., etc., that the revenue side also went down? Because if your projections on interest rates that you were going to pay are down, is it a fair assumption to make that the amount of interest you collected from the various Crown corps and other sources also were down?

HON. V. SCHROEDER: Mr. Chairman, some were up and some were down. Overall, they were very very close; they were within \$8,000 of the original projection.

MR. D. ORCHARD: Well, the Minister indicated that in line number 6, the Other Loans and Investments, if

we were dealing with the actual from last year and the pre-accounting adjustment projection for this year, we would be at an increase in debt servicing cost of some \$35 million actual for last year and projected for this year. Helping that significantly is an increase in \$64 million out of line 6, the Other Loans and Investments.

Did I understand the Minister correctly when he indicated that some of this increase there comes from borrowings made in response to the favourable market conditions, the monies borrowed, reinvested until it is needed, and that would stimulate this additional \$64 million revenue item? Do I understand the Minister correctly when he says that?

HON. V. SCHROEDER: Yes.

MR. D. ORCHARD: I guess that brings up - then where does the increase in interest cost? Is there that big of a spread between what you're borrowing internationally or wherever and what you're reinvesting at in Canada to achieve that kind of a spread? Because obviously the money you're borrowing is not coming gratis, you're paying interest on that. You're reinvesting to offset your borrowing costs and the only saving grace is that you're not cash flowing that money because you borrowed it several months in advance possibly. Is there that great a spread that you're able to achieve what would appear to be a \$64 million profit, if you will?

HON. V. SCHROEDER: Mr. Chairman, that's not a profit. Although we're receiving that amount of money, we're also in a position where, on the top line, this is where we would be paying it.

Mr. Chairman, you have to keep in mind that is rolled into the 600 - right near the top of Page 52, Interest on Public Debt of the Province and Expenses Incidental thereto. They start off with the gross amount and that \$122 million, basically, is a recovery from there. It's certainly not a profit.

At times there may be a surplus, as between what we're paying for the money and what we're getting for the market, but it's a lot thinner than that. Of course, we're not doing it in order to earn a short-term profit, although that doesn't hurt. It's for financing purposes to ensure that it's done on a smooth basis at times that we consider, or the department considers to be at the best interest rates.

MR. CHAIRMAN: Order please. The hour is 5:30, time for the dinner recess.

The Member for Turtle Mountain on a point of order.

MR. B. RANSOM: If the Minister had another five or ten minutes, we might be able to finish the Estimates.

MR. CHAIRMAN: Does the committee have leave to continue for five or 10 minutes? (Agreed)

The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I think if the Minister would undertake to have the staff provide us with a written explanation of that page, of what's going on there - the adjustments, where the money comes from, what causes the changes, that sort of thing - that would be sufficient.

During the Public Accounts, I asked the Minister to provide us with the effective interest rate on the foreign borrowings that had come due during the year ending, I guess it was 1983. We never got that information. I would like to know now what the effective rate was. I would like the Minister to get for me what the effective rate was during the year ending March 31, 1983 and the year ending March 31, 1984.

If he would also undertake to give us some indication of what a unit change in the value of the Canadian dollar means, say if we dropped 1 cent relative to the U.S. dollar; what that means in terms of the book debt and similarly in the other currencies that we're borrowing in, if the staff could provide that for us at some time?

Mr. Chairman, just in closing my comments on this department, I am genuinely concerned that the Minister hasn't been able to provide us with more information about the financial affairs of the province. We're talking about what I believe is an extremely serious financial situation, and the Minister simply is drawing a curtain nine months from now and leaves us in a position of not being able to share any of the information that he has.

I'm very concerned that we're faced with that situation because everybody needs to be concerned. If they're not concerned now, they should be about the financial affairs of the province. We're especially concerned because we have every expectation that we're going to be in government two years from now, and I don't want to be having to go through that same old kind of a charade that the Minister went through last time. Oh, when we got there and had a look at the books, we found out how bad things were. I'd like to know from the Minister now what things are like.

I would hope when we get here next year and we're talking about the Estimates, that we can have a genuine debate about the fiscal affairs of this province, based on some meaningful information. If the Minister doesn't have it, he should have it. The economic future of this province is extremely important, Mr. Chairman. The services that are being provided depend upon the ability of the province to service the debt and to service the costs of those programs. I hope when we come here next year that we will have more information to deal with and that together we can be able to form a picture of where the province is going, given different sets of circumstances, because I think there are a few other questions that are more important for the future of this province than its financial affairs, the state of its financial affairs.

HON. V. SCHROEDER: Mr. Chairman, I do have a response to that question. I apologize to the member for not having provided it earlier, but I just saw it for the first time while he was asking the question. The department had prepared it and I assume that maybe when I was away it missed my attention.

Anyway, in 1982-83, the only foreign issue that came due was a series of Hong Kong dollars, \$117,420,000.00. It was issued in 1977, matured in 1982. Foreign exchange, again at maturity, was \$967,000.00. The effective cost per annum of the issue was a negative cost of 6.86 percent. The comparable Canadian dollar rate at date of issue was 9.5 percent.

There was one Swiss franc, \$100 million at 4.125 percent, issued August 10, 1978. It matured August 1983; foreign exchange gain at maturity \$8,346,096.00. The Swiss franc is roughly 60 cents on the dollar. The effective cost per annum of the issue, that's negative. It's at .74686 of 1 percent - that's three-quarters of 1 percent - and it becomes negative when one takes into account interest earned on the saving by borrowing in the foreign currency.

Series 10P, 200 million Swiss francs at 4.5 percent, issued November 1, 1977; matured November 1, 1983. There was a foreign exchange loss at maturity of \$16,985,000.00. The effective cost per annum of the issue, 9.358 percent, a comparable Canadian dollar rate at date of issue, 9.65 percent.

Series 10F, United States, 50 million, 8.75 percent, issued April 15, 1976; matured April 15, 1983. Foreign exchange loss at maturity \$12,518,700; effective cost per annum, 14.62 percent. Comparable Canadian dollar rate at date of issue was 10.375 percent.

Series 10H, Swiss franc, \$150 million at 6.125 percent, issued September 20, 1976; matured September 20, 1983. Foreign exchange loss, \$30,245,016.00. Effective cost per annum of the issue, 17.691 percent; comparable Canadian dollar rate at date of issue, 10.25 percent.

Cost of interest in 1983-84, debt that was payable in Canadian dollars was at 11.067 percent; U.S. dollars, 12.902 percent; Swiss francs 6.173 percent; European units of account, 10.522 percent; Japanese Yen, 12.248 percent and Deutsche Mark, 7.617 percent - that was 1983-84. I'm sorry, only the first one was 1982-83, the Hong Kong one. All the rest of them were 1983-84.

MR. CHAIRMAN: Is it the will of the committee to proceed resolution-by-resolution?

Resolution 73: Resolved that there be granted to Her Majesty, a sum not exceeding \$920,000 for Finance, Treasury Division, for the fiscal year ending the 31st of March, 1985—pass.

Resolution 74: Resolved that there be granted to Her Majesty, a sum not exceeding \$3,507,800 for Finance, Comptroller's Division, for the fiscal year ending the 31st day of March, 1985—pass.

Resolution 75: Resolved that there be granted to Her Majesty, a sum not exceeding \$7,523,800 for Finance, Taxation Division, for the fiscal year ending the 31st day of March, 1985—pass.

Resolution 76: Resolved that there be granted to Her Majesty, a sum not exceeding \$1,068,300 for Finance, Federal-Provincial Relations and Research Division, for the fiscal year ending the 31st day of March, 1985 - the Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'm not sure this is where it is, but I notice someplace in here that you're paying half the salary of a special advisor - it's on Page 22, Department of Finance's share of salary of special advisor to the Ministry of Industry, Trade and Technology. Is that half of Mr. Fullerton's salary?

HON. V. SCHROEDER: Yes, it is.

MR. CHAIRMAN: Pass.

Resolution 77: Resolved that there be granted to Her Majesty, a sum not exceeding \$512,800 for Finance,

Administrative Policy Branch, for the fiscal year ending the 31st day of March, 1985—pass.

Resolution 78: Resolved that there be granted to Her Majesty, a sum not exceeding \$186,300,000 for Finance, Tax Credit Payments, for the fiscal year ending the 31st day of March, 1985—pass.

Resolution 79: Resolved that there be granted to Her Majesty, a sum not exceeding \$13,400,000 for Finance, Local Government General Support Grant, for

the fiscal year ending the 31st day of March, 1985—pass.

Resolution 72: Resolved that there be granted to Her Majesty, a sum not exceeding \$693,600 for Finance, Administration and Finance for the fiscal year ending the 31st day of March, 1985—pass.

That completes the Estimates for the Department of Finance.

The time being past 5:30, I am leaving the Chair and will return at 8:00 p.m.