

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 19 June, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Madam Speaker, I beg to present the First Report of the Committee on Economic Development.

MR. CLERK, W. Remnant: Your committee met on Tuesday, June 17, 1986, at 10:00 a.m. in Room 255 of the Legislative Building. Your Committee appointed Mr. Maloway as Chairman and agreed that at future meetings of the committee a quorum would consist of six members.

Your committee considered the Annual Reports of Communities Economic Development Fund, Moose Lake Loggers and Channel Area Loggers.

Mrs. Bernice O'Connor, Chairperson of the Board, Mr. Hugh Jones, General Manager, and Mr. Alex Musgrove, Assistant General Manager provided such information as was requested by members of the Committee with respect to the business of the Communities Economic Development Fund.

Information with respect to the business of Moose Lake Loggers was provided by Mr. Clement Jones, President, Mr. R.J. Kivisto, General Manager and Mr. G.P. Trithart, Secretary-Treasurer.

Mr. Lester Everett, President, Mr. G.P. Trithart, Secretary-Treasurer and Mr. George Kemp, Manager provided all information requested by members of the committee with respect to the business of Channel Area Loggers.

The fullest opportunity was accorded to all members of the committee to seek any information desired. The Annual Reports of Communities Economic Development Fund, Moose Lake Loggers and Channel Area Loggers for the fiscal year ended March 31, 1985, were adopted as presented.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: I move, seconded by the Honourable Minister of Education, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I'd like to table a report, The Child Care Challenge for Canadians. It's a brief submitted to the Special Committee on Child Care by the Government of Manitoba.

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Madam Speaker, I beg leave to file the 15th Annual Report of the Manitoba Law Reform Commission for 1985-86.

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

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before we proceed to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 50 students from Grade 9 from Crescentview School. These students are under the direction of Mr. Harrison. The school is located in the constituency of the Honourable Member for Portage la Prairie.

We have 19 students from Grade 9 from the St. Claude School. These students are under the direction of Mr. Don Chapman. The school is located in the constituency of the Honourable Member for Morris.

We have 55 students from Grade 5 from the Ecole Centrale School. The students are under the direction of Celine Vuloif. This school is located in the constituency of the Honourable Member for Transcona.

On behalf of all the members, I would like to welcome you to the Legislature this afternoon.

MATTER OF PRIVILEGE

MADAM SPEAKER: The Honourable Member for Turtle Mountain.

MR. D. ROCAN: Madam Speaker, I rise on a question of privilege.

Yesterday I witnessed an event, which I believe has affected my rights as a member of this House and the rights of all members. After my submission to you, Madam Speaker, I will move a substantive motion.

Yesterday, prior to you making your ruling, I witnessed the Honourable Member for Thompson receiving an interdepartmental envelope from a page. The honourable member opened the envelope, read the contents, and then went to see the Government House Leader. He returned to his seat with a copy of Beauchesne's Fifth Edition.

The Government House Leader then went to see the Honourable Member for Thompson and returned to his seat with a copy of the contents of the envelope, which he handed to the Premier.

The Premier, in turn, went to see the Honourable Member for Thompson, after he had read the document.

Madam Speaker, I believe the contents of the envelope were copies of the ruling which you handed down later in the sitting. I have this morning been able to confirm my suspicions that indeed the government had prior knowledge of what Your Honour's Ruling would be before you read it to the honourable members.

At no time did the Honourable Member for Thompson rise to indicate he had received information, which would give him an advantage which no other member had regarding your ruling.

My rights, as a member of this House, have been breached as a result and I therefore move, seconded by the Honourable Member for Brandon West, that the Member for Thompson be requested to apologize for not informing the House that he received the Speaker's Ruling prior to all other members.

MOTION presented.

MADAM SPEAKER: I will take that matter under advisement and report back to the House as to whether the honourable member has a Matter of Privilege.

ORAL QUESTIONS

Canadian Tests of Basic Skills

MADAM SPEAKER: The Honourable Member for Fort Garry.

MR. C. BIRT: Thank you, Madam Speaker. My question is to the Minister of Education.

It has been reported that the results for Winnipeg School Division No. 1 are out regarding the results of the Canadian Tests of Basic Skills, and these are the results relating to the elementary, junior and high schools.

My question to the Minister is: he has information in the department relating to the results of all the divisions in the Province of Manitoba. Will he table those results in this House?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

I believe the member knows some of the background that went into the current system of assessment in the Province of Manitoba, and there were a number of undertakings as a result of the implementation of that assessment regime.

One of the concerns that was expressed by the teachers and I believe the Manitoba Association of School Trustees was the confidentiality, the distribution, the question of comparison that can be made on the base of individual tests of basic skills or other individualized testing.

I think the member is aware that in reference to the issue he has raised this morning that amongst the school board members themselves there is a significant difference of opinion about the efficacy of the tests, the manner in which they are used, and the implications which one draws from that testings.

I'm not sure that at this point that I would be willing to table the results unless there is concurrence from the school divisions, who have and maintain significant authority in terms of responsibility of education within divisions, so I'm very reluctant to accept that as a suggestion at this point. I'm not adverse, however, to raising it with the groups who might be affected.

MR. C. BIRT: Madam Speaker, given the right that it's the parents' right and the students' right to have this information for their own assessment, their own concern about the quality of education, will the Minister either direct the school divisions to either voluntarily, or will he pass legislation compelling the school divisions to release this information to all parents and students in each school district?

HON. J. STORIE: Madam Speaker, the member speaks in tongues. He wants me to direct them to voluntarily do something.

Madam Speaker, I have no intention of directing school boards to provide that kind of information. I will acknowledge that as a former teacher and one who believes in the involvement of parents that I encourage school divisions, teachers, individual administrations, to be open with parents about the achievement of their individual students. I believe that in most cases Manitoba schools and teachers are very open and very forthright about the testing that occurs, the results of that testing. — (Interjection) — Madam Speaker, the Member for Lakeside shows his true ignorance about the education system. There is testing that goes on almost on a daily basis in the classroom which has an effect on the achievement and the achievement levels of students, has an impact on their success or failure in the school system.

I indicate to the member that the kind of testing that the Member for Fort Garry was referring to is only one kind of testing, and there are legitimate questions about its legitimacy as a means of determining achievement in terms of educational standards.

MADAM SPEAKER: The Honourable Member for Fort Garry with a supplementary.

MR. C. BIRT: Thank you, Madam Speaker.

If the parents ask for the results and if the school division will not provide the results of the testing of the individual student and the results of the school division, will then the Minister pass legislation compelling the school divisions to release this information to the parents?

MADAM SPEAKER: That question is hypothetical. The Honourable Member for Fort Garry.

MR. C. BIRT: Will the Minister then pass legislation making it mandatory for the test results of the Canadian Test of Basic Skills to be released to all parents and students if requested by either group?

HON. J. STORIE: Madam Speaker, I can certainly tell the member that that has not been contemplated at this time. I have indicated that before I, as Minister, or this government would consider that we would certainly want to be in discussion with the major groups involved.

I recognize parents' rights to be informed. I have indicated that it's my understanding that most school divisions and most schools provide that kind of individual information at occurrences such as parent-teacher meetings and other occasions when individual parents request the information.

I believe that that is a good educational practice; however, I remind the member that the authority of school divisions is something that has been respected by many administrations, and for him to stand up and ask me to direct on this kind of issue I think underlies a pretty basic fundamental philosophical difference between that side and this side.

MR. C. BIRT: Will the Minister, as he has refused to reveal the other information, at least file the information in this House as the Province of Manitoba relates to the other provinces in Canada, who are also involved in this testing process?

HON. J. STORIE: Madam Speaker, I think it should be known that the Canadian Test of Basic Skills is a national test. It is based on norms that come about as a result of testing across Canada at individual grade levels. Therefore, the results that come about as a result of testings of the basic skills level of students in Manitoba is reflected. We're talking about national norms, so that is already the case, Madam Speaker.

I point out once again that all school divisions, as an example, do not use the Canadian Test of Basic Skills. Some of them use another test, which was modelled on the Stanford Achievement Test or the California Achievement Test. Madam Speaker, I point out as well that there is legitimate concern amongst school divisions about the release of that kind of information because of the comparison that it leads to, and sometime erroneous conclusions that may be drawn from it.

MADAM SPEAKER: The Honourable Member for Fort Garry with a final supplementary.

MR. C. BIRT: Yes, Madam Speaker. Does the Minister or the department have the results of how Manitoba compares to the rest of the provinces in Canada, and will he release the average results, not dealing with specific individuals, as how this province compares, grade by grade, to the other provinces in Canada?

HON. J. STORIE: Madam Speaker, for the umpteenth time I have indicated that if that matter is something that seems to be desirable on behalf of the other groups, and particularly the Manitoba Association of School Trustees, then that's something that might be considered.

However, Madam Speaker, I would acknowledge one point that the member makes, and I believe that in terms of good educational practice and in terms of the interests of improving the system, that there is some utility in reviewing on a division-by-division basis, an inter-divisional basis, that kind of information.

My understanding as well if that occurs, superintendents and administration in divisions do make those kinds of comparisons.

University of Manitoba basic skills - students

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker. My question is to the Minister of Education as well.

In view of the fact that the University of Manitoba has information which in fact indicates how students from various divisions across the province compare in terms of their basic skill areas, would the Minister make this information available to the public and the people of Manitoba?

HON. J. STORIE: Madam Speaker, I am not aware of the information that the member refers to, in terms of the university's assessment. I will take that question as notice and perhaps ascertain from the universities exactly what kind of information they do collect. I would point out to the member, as well, that the issues — I'm not trying to belittle the issue — which I hope is behind their questioning, and that is, determining the quality of education and where we go from here with respect to particularly the high school program. I believe we must address those questions in that review as well.

MADAM SPEAKER: I'll remind the Honourable Minister to keep his answers as brief as possible.

Education - quality of

MADAM SPEAKER: The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Thank you, Madam Speaker.

Will the Minister of Education acknowledge the fact that there is an urgent need to address the quality of education in Manitoba schools, since the universities in Manitoba find it necessary to offer remedial courses in basic skill areas to bring students up to an acceptable level for university education?

MADAM SPEAKER: It is the honourable member's duty to ascertain the truth of any statement that he brings before the House.

The Honourable Member for Roblin-Russell.

MR. L. DERKACH: Madam Speaker, my question then to the Minister is: will the Minister take steps to ensure that there is an address to the urgent need for improving the quality of education in Manitoba schools, since, in fact, the universities in Manitoba find it necessary to offer remedial courses to students to bring them up to an acceptable level for university education?

HON. J. STORIE: Madam Speaker, I hope the member appreciates that the University of Manitoba is not alone in that it provides remedial skill development in certain areas for a small number of students. I point out to the members that what we're faced with as well, and what universities have acknowledged, is the fact that the number of students who are moving from our high schools into the universities has increased pretty dramatically. We are no longer talking about the top 10 percent or the elite in our high school system moving through the universities. In fact we have much more

the opportunities that lie in terms of financial assistance and other resource assistance on campuses, to take advantage of university education. I don't think that's bad. Obviously the high school review will be addressing some of the questions that the member opposite raised.

MR. L. DERKACH: Madam Speaker, once again, will the Minister of Education take immediate action to address the area of quality of education in Manitoba schools, since the problems have been identified by the people within the community at large for more than a year, in spite of the fact that the former Education Minister refused to recognize that there was a problem in the quality of education in Manitoba schools?

MADAM SPEAKER: Order please. A question should not multiply, with slight variations, a similar question on the same point.

Manitoba Hydro - gag orders on officials

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker. Madam Speaker, I direct a question to the Honourable First Minister.

I would ask him directly, Madam Speaker, whether he's now had an opportunity to personally read and review the memo that was sent by the Chairman of Manitoba Hydro to all senior Hydro officials, ordering them not to communicate with the Winnipeg Free Press? Has the First Minister had a chance to review that memo?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. I haven't asked for the memo, but I've read it in the Free Press.

MR. H. ENNS: Madam Speaker, I would be very pleased to table this memorandum for the First Minister. I would ask the First Minister to seriously consider whether or not that kind of memorandum ordering senior Hydro staff, vice-presidents, in particular the Director of Public Relations, Mr. Vern Prior — many of us remember his predecessor, Mr. Earl Mills, who was a prolific communicator with the media — so my question to the First Minister is whether or not he will not consider immediately asking the chairman of Manitoba Hydro to withdraw that offensive and Orwellian order?

HON. V. SCHROEDER: Madam Speaker, I have had a discussion with the chairman of Manitoba Hydro and I think that things will proceed in a way that will probably be satisfactory to all the parties concerned. As indicated yesterday, there wasn't a gag order. It was very clear; it was made clear to me that any reporters' questions from any source would be answered. That, of course, will continue to be the case, and people who are asked questions in the future will be providing answers; and again, there are always some parameters in terms of complexity and that sort of thing.

Versatile Farm Equipment Company

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the First Minister.

Given that Versatile Manufacturing, where there are 1,200 jobs at stake, had made a sale to John Deere of the United States, my understanding is that on June 30, if it does not clear both Canadian and U.S. authorities, that deal becomes invalid, probably costing 1,200 jobs.

The First Minister has sent a telegram to the Prime Minister, I believe it was last week or early this week. I'm wondering if he has yet received a response.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I thank the Honourable Member for Kildonan for that very important question. Madam Speaker, the acquisition of Versatile by John Deere did take place a number of months ago. Unfortunately, the acquisition has not been finalized due to action involving the U.S. Department of Justice. The delay continues and each passing day jeopardizes the potential sale of Versatile to John Deere.

In respect to the telex to the Prime Minister, I have received no response as of yet. As a consequence of that, I have put in a telephone call to the Prime Minister or, alternatively, to the External Minister Joe Clark in the event the Prime Minister is not present to immediately take action.

This is a matter of grave concern to the Province of Manitoba, to the potential future of employment and investment growth in Manitoba; and again, I repeat the urgency and the importance of the Prime Minister and the Federal Government doing all within their power in order to deal with what is a critical situation pertaining to the continued delay.

MR. M. DOLIN: A supplementary, Madam Speaker.

It's my understanding that Versatile lost \$17 million in the first quarter of this year and \$16 million last year and will probably go out of business if this deal does not go through.

Will the First Minister follow up not only with the Prime Minister but perhaps the Minister of External Affairs and the Minister of Trade and Industry to ensure the best possible way that this deal could go through in the best interests of Canadians?

HON. H. PAWLEY: Madam Speaker, I certainly will and any other suggestions that any member of this House could provide in the event — and I trust this will not be the case — but in the event of the non-approval of the sale. Under these circumstances, it would be an equivalent situation to the softwood lumber threat insofar as British Columbia is concerned. It would have the same potential effect, to a large degree, upon the Province of Manitoba potentially, if this sale is not allowed, by way of the actions presently before the U.S. Department of Justice.

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker. I have a question to the Premier.

Could he confirm or inform this House, Madam Speaker, that in fact earlier this week, officials representing the Federal Government, the Department of External Affairs, met with officials of the Department of Justice with respect to the Versatile matter; that Mr. Gottleib, at the request of the government, was instructed to meet with the head of the Department of Justice this past Monday?

HON. H. PAWLEY: Madam Speaker, our Minister responsible for Industry, Trade and Technology did meet with Ambassador Gottleib on Friday last, in respect to this matter, and made presentations to the Ambassador in connection with the very grave concern on the part of the Province of Manitoba insofar as this delay is concerned.

I'm looking forward to response and confirmation from the Prime Minister as to all that has been done on the part of the Federal Government, and what the Federal Government can do within the next few days, which are very, very critical to the success of the application, in order to permit the sale to proceed.

It's indeed ironic, Madam Speaker, with the abolition of FIRA that we should in fact have, on the other side, the blocking of this particular sale.

MR. G. MERCIER: Madam Speaker, in view of the fact that this government in the past has found occasions to have delegations and representation in Washington with respect to Garrison, the Premier has in fact travelled to the Northern United States with respect to hog imports; can the First Minister explain to this House why they have taken no direct action for representation with the Department of Justice in Washington with respect to this matter, since it has been outstanding for a number of months, to their knowledge, and they have had full knowledge of that?

HON. H. PAWLEY: Madam Speaker, I regret that the Honourable Member for St. Norbert appears to assume facts that are not correct, and I would ask the Minister of Trade and Technology to inform the Honourable Member for St. Norbert as to his endeavours in this respect.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you very much, Madam Speaker.

This is an issue of concern I think to all Manitobans. We have been involved from the moment we were notified of the holdback, the problem. There have been communications with the Federal Government and we have been assured by our people in Washington that those communications have been expressed to the U.S. Government. It is, in a sense, a judicial Department of Justice area in the U.S., somewhat different from cases in the past where there has been an opportunity for direct public input in the manner referred to by the Member for St. Norbert.

Beyond that, as indicated by the Premier, I asked for a meeting with Ambassador Gottleib last Friday and

met with him and we discussed it again. He assured me that the message that our Premier had gotten through to the Prime Minister a week before had gotten back to Washington, that he had been working on the case, that he was continuing to work on it, but that it was a very serious issue and there was no assurance that in fact we were going to be successful. Of course that is why we've been working on it since.

FIRA

MR. G. MERCIER: Madam Speaker, now that we know from the Minister that the Federal Government is doing everything possible to obtain the Department of Justice approval for this transaction, the question for the Premier, in view of his reference to FIRA, in view of the fact that if FIRA had continued that would have blocked the sale of Versatile to John Deere which would have resulted in the loss of 1,200 jobs in Manitoba. In view of that fact, Madam Speaker, does he still take the same position and is it his position that FIRA should have been maintained, which would have stopped the sale of Versatile to John Deere?

MADAM SPEAKER: Order please. That question is out of order on several accounts: (1) it seeks an opinion; (2) it had several hypothetical comments in it. Would the honourable member like to rephrase his question, without a preamble, if it's a supplementary, please.

MR. G. MERCIER: I would hope the Premier, having referred to FIRA, would take the opportunity to answer the question, Madam Speaker. My question to the Premier, Madam Speaker, in view of his reference to FIRA, is it still the government's position that FIRA should not have been abolished, an action which would have stopped the sale of Versatile to John Deere . . .

MADAM SPEAKER: Order please, order please. That is an area not within the administrative responsibility of the government. FIRA is not a provincial agency.

The Honourable Member for St. Norbert with a question.

MR. G. MERCIER: Madam Speaker, the First Minister referred to maintaining FIRA. My question to the Premier . . .

MADAM SPEAKER: Order please.

MR. G. MERCIER: . . . is it still the Premier's position that FIRA should have been abolished, or should it be . . .

MADAM SPEAKER: Order please. I ruled that question out of order.

MR. G. MERCIER: On what ground, on what ground, Madam Speaker?

MADAM SPEAKER: I ruled that question out of order, saying that it is not in the administrative responsibility of this government, and I do not expect to have the honourable member argue with me.

Now, does the honourable member have a question?

MR. G. MERCIER: Madam Speaker, with all due respect, I challenge your ruling.

MADAM SPEAKER: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour say, Aye; all those opposed say, Nay. In my opinion the Ayes have it.

Bill No. 4

MADAM SPEAKER: The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker. My question is for the Minister of Agriculture.

Given the statement from the Manitoba Committee of the Canadian Bankers Association, that Bill 4 presently in front of this Legislature would ultimately reduce the supply of funds available to farmers and could increase the cost of funds to all farmers; and given the fact that at least 50 percent of the Manitoba farmers rely on credit to run their annual operations, can the Minister assure Manitoba farmers that credit will remain available to all of them at existing rates?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I can assure my honourable friend that it is his colleagues in Ottawa who control the monetary policy in this country and whose policies have placed thousands of farmers in this country into the near-bankrupt position. That's what I can assure him of and many farmers will tell him that.

I can also indicate to my honourable friend that the Province of Saskatchewan has had moratorium legislation for a year and, in fact, during that period of time, the same threats were made in Saskatchewan. The Canadian Bankers Association have indicated to us that they're prepared to work within our legislation, Madam Speaker . . .

MADAM SPEAKER: Order please. Answers should be as brief as possible, should deal with the matter raised and not provoke debate. We're not concerned about what the Government of Saskatchewan is doing.

The Honourable Member for Virden.

MR. G. FINDLAY: Given that many farmers are concerned, will he meet very quickly with the credit unions and banks of this province to discuss this problem and analyse it and determine whether there's going to be an impact on the farmers of Manitoba?

HON. B. URUSKI: Madam Speaker, I want to indicate to my honourable friend that I have, and will continue to have, ongoing meetings with the banking institution. The banking institution has indicated that they're prepared to work within this legislation, although they have issued, as they have done in other provinces, those kinds of threats.

I want to tell my honourable friend that the supply of money has in fact tightened up over the last four or five years in terms of the downturn in the agricultural economy, and that has been a fact of life by all lending institutions, Madam Speaker.

MR. G. FINDLAY: Given that many farmers are concerned about the eventual problems that may evolve because of this Bill 4, will he inform the House when this next meeting is being lined up and will he then inform the farmers of Manitoba as to the results of this meeting that's to come up?

HON. B. URUSKI: Madam Speaker, the honourable member should remember that the financial institutions indicated to me that only 5 percent of their clients are in financial difficulty. This legislation will not then affect the other 95 percent of their clients. Madam Speaker, those meetings will be ongoing with the financial institutions, but there should be no concern of the financial institutions about this legislation because it will only affect those members or those clients of theirs who they say are only 5 percent of their total business and the 5 percent are in difficulty. This is the only part of the legislation that they will be subjected to.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker.

I direct my question to the First Minister. I'm told, Madam Speaker, that banks and credit unions have lent out today to the farm community of Manitoba, roughly \$1.2 billion, an increase and 1 percent on that value would represent a cost to the farm community of \$12 million. My question, Madam Speaker, will this government have funds in place to insure that all those additional farmers thrown as a non-viable situation — when I say all, not only those who are now clients of MACC — because of Bill 4 in its present form will be supported by this government?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I don't think that the Provincial Government has ever pretended that it would have the funds available in order to deal with the exigencies that might occur. I would like to remind the Member for Morris of the communique that was commonly agreed to by all four Western Premiers, that in order to deal with the negative impact of the lowered wheat price and the continued prospects of continued lowered wheat prices, it was important that the Federal Government come forth with a deficiency payment in the range of some \$900 million to the farmers of Western Canada. That was just not Manitoba speaking, Madam Speaker, it was the Province of Saskatchewan, the Province of Alberta, the Province of British Columbia. Regrettable that such a request must be made but in view of the fact that there has been heavy subsidy in Europe and in the United States, our farmers in Western Canada, Madam Speaker, must be treated on at least a basis as comparable to that in other nations, as well as the banking depositors and the oil companies been treated.

MR. C. MANNES: Madam Speaker, I would ask through you to the First Minister or the Minister of Agriculture whether they can guarantee that Bill 4, The Family Farm Protection Act will not result in a net cost to the farm community in Manitoba, particularly because

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of increased interest rates or because of additional cost to government to support those who may no longer receive credit from institutions?

HON. H. PAWLEY: Madam Speaker, I think that the best response to that has been the endorsement with very few exceptions by the Keystone Organization of the Province of Manitoba, that despite the concerns expressed by the friends of honourable members across the way, the bank executives have given their endorsement in general to Bill 4 before this Chamber, Madam Speaker, and I think the honourable members across the way will have to decide whether they are on the side of the banking institutions or on the side of the farmers of the Province of Manitoba.

MADAM SPEAKER: The Honourable Member for Morris on a point of order.

MR. C. MANNES: A supplementary, Madam Speaker. I'm on the side of my constituents, the farmers. On whose side is the First Minister?

HON. H. PAWLEY: Madam Speaker, I trust I have a 10 minute response because the honourable member has asked a very general question which calls for a very general response.

MADAM SPEAKER: May I remind the Honourable First Minister that answers to questions should be brief. The Honourable First Minister.

HON. H. PAWLEY: I thought there was some provision in respect to the generality of questions, but I welcome the question.

Madam Speaker, as I indicated a few moments ago, Manitoba is proud to be a signatory along with other Western provinces in calling upon the Federal Government to provide comparable assistance to the farmers of Western Canada as they have provided to the oil companies and to the large depositors of banks, that the farmers of this country deserve comparable treatment. I'm proud to say as far as this side of the Chamber is concerned, Madam Speaker, we are not going to be equivocal; we are not going to sit on the fence in respect to this matter. Bill 4, unlike the legislation that was presented in Ottawa in the last few days is clearly legislation in defence of the farmers of Western Canada, particularly the Province of Manitoba as compared to the weak-kneed legislation introduced in Ottawa in the last few days.

Canadian Test of Basic Skills

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Education.

The Canadian Tests of Basic Skills results which were released for Winnipeg No. 1, or discussed, show that the children were lower this year than last year, and further that inner-city schools actually scored better than some of the suburban schools which should diffuse the argument that these tests discriminate against

disadvantaged children. My question is the following: will the Minister undertake to request all school divisions in the Province of Manitoba that they administer CTBS so that we can establish a norm for the province and thereby develop a future education strategy?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

As the Member for River Heights knows, the province does operate a provincial-wide assessment in selected curriculum areas each year and that has been ongoing since, I believe, 1979. School divisions have access to the provincial data which gives them a base from which they can judge their own progress in terms of academic standards, so that already exists. It is based on provincial norms on the assessment that goes on in Manitoba schools, curriculum-based assessment. It does, in fact, give divisions a pretty sound basis on which to judge their own progress and directions which they wish to take for improvement.

I point out that the member raised a question about

MADAM SPEAKER: The Honourable Member for River Heights with a supplementary?

MRS. S. CARSTAIRS: Yes, Madam Speaker.

Would the Minister undertake to administer throughout the province with the acceptance of the divisions, CTBS, so we can establish a norm on basic skills?

MADAM SPEAKER: Order please.

A question should not repeat in substance a question already answered or to which an answer has been refused.

Plant breeders' rights

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you, Madam Speaker.

My question is to the Minister of Agriculture. I understand that the Federal Government intends to introduce legislation establishing plant breeders' rights. Could the Minister indicate what this government's position is in respect to this issue?

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, there have been announcements made by the Federal Minister of Agriculture that they are intending to bring in legislation dealing with plant breeders' rights. Madam Speaker, all farmers in Western Canada who have opposed the plant patenting rights dealing with chemical companies should be very concerned with this type of legislation which, in fact, could lead to major increased costs to Canadian farmers as well as to Canadian consumers in terms of the quality of food that they will be using.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet with a supplementary?

MR. C. BAKER: Could the Minister indicate what he intends to do to make sure that the interests of Manitoba farmers and, in fact, the interests of all Manitobans are protected on this issue or at least representative of them?

HON. B. URUSKI: Madam Speaker, I want to indicate to this House and to all Manitobans that the Manitoba Government and the Department of Agriculture, in particular, has engaged the services of a renowned expert in the field of genetic breeding and plant patenting rights. One Pat Mooney from the Brandon area, who has, in fact, Madam Speaker, received world-renown in this whole area, who will, in fact, be consulting with farm groups, with the trade, with consumer groups to receive their input and assist in our work dealing when this legislation comes to fruition, so that all interested parties would be able to be more familiar with what the impact of this legislation may entail.

Civil Air Search and Rescue Association

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker. The Civil Air Search and Rescue Association has recently been formed into a national body and it appears that Manitoba is the only province that hasn't given its blessing to this volunteer organization.

I wonder if the Minister can inform the House when his government may consider recognizing this volunteer organization.

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, there are a number of provinces, I understand, that have not formally signed an agreement. Of course, Air Search and Rescue comes under the federal jurisdiction. The Province of Manitoba, through Emergency Measures Organization, will work cooperatively and have indicated so to any organization, volunteer civilian organization that may be formed to assist in this area. We would certainly provide the advice and offices that we have available, not financial assistance, of course, and I don't think that's what the member was asking for. This is a federal area of jurisdiction. We have indicated that we would cooperate fully with any civilian organization that may be formed in the Province of Manitoba.

MR. D. BLAKE: A supplementary to the same Minister. He is quite correct that the organization, Search and Rescue, is all funded under federally-sponsored programs. It's the official recognition by the Province of Manitoba, by the Government of Manitoba to the newly-formed volunteer civilian organization that they're looking for. I wonder why the Province of Manitoba has not recognized this volunteer organization.

HON. J. PLOHMAN: Madam Speaker, I will look into that further but I've indicated that there has not been a Manitoba chapter of this organization formed. If there

is one formed, we will certainly formally recognize it and work cooperatively with it. We have indicated that.

Native Affairs - audit

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Madam Speaker. I have a couple of questions to the Honourable Minister responsible for Native Affairs.

I understand that the Federal Minister of Indian Affairs had refused to meet with the 27 Indian Chiefs to discuss the implications of the recent audit of the Manitoba branch of the department. Will the Honourable Minister contact the Federal Minister of Indian Affairs to ask him to meet with the Indian Chiefs so as to discuss this important Manitoba concern?

MADAM SPEAKER: The Honourable Minister responsible for Native Affairs.

HON. E. HARPER: Thank you, Madam Speaker.

I have sent a telex to the Minister of Indian Affairs yesterday, requesting that he meet with the 27 Chiefs of Manitoba that were there to meet with him yesterday. I understand that he didn't meet with them and I will be in touch with them later to find out what has progressed since then.

MR. C. SANTOS: A supplementary, Madam Speaker.

Does the Honourable Minister have any plans to meet in turn with the Indian Chiefs so as to discuss what can be done, in order that the recommendations of the audit can be implemented as soon as possible?

HON. E. HARPER: Yes, I am planning to meet with the Chiefs at some point to discuss the audit. I believe the audit itself has presented some serious implications on the part of the Federal Department of Indian Affairs, which has to be addressed. I believe it is a concern to the Province of Manitoba, to the Provincial Government of Manitoba as well.

MADAM SPEAKER: The time for Oral Questions has expired.

INTRODUCTION OF GUESTS

MADAM SPEAKER: I'd like to direct the attention of honourable members to the Gallery where we have 19 students from Grade 6 from the Treherne Elementary School. These students are under the direction of Mr. Scott Smart, and the school is located in the constituency of the Honourable Member for Gladstone.

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

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Thank you, Madam Speaker, I move, seconded by the Minister of Labour, that Madam

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.

MOTION presented and 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 Burrows in the Chair for the Department of Agriculture, and the Honourable Member for Kildonan in the Chair for the Department of Community Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES

MR. CHAIRMAN, M. Dolin: The committee will come to order. We are dealing with the Department of Community Services, Resolution 29, 1.(c), Research and Planning.

The Member for Rhineland.

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

I noticed that there was a 17 percent increase in this particular budget this year. Over a three-year period there has been a 71 percent increase. I wonder if the Minister can explain. It's not that I'm against research, it's not that I'm against planning, but there is a substantial increase in the amount of money which is spent in this particular area over the last three years and 17 percent certainly is higher than what the rest of the different areas are getting within this department.

So I wonder if the Minister can explain why this particular area is getting more money and what are they doing with this money?

HON. M. SMITH: I think that question was asked and answered yesterday. The increase in the Research and Planning has been because we are taking a more active role in coordinating and monitoring our planning. We've also taken a much more active role in cost-sharing arrangements with the Federal Government under the Canada Assistance Plan.

We're renegotiating the Vocation of Rehabilitation of Disabled Persons Act and the Young Offenders Cost-Sharing Agreement. We've also been much more active in Native policy and, as I said yesterday, hired a coordinator for the Decade of the Disabled.

In an era of scarce resources, the planning function becomes even more important and that's the basic rationale for the increase in activity in this area.

MR. A. BROWN: Would this planning, then, be designed in such a manner to give us more efficiency, or are we going to see more expenditures as a result of the planning that you're doing?

HON. M. SMITH: In an area like Community Services there are some services that are relatively mature and others that are in a developmental phase. The ones that are in a developmental stage, like day care, will lead to more expenditure to meet the need.

In the other areas what we're endeavouring to do is to identify if there is any duplication or gaps. Naturally, if we find duplication, we eliminate it; if we find gaps,

we will slowly build up to fill those gaps. So, in a sense, what we're attempting to do is to minimize the growth in expenditure and ensure that where dollars are spent they are in fact being spent in the most coordinated and cost-effective way.

MR. A. BROWN: in the area of Other Expenditures — I don't believe that the question was asked — there was a substantial increase. What are these Other Expenditures for?

HON. M. SMITH: Basically, the increase that's related to the operating costs of the new coordinator for the Decade of the Disabled.

MR. A. BROWN: I see, under Recoverable from Canada, there are \$265,000.00. Now that's not nearly 50 percent of what is being spent in this area. Why do we only get \$265,000.00? What are the extra programs which the Federal Government is not funding?

HON. M. SMITH: Canada Assistance Plan covers some of the activities of the department, but not all, such as the area of Corrections. So some of the planning money is cost-shareable and other is not.

MR. A. BROWN: Would this be pretty well then the extra money that we are paying ourselves? Would that be specifically going then towards Corrections?

HON. M. SMITH: Only the salaries are cost-shared and only for certain portions of programs. For example, as I referred to, Corrections is not cost-shareable. There are elements of the Day Care Planning that are not cost-shared, and some of Child and Family.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: No, my question was just answered.

Thank you, Mr. Chairman.

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

1.(d) Communications — the Member for Rhineland.

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

I think that we are especially concerned about this particular area of the department. I notice that there is a 7 percent decrease in Communications this year, but over a three-year period there is a 335 percent increase. Now when you think of it, this Communications really is a part of the Minister's department which is really there only to make the department look good, carry forward a little bit of information as to some of the programs that they are getting involved with, but really, Mr. Chairman, I believe that it is absolutely and completely unacceptable that we spend this type of money on Communications when that money ought to be going to assist children in whatever areas they have difficulty in, whether it is abuse or whether it is battered wives abuse, both of these areas. We are desperately short of money.

Why would we want to be spending this type of money on Communications when other areas certainly should have priority over this particular item?

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HON. M. SMITH: Well, I just completely disagree with the premise of the member. The communication function in a department like Community Services is a vital support program for public education for staff training. We have available some folders here that have some of the pamphlets that are in use on the abuse-family violence area, the community option area. We use the monies here for recruiting foster parents, for recruiting volunteers to support the varied programs that we have in place.

As you know, the thrust of the government in Community Services is to work very extensively with community groups and also to promote community education to a more preventative stance. Without some expenditure of monies in this Communication Branch, we would not be able to carry out that type of activity.

My Deputy Minister is distributing among you samples of the types of educative training-recruiting materials that we have developed.

MR. A. BROWN: Is this all the monies that are budgeted for Communications or could the Minister identify where money also is accounted for?

HON. M. SMITH: There are some specific budgeted items in other areas. As we move along we can identify them. If the member wanted a summary, it would take me some time to get that pulled together.

MR. A. BROWN: I would appreciate, Mr. Chairman, as we move along, if the Minister would give us the figures for Communications as we go from item to item.

Again, Other Expenditures, there was a huge increase in Other Expenditures from \$5,000 to \$60,000.00. Can the Minister — no, pardon me, I'm on the wrong page.

HON. M. SMITH: You're on the wrong page.

MR. CHAIRMAN: Item I(b)(2), Page 31.

MR. A. BROWN: There is a decrease over there. Okay. Can the Minister identify the Other Expenditures?

HON. M. SMITH: Telephone \$1,000, Postage \$2,000, Messenger/Courier \$1,000, Subscriptions \$500, Stationery \$1,500, Printing \$3,000, Employee Training \$2,000, Travel \$2,000, Hotels \$500, Meals \$500, Annual Maintenance for Word Processing Equipment \$1,000, Programs \$81,500, Direct Mail \$45,500, Miscellaneous Advertising \$3,500, Orientation "A" — Audio-Visual 15,000.

MR. A. BROWN: I notice that there are a number of hotel bills and meals and so forth.

Has this particular department travelled quite extensively throughout the province, or what would those hotel costs be about?

HON. M. SMITH: There are six regions in the province beyond the Winnipeg area and we are involved in training and outreach in those areas. The total expenditure is quite modest, I would think.

MRS. S. CARSTAIRS: Can the Minister tell me how many staff years are involved in the salaries?

HON. M. SMITH: Five — unchanged from the year before.

MRS. S. CARSTAIRS: Can she also tell me why therefore there is no increase in salary at all?

HON. M. SMITH: There was an adjustment in the last year's vote. Last year's was at 118.8 and it was adjusted to 147,200 because of a transfer of one staff from Child and Family Support. So it's the person with the higher skill level. But year over year there is . . .

MRS. S. CARSTAIRS: So you went from 118 estimated last year to 147 and then we're staying at 147 this year?

HON. M. SMITH: Some people were budgeted at the upper level of the range, but started at the lower level — sort of internal variations.

MRS. S. CARSTAIRS: Can the Minister explain the decrease in the \$20,000.00? In which of the program areas has this fallen?

HON. M. SMITH: We're just slowing down somewhat in the rate of development of audio-visual presentations. It's just a general tightening in the preparation of materials.

MRS. S. CARSTAIRS: I assume the Minister is not saying that there is less of a need to communicate this year than there was last year in an election year.

HON. M. SMITH: The department was involved in very early stages of new thrusts last year that required a fair bit of orientation material and outreach material, particularly the development of the new Child and Family Service Act.

MRS. S. CARSTAIRS: Yes, I am suspicious of the honourable member. My concern is, in fact, that I would think with the programs like Welcome Home, which are getting a very large additional thrust from this agency this year, that there would be a continued need for that kind of money in the development of good communications.

HON. M. SMITH: Well, there are some areas that are up and some that are down, but the need at this level, I would think, that the major shift has been the fact that the new Child and Family Service Act is out and the basic training and communication of that has been completed.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Just a point of order, Mr. Chairman. Did we not ban smoking from committees?

A MEMBER: I thought we did.

MR. CHAIRMAN: I hadn't seen anybody smoking, but if . . .

MRS. G. HAMMOND: No, I'm just asking.

MR. CHAIRMAN: Yes, smoking is against the policy. But if I do not observe anyone smoking then the policy is being adhered to.

MRS. S. CARSTAIRS: Mr. Chairman, I have to protest because I'm an asthmatic and if the fans are going and the smoke gets in my way, I'm going to be huffing on an inhaler very shortly.

MR. CHAIRMAN: Okay, then people are reminded of the policy that there is no smoking at the committee. The Member for Kirkfield Park.

A MEMBER: I put my cigarette out because if anyone requests it I believe I should comply if it bothers them. I am quite willing to do that any time a request is made.

MRS. G. HAMMOND: Yes, my question is about the recruitment of foster parents. To the Minister, is this the area that the recruitment is actually taking place, or do the social workers also do it out in the field?

HON. M. SMITH: The recruitment is done in the field. There is an element in the Child and Family Services that covers the particular expenditures for that.

MRS. G. HAMMOND: I believe, if I'm not mistaken, that the Minister mentioned that this was part of the salaries, was recruitment foster parents, and I'm just wondering what they do then here.

HON. M. SMITH: I was giving sort of a broad-brush picture of what was going on. I did say, though, that there were specific budget items that will appear in each area. I have in front of me the Communication's budget for Child and Family Services in which foster family recruiting money appears. So I would withdraw that general thrust that I referred to before. I had it placed in the wrong area.

MRS. G. HAMMOND: Is the Minister saying then that the 147,200 doesn't cover any component of the recruiting of foster parents?

HON. M. SMITH: I perhaps have given a wrong impression here. There is not a complete division of the Communication function. In the central group there is a director, two media specialists and two administrative support. They work in cooperation with the people in the branches. They, in a sense, are the expertise, but the actual printing and production costs will show up in the department. These will be the resource advisers, I guess you would say, the media specialists.

MRS. G. HAMMOND: This then is advertising for foster parents. Is that what it is, or that's what it will be when we come to the area?

HON. M. SMITH: The elements in the foster parent recruitment, I'll refer to when we get there. There are things like audio-visual, pamphlets and local recruiting.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass.
1.(e) Financial Services — the Member for Rhineland.

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

I wonder if the Minister could give us a bit more of a rundown than what we are receiving in our Estimate Book as to what the particular function of this group is, Financial Services.

HON. M. SMITH: There are the same number of staff years from an adjusted vote. In fact, during the year, there was a transfer of one staff from Adult Corrections. The current staff total then is 19, Recoverable from Canada, \$225,000, again for some of the same reasons I mentioned earlier, that some of the elements are cost-shareable and others aren't.

The function of this group is to provide departmental administration and direction on fiscal management and control, including the internal audit function. It also provides central accounting, budget, revenue and financial services, and prepares claims under the federal cost-sharing agreement.

MR. A. BROWN: I notice over here that we have financial services and budget planning in (e). We had this in 1.(c). I'm also informed that there is a certain amount or quite a bit of duplication between these two areas. Why? Why do we have to have financial services and budget planning in two different areas?

HON. M. SMITH: I think the answer is that they are complementary. The planning looks at the need, the various options for service delivery, looks at the costs of those and, in a sense, designs the program to meet the need. They would do it in consultation with the budgetary people.

The budgetary people then will prepare all the financial statements, submissions to Treasury and so on. They'll process vouchers, accounts payable, maintain clients' trust accounts. They'll do revenue accounting, accounts receivable. One is the policy side and the other is the budgetary side, but they do cooperate and complement one another.

MR. A. BROWN: I wonder if the Minister would undertake to take a look into the particular concern that I have raised on this particular item.

From what I understand, these fellows are the good guys and, in 1.(c), they're the bad guys, because they are supposed to be doing some of this work, but really it is done by this group and there is a certain amount of duplication from what I understand.

I would appreciate it if the Minister would take a look at that particular area and see if this indeed is the case and if it is, then take the necessary corrective measures.

HON. M. SMITH: I would submit that (c) and (e) are like a good marriage. It takes the two to make the good marriage, but the partners may not always fully understand one another. However, I am always looking for efficiencies and if the member wishes to submit specific examples of waste or duplication, I would be more than happy to look into it.

MR. A. BROWN: Other Expenditures, could we have a breakdown of that figure?

HON. M. SMITH: Major items include computer charges for voucher accounting, printing and stationery,

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telephone, office equipment, and other, totalling 124,800.00.

MR. CHAIRMAN: The Member for River Heights.

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

We have 19 staff years and we had 19 staff years the year before. We have, however, a 9.4 percent increase in wages, and I accept the Minister's earlier statement that, in fact, only 3 percent is going into wages. Does the department find itself consistently having to hire people at higher wages than they were previously paying?

HON. M. SMITH: It would depend on the particular skill required. I think it's fair to say that positions in admin. and finance, at the senior level, do tend to require somewhat more experience and sophisticated skills than some of the direct delivery. There's no simple rule of thumb.

MRS. S. CARSTAIRS: Can the Minister tell me how many people within this department are specifically working on claims for federal cost-sharing, for which \$225,000 is recoverable?

HON. M. SMITH: There's three staff assigned to the budgetary and cost-sharing functions. They do work as a team. One part of the year, they might all be focusing on the cost-sharing, and at another, on the budgetary.

MR. CHAIRMAN: 1.(e)(1)—pass; 1.(e)(2)—pass.
1.(f) — the Member for Rhineland.

MR. A. BROWN: Thank you. Could we have the SY's and could the Minister give us a little more information on this one?

HON. M. SMITH: There are 21 SY's. There was an adjustment during the year, a transfer of one staff from residential care licensing. This group provide management and information systems development, data processing, administration of office space, office equipment, and departmental fleet vehicles.

MR. A. BROWN: I would just like to point out to the Minister that there is a small increase shown this year, an increase of 2 percent, but over a period of over three years, again, there is an increase of 45 percent. There is a substantial, if you take it over a period of three years, and as you're going to see throughout the entire department, there is a substantial increase all the way through. This, of course, must be of concern to all of us because, really, we're talking about administrative services.

Can the Minister tell me how many cars we have in the departmental fleet at the present time?

HON. M. SMITH: One hundred eighty-eight.

MR. A. BROWN: One eighty-eight.

HON. M. SMITH: They are fleets — I mean, they're vehicles — some of them may be buses or vans, small

vans, depending on the function. For example, in Corrections, you might require a small van for transporting people.

MR. A. BROWN: In your last year's answer, I believe that you said 260 units. Have you been disposing of a number of units?

HON. M. SMITH: In cooperation with Treasury Board, we've been setting criteria right across the government for when it's most efficient to have a government car and when it's most efficient to have some other travel arrangement.

MR. A. BROWN: Again, Other Expenditures, could be have a breakdown.

HON. M. SMITH: Again, this is a total of \$44,500.00. Travel, \$7,000 by vehicle; by air, \$2,500; by goods or freight, \$400; telephone, \$10,000; courier, \$200; office supplies, \$5,000; repairs and maintenance, \$500; rental, \$2,500; furniture, \$500; equipment, \$900; hotel, \$2,000; meals, \$2,000; computer-related charges, \$7,000; publications and subscriptions, \$1,000; educational assistance, \$2,000; other, \$1,000.00.

MR. CHAIRMAN: The Member for River Heights.

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

Can the Minister tell us how much of administrative services is now actually spent on data processing?

HON. M. SMITH: As with the communications, these charges show up in the individual programs areas. They are charged out to the areas.

MRS. S. CARSTAIRS: Does that mean that in this 723,900, there is no actual data processing?

HON. M. SMITH: That is the salary grouping. There are automated projects at various stages of development, which do involve the people in this department. There's one in Young Offenders, Child and Family Support, Adult Corrections, and Child Day Care.

MRS. S. CARSTAIRS: Since it's mentioned here under Administrative Services, rather than in other places, is the department making more of its data processing internal as opposed to using the Manitoba Data Services?

HON. M. SMITH: There's a process that exists through the Treasury Board whereby any departmental data processing projects must be vetted through our information management system to see that we have a compatible and most efficient system, so any new development that we have must go through that process.

MRS. S. CARSTAIRS: I think all of us have come to the conclusion that our little computers are becoming far more capable than they ever were before. Has the department made a deliberate decision to internalize much of its data?

HON. M. SMITH: I think rather than internalize, the main developments have been in developing data systems that will enable us to manage on a better system with more accurate and speedier information. I could give you the general outline of the four thrusts, if you would like.

MRS. S. CARSTAIRS: Please.

HON. M. SMITH: In the Young Offenders area, there's a project involving the development of a registry of all juveniles charged under The Young Offenders Act to ensure appropriate placements and monitor progress. It's under the direction of the Attorney-General's Department in conjunction with Community Services. The project is presently prototyping with private consultants.

Under Child and Family Support, this project involves the computer automation of the Child and Family Services program in all service offices. This is a tracking system to monitor all children in care. Due to program requirements, this system is to be decentralized and is presently being prototyped, utilizing departmental staff with consultant input.

In Adult Corrections, the project involves the computer development of correctional programs to monitor residents in the seven institutions. The requirement phase of the project has been completed and prototyping is ready to commence.

In Child Day Care, the project involves the computer automation of the subsidy payment system for day care providers. The requirement statements have been completed and project approval is now being pursued.

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

Page 32, 1.(g), Personnel — the Member for Rhineland.

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

We have a very slight increase in salaries in Personnel, but again, taking this over a period of three years, there is a 70 percent increase. How many SY's do we have in this particular area at the present time? How many did we have three years ago, I would like to know. How many did we have in here in 1984? Why do we, in this particular area, need such a tremendous increase of expenditures?

HON. M. SMITH: As we have been developing stronger programs in human resource management systems that involve recruitment, selection, evaluation, classification of positions and, particularly, as we move into more development and training of staff so that they can most effectively carry out their duties, we have found it useful, indeed necessary, along with the developments that have been occurring in the business world, to have a human resource service that concentrates on those issues rather than just leaving it to ad hoc arrangements. There's also the payroll staff that did show up in a different section in 1984-85. So some of the increase has come about — well, virtually all of it has come about as the transfer of that function to this.

MR. A. BROWN: Could I have a comparison of the SY's from now until 1984?

HON. M. SMITH: Again, we don't have the comparisons quickly available over the two-year time frame. The basic answer is that the personnel functions and the payroll functions have been combined since 1984 and that is the basic shift.

MR. A. BROWN: I beg your pardon? I couldn't understand the Minister. You said there was . . .

HON. M. SMITH: There are 15 staff in this area. There's not much change year-over-year, 1986-87 over 1985-86. You're asking me for what you consider an explanation of a more significant increase, 1985-86 over 1984-85. My reply was that I don't have in front of me the 1984-85 data, but the main reason for the shift was that the payroll function has been brought into this personnel area; they are now working together and that's accounted for. It's a reorganization internally that's produced the change, not a straight add-on function.

MR. A. BROWN: To me this is a rather important department because they do the recruitment, they do the evaluation. I wonder, when they did the recruitment, is the Civil Service Commission involved at all. Who does the advertising for staff for positions and who does the selection?

HON. M. SMITH: As with some other large staffing departments, the Civil Service monitors a delegated authority that we put into these departments. The senior levels of staffing are recruited through the Civil Service Commission and then they periodically monitor our recruitment and evaluation and so on that is being done by delegated authorities. There is a formal process we go through that delegates an authority to hire up to a certain level.

MR. A. BROWN: Could the Minister give me some kind of an indication as to who sits on a committee to consider the appointment of senior level employees?

HON. M. SMITH: The general practice is to have three; one from the Civil Service Commission; one from our department; and, depending on the specialty being hired, a third person from either our department or another department. This is for senior officer level and up.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Mr. Chairman, has the personnel of the Personnel Department changed dramatically this year?

HON. M. SMITH: Not in number, but we have in fact appointed a woman as head of the branch, Leslie MacCallum.

MRS. S. CARSTAIRS: Does that account for the fact that there's only a \$1,500 salary increase here over the whole budget?

HON. M. SMITH: No, the shift is a combination of some ups and some downs. This person would be

brought in according to the level of experience and expertise.

MRS. S. CARSTAIRS: I really wouldn't expect the Minister to do anything different.

As far as Recoverable from Canada is concerned, is that a specific section of personnel or is it generally just all over the board?

HON. M. SMITH: The recoverable amount is the total of prorating how much time the members spend on programs that are considered cost-shareable. It's a complex way of arriving at the figure, but we try to prorate the time required as best we can.

There is a program initiative which I'd like to refer to. This group has been responsible for coordinating a departmental affirmative action plan to improve the employment opportunities for target group members. They have also actively assisted in the development of the department's effective performance management initiatives — initiating a department-wide study of the human resource function, implementing a long-term disability plan and a deferred salary leave — also part of the 1985-86 programming.

MRS. S. CARSTAIRS: I'd like to congratulate the Minister on the fact that affirmative action seems to be working in her department since it's been taken over by a woman.

Can she, in fact, tell us of any other activity within affirmative action in regard to the hiring of Natives or members of the visible minorities in her department?

HON. M. SMITH: I can tell you the record for the past year — of the 364 appointments made in the department during 1985-86; 22 were Native or 6 percent; 3 physically disabled or .8 percent; 17 visible minority or 4.7 percent. Total appointments to female underrepresented classifications were 88 or 24.2 percent. In addition, the branch undertook 81 classification reviews.

The planned activities for 1986-87 include the development of a Policy and Procedure Manual for departmental managers. Implementation of the Effective Performance Management System, review of the nursing series and continued efforts in the area of affirmative action.

MR. CHAIRMAN: The Member for Brandon West.

MR. J. McCRAE: Mr. Chairman, the Minister just cited some statistics respecting affirmative action, and I ask the Minister what the target is and how close you are to the target that's set by, I believe, the Civil Service Commission — or is it the Labour Department? — I think it's the Civil Service Commission.

HON. M. SMITH: We've developed an affirmative action planning cooperation with the people working in the department.

There are long-term goals of trying to match the numbers to a rough proportion of people of that group in the community. With specific areas, it's to match them to people with appropriate training so that we are dealing with realistic proportions.

Our goal is to be at or above the progress rate year-by-year to gradually restore or create a more effective balance. Because there's so little attrition going on in the Civil Service it's not something that can be achieved overnight.

MR. J. McCRAE: How long have those targets been in existence?

HON. M. SMITH: About a year-and-a-half ago the government did establish long-term targets. Then each department has come up with long-term departmental targets.

I don't have the specific percentages but I'm aware that they're attempting to blend both the numbers of people in the community of that particular group, and the numbers of people trained for the types of work. But naturally we're looking at some movement, promotion and so on, up the ladder.

We have completed a departmental affirmative action plan which has yearly targets and it's been submitted to the Central Government Committee that's looking at that.

We haven't done quite as well on the physically disabled as we would have liked, but we're a little ahead in the area of Native targeting and the appointment of women.

MR. J. McCRAE: The physically disabled one being the tiny little percentage — .8 percent; that one?

HON. M. SMITH: Yes, but the significance of those percentages can only be, I guess, evaluated in relation to the numbers of physically disabled in the community at large and who have training for the appropriate jobs. I don't have all that detail, but that's the general way we're approaching it.

MR. J. McCRAE: If I were to ask these questions at the time of the Civil Service Commission Estimates, would the detail be available there for each of the departments that I might be looking for?

MR. CHAIRMAN: I think the Affirmative Action Coordinator is under the Department of Labour, so I think that would be the appropriate place.

The Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, I want direction from the Minister. Would this be the place I would ask about one of the employees that I had written to her about — it is on long-term disability — who is trying to be redeployed. Would they be the department or another department?

HON. M. SMITH: Yes, this would be the time, although I think if I haven't responded yet . . .

MRS. G. HAMMOND: No, you haven't.

HON. M. SMITH: Okay, well if you wish to raise the issue, fine.

MRS. G. HAMMOND: I want to raise it on his behalf. This particular employee, as you know, has a history

of asthma. It's work-related, it has been indicated that it's work related and has actively been looking for work for months. He is now on long-term disability, as I've indicated.

I sent a letter to the Minister telling her the length that this man has gone to to try and get another job through the government, whether in his own department or somewhere else in government.

There seems to have been no effort at all in trying to get this young man redeployed. His work record is good. He's just short of having a B.A. degree so his education is good. Yet he is under the threat, right now, of being taken off his long-term disability as of September.

This is turning out to be a very stressful type of thing for him. He's landed back in the hospital after talking to Great-West Life because evidently the officer that looked after people on long-term disability is no longer in that position, and they've turned it back over to Great-West Life. When he contacted them, they had no record, and as of the beginning of this month, no one had contacted them about him at all.

I really find it very difficult. When I received the Minister's letter, the Minister indicated that he's a willing worker and well thought of in Corrections and that, to date, it has not been possible for us to find alternative employment for him.

He has applied for practically everything that has come in that has been bulletined that is anywhere within his competency, and he's tried to stay in the areas that he would genuinely be able to do a good job. Not only has nothing been done for him, but he's hardly even had an interview. I really feel that, when you have a long-term employee, because I believe he's been with the department for 12 years — no, I'm wrong. He's been with the department since 1979, but he's had some commendations on the job. I find it very difficult to believe that there could not have been an extra effort to help this man be redeployed within the department. That's why I wrote to the Minister, because I really felt that possibly she could have taken a greater interest in this particular case.

He has indicated to me that, when employees have been charged with criminal offences, either unrelated or related to their employment, they are redeployed to other departments rather than being suspended, which is fine. But the fact is that here is someone who is not being charged with anything and, because of a health problem — and it's related to smoke in many ways — that he hasn't been able to find a thing. There seems to be very little that is done to help, certainly him. I don't know what's happening to other people who are on long-term disability. He's had no offers of redeployment and no offers of rehab training.

I think possibly, after it has been turned over to Great West Life, I don't know what's going to happen now, but I wonder if the Minister would comment on what is to happen to this young man as of September 23 when he hasn't received any encouragement at all. In fact, anything he has done, he has had to push for and strive on his own. There has been no one who has really held out a hand to this young man, except to say in practically every circumstance, don't worry. Within three or four months, you'll be redeployed, and it hasn't happened.

Excuse me, the Minister knows who I'm referring to. Do you?

HON. M. SMITH: To tell you the truth, I would have to see the letter again to refresh my memory. I can undertake to take a second look at the situation. We certainly have tried to be as humane as we can in these situations.

I would though want to correct a misapprehension. In terms of re-employing people with criminal records

MRS. G. HAMMOND: Charges.

HON. M. SMITH: Charges, again it's a sort of loose allegation. I can understand how the individual might feel that some people are getting a fairer deal than others, but we do have a criminal record check policy when we're hiring people which we have under review by the Civil Service Commission to see if that's the most appropriate way to handle the individual's rights over against the need of our clients to have enough protection.

In this particular case, I can certainly take another look at it and see whether there is something that can be done. I certainly know that we're getting very many more applications for jobs than we can possibly accommodate. So there is that general problem out there. We've done our best to redeploy people in general, and I certainly will take another look to see if anything can be done for this individual.

MRS. G. HAMMOND: When I was indicating about the criminal offences, these were charges that were made while people had been on the job. They have been redeployed — I imagine that there have been cases like that — without any difficulty and immediately, some out of the department — when I'm saying some, it could be one — and in.

I think that's where probably he's feeling that it's very unfair, and you can imagine that it's so. What he would like is some assurance that he would either have retraining for redeployment and that his long-term disability would not be cut off as of September.

Had he realized what the implications of long-term disability and how short long-term disability turns out to be, he would not have applied for it. He really has gone above and beyond what most people do to try to get a job. He's taken every course — I was going to use the word, well I won't — every little course that there's been available.

I'll just mention a few. They were in the letter that I sent to the Minister, with the Development and Training Branch. He really had to push these. He took Supervisory Basics, Strategies for Effective Listening. By the end of June, he would have completed Dealing with the Public, Negotiating Skills, Interviewing Skills, Assertiveness Training. I mean, he was really going above and beyond. This isn't a young man who's just been sitting back.

Not only that, he's cataloguing every job that he's tried to get and everything that he's tried to do with no real help from the department. I believe that it would be in the government's best interests and certainly in the Minister's, on behalf of this young man, to make an effort for one of your own employees to find something else for him if he can't go back to the same job, because he's willing to work and able to work if he can get into a better atmosphere.

He left me a copy of the contact that had the MGEA magazine, which was talking about second-hand smoke. There's a note on it which says that, at a meeting of the Joint Council, the MGEA and the government agreed to the formation of a committee to develop a policy on the subject of smoking and non-smoking in the workplace. So the government recognizes that there's something wrong, and I would ask that the Minister make a special effort on behalf of this young man, who has been one of her good employees, to try and see that he isn't relocated.

HON. M. SMITH: Well, I have undertaken to take a second look. I would like to draw the member's attention to the fact that, in the letter sent to her dated May 30 in response to her letter of May 12, I did indicate that he had been referred to and met with the Personnel Division on May 7. We do acknowledge that he's a very willing worker and well thought of in Corrections. We've acknowledged that, to date, we haven't found alternative employment, but that we will continue our efforts to assist Mr. Fougere in finding suitable employment. That was the commitment given in the letter and we'll certainly honour it.

MRS. G. HAMMOND: As of last week or the week before, he hadn't heard from anyone in the department. Is there any personnel and with the affirmative action, are there people there who could help him when he applies to other departments to at least get an interview for some of the positions that he has applied for?

HON. M. SMITH: We'll look into the circumstances and see if there is anything that can be done to help Mr. Fougere.

MR. CHAIRMAN: 1.(g)(1) — the Member for Rhineland.

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

I notice in this particular appropriation over here, we have the evaluation of staff. Can the Minister tell me who does the evaluation and the classification of positions?

HON. M. SMITH: A department such as ours has many levels and each person in a sense has a supervisor who is responsible for seeing that there is a job description and periodically reviewing it with the worker, developing achievement targets that tie into the overall targets for the department and giving an evaluation of the performance of the individual, providing assistance where appropriate or remedying the situation and helping the individual to perform up to optimum level. Rarely in those circumstances do you find someone who just is not measuring up. But if that is the method by which you can identify people and if they are not able after extensive help to measure up, then we do consider redeploying them.

MR. A. BROWN: The Minister's department has come under rather severe criticism from many areas over the last while. I wonder, has the Minister ever considered getting an independent source to come in and do some evaluation of some of these problem areas?

HON. M. SMITH: In the development of an effective organization, it's often a delusion that you can bring

an outsider in and get them to spot all the troubles, give the magic answers and then disappear. In fact, in training and developing systems, we do bring in outsiders to advise and train. But in the long run, the effectiveness of personnel policies and training, evaluation and so on, is more likely to result from the whole department and all the supervisors being able to carry out those functions and work as a coordinating group. In fact, we are well into a training program that I think has currently reached more than 200 of our people who have managerial and supervisory roles in effective performance management. Because, what we're looking at is the workers' ability to perform in their job and achieve the target set.

MR. A. BROWN: Especially in the training of employees, the Minister mentioned that they were getting outside help in to train some of these employees, where would she be finding this outside help? And my question would be: would not a considerable amount of these people, who would be coming in to train, would they not be involved with the Child and Family Services where training would be done, or which particular areas is she training employees?

HON. M. SMITH: There is quite a complex mix of training programs. The Civil Service Commission offers some. We have some internal trainers, and certainly in the Child and Family area, increasingly we are hiring people to train workers in the field. For example, we've put in two trainers under the coordinator of the child abuse programs in Winnipeg to do just that, to train staff in all the agencies in handling child abuse.

MR. CHAIRMAN: 1.(g)(1)—pass; 1.(g)(2)—pass.
2. Registration and Licensing Services, Resolution 30—pass — the Member for Rhineland.

MR. A. BROWN: How many SY's do we have under Vital Statistics?

HON. M. SMITH: Thirty-two — the same as last year.

MR. A. BROWN: Vital Statistics does work, not only, I suppose, for the Department of Community Services, but for various other departments. Is there any money coming into Vital Statistics from other departments, or is Community Services paying the entire cost of Vital Statistics?

HON. M. SMITH: This is not so much the collection of statistics as the providing of registration and certification of records of vital events and public services related to The Marriage Act, The Vital Statistics Act, The Change of Name Act, and The Child Welfare Act. Fees are charged for this service.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: In that fees are charged, what is the in fact input into this department in ways of fees? In other words, is it a department that's paying its own way or is there indeed an additional cost?

HON. M. SMITH: We estimate our revenues this year of being around one million.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, the detailed estimates of revenues indicate the revenue is . . . (inaudible) . . . million this year . . . Does that include the increase that was referred to I believe in the budget?

HON. M. SMITH: Yes, that includes an increase in the charges for Birth, Marriage and Death certificates, photocopies of registrations, fees for search and report by the director.

MR. G. MERCIER: How does the Minister justify charging fees of \$1.1 million for an area that costs \$853,000.00?

HON. M. SMITH: There is a total service provided. There is some anticipated increase because of the Child and Family Services Act which may increase the cost during the year, but it is true that the revenue will be slightly higher than the projected costs.

MR. G. MERCIER: The Minister referred to additional costs. Could she elaborate and tell the committee what she's referring to?

HON. M. SMITH: There's a potential increase in workload in the active adoption registry provision in The Child and Family Service Act.

MR. G. MERCIER: How will Vital Statistics be involved in that?

HON. M. SMITH: There may be some searches of vital records, family records.

MR. G. MERCIER: You're saying the department may have to expend more than is budgeted in this area?

HON. M. SMITH: We expect to absorb the workload.

MR. G. MERCIER: So there will be no extra expenditures?

HON. M. SMITH: We don't expect there to be extra expenditures.

MR. G. MERCIER: So the government will then have a profit of some \$250,000 in the operation of the Vital Statistics Department, from people who have to buy birth certificates, death certificates, adoption certificates. Does the Minister consider that fair?

HON. M. SMITH: The choices available to government are not easy ones. We don't feel that the cost is exorbitant and it does permit some cross-subsidization with the registration and licensing function that's in the same branch.

MR. G. MERCIER: Does the Minister not consider this to be a tax on those people who must apply for these types of certificates?

HON. M. SMITH: It could be described in that way. We do keep regular comparisons with fees being

charged in other provinces to ensure that we're not too far out of line.

MR. G. MERCIER: Does the Minister have some statistics on the number of adoptions recorded over the past number of years on an annual basis? Would it not be too much to ask say for the past 10 years, the annual number of adoptions recorded?

HON. M. SMITH: We'll undertake to get that information.

MR. G. MERCIER: I'd appreciate that in the next day or so and it can be used later on.

MR. CHAIRMAN: 2.(a)(1)—pass.
2.(a)(2)—pass — the Member for River Heights on 2.(a)(2).

MRS. S. CARSTAIRS: 2.(a)(2), no, sorry Mr. Chairman.

MR. CHAIRMAN: Okay, 2.(b) — the Member for Rhineland.

MR. A. BROWN: Thank you.
I'm a little puzzled about Residential Care Licensing. Where I was puzzled in most of the other areas because we had a huge increase over the period of three years — in this particular area we have a 2 percent increase this year — but over the three year period of time we have a 27 percent decrease.

My question is how at a time when all of these community-based residential programs that are coming into force, can the Minister possibly cut back on an important area such as this that does not only the licensing but it does the monitoring of the Welcome Home Program that's coming into effect, you have open custody? You have so many more homes to supervise, how can the Minister possibly hope to do the kind of monitoring which is essential when you're talking about community-based residential programs?

HON. M. SMITH: Yes, I can appreciate why the member would be concerned. The licensing function is separate from the care monitoring function and the staff that will be monitoring the program within, say the Welcome Home Program, will show up under the Welcome Home area. This is basically the licensing of the fire safety space and so on. The health concerns of the wide range of residential care homes, as you may or may not know, when there are homes for the aged and the infirm and the post-mentally ill, while the program responsibility for those has customarily rested with the Health Department, Community Services has been responsible for the basic fire safety and health standards.

MR. A. BROWN: Well, there's not only the granting of the licences which in itself, I'm sure a fairly extensive amount of time must be spent in evaluating a certain home or whatever building you have in order to give it the licensing, but then there's also the monitoring that has to be maintained. I wonder if the Minister could give me any indication at all as to how often the place would be monitored once it receives a licence. Does she have any set pattern that is being followed

in order to determine that proper monitoring is going on?

HON. M. SMITH: A minimum of twice a year.

MR. A. BROWN: Would that include all instances or would that be just the major institutions, let's say, like somebody like MDC and large institutions, or would this include also group homes?

HON. M. SMITH: It would cover the group home category. There's children's facilities, the licensed child and family service, some non-private, private, small scale children's institutional homes, and then in the adult field there's the mental retardation, mental health, infirm aged, mixed functional and voluntary licensing groups. So, it doesn't cover the large institutions such as MDC, St. Amant, Pelican Lake.

MR. A. BROWN: How many SY's are involved in this area?

HON. M. SMITH: Seven.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.
The SY's, are they the same as last year?

HON. M. SMITH: Yes.

MRS. S. CARSTAIRS: But you also lost one to admin?

HON. M. SMITH: Sorry. There was an adjustment mid year, a transfer of one staff to administrative services.

MRS. S. CARSTAIRS: So you, in fact, had seven and eight for part of last year is that correct?

HON. M. SMITH: Yes.

MRS. S. CARSTAIRS: I too share the Member for Rhineland's concern about this. If we're going to release 220 from the Welcome Home Program via MDC into the community and if we know we've got another 100-plus post-mentally ill for which we have to have licensing of residential care homes, I don't understand how the process of monitoring, developing and maintaining standards is going to be maintained.

HON. M. SMITH: As I said before, the program responsibility rests within program areas of departments and the Welcome Home, the monitoring of the program and the well-being of the individuals will be through that program. The licensing function has been related primarily to the health and the physical safety aspects. Again, I think as the programs evolve, that full program responsibility and linkage with the physical licensing is something that I would like to see but at the moment this licensing system is as I say, it's located here and the licensing criteria are primarily of the physical safety and well-being of residents. The program elements rest in other program areas.

MRS. S. CARSTAIRS: Mr. Chairman, in the report of this department, page 12 and 13 under Residential Care

Licensing, it includes a much broader definition of what this particular section of the budget includes. It says, "services providing food, developing and maintaining standards, processing applications, monitoring facility operation for conformity with regulated standards, maintenance and provision of facility registry and statistical information and assistance in program development." And my question remains, how can that all be done with this amount of money?

HON. M. SMITH: I agree that in time the physical licensing and the program licensing should develop, but at the moment the licensing standards that the community residential care facilities must meet are being met by the staff. We do not have responsibility in this area for placing individuals and developing programs for the individuals. The inspector is really a person who goes in and ensures that the licensing criteria are being met. There is another program function which is by far the more time consuming.

MRS. S. CARSTAIRS: Mr. Chairman, I don't question that. I realize the programming function is entirely separate, but if we just take the Welcome Home group. There are 220 by January 1, 1987, which is approximately 12 residential complexes, in addition to the ones they're already doing, and I don't see how they're going to be established with proper standards, proper monitoring, proper inspections, prior to January 1, 1987.

HON. M. SMITH: We have been managing 627 facilities with the staff we have with visits a minimum of twice a year.

MRS. S. CARSTAIRS: Well that leads me to the next question. If you've been managing 627 facilities with seven staff being visited twice a year, how long are they spending at each facility?

HON. M. SMITH: An average of a day.

MR. G. MERCIER: Much of these facilities I take it are in the main operated by private persons, individuals. Could the minister indicate whether these operators will be receiving any increase in fees paid to them?

MR. CHAIRMAN: Excuse me; it's hard to hear. Could you speak up?

HON. M. SMITH: The fee issue is handled through Employment Services and Economic Security. As I say, the division of these functions among the departments has been there for some time. The financial aspect of it is handled under Economic Security and Employment Services. The setting of the licensing standards and monitoring them is under our department and there's some program responsibilities in Health and some in our other branches of our department.

MR. G. MERCIER: It seems to me, Mr. Chairman, that the administration of these types of facilities should be in one department, insofar as the types of services that are being provided that establishes the regulations and pays them properly for the fees to be provided.

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Inasmuch as the standards to be maintained, and certainly in a great way dependent upon the fees that they receive, can the Minister indicate whether the operators will be receiving a fee increase this year?

MR. CHAIRMAN: I would suggest that . . . It's not within the purview of this Minister in this line of Estimates. I think that will be under Economic Security.

MR. G. MERCIER: Mr. Chairman, I think it's very much in the purview of this Minister. This Minister is establishing the standards. Surely she has to be aware of what the operators are receiving, whether there will be any increase.

HON. M. SMITH: The separation of the licensing function from the revenue side is to ensure that there's no conflict of interest. The licensed person goes in to see that standards are in fact being met. Many of the aged people are in fact paying their own way in these homes and our obligation is to see that the basic health standards and physical standards are being met.

It is true that there is a co-ordination or a communication among the departments on these issues. I don't mean to say that we never talk to one another or talk about the adequacy of levels of payment, but the decision and the payout does come from the other department and I think that those issues can more appropriately be raised there.

What we look at, and I know there have been some groups that have been concerned at their fiscal ability to upgrade and meet some of the standards that are part of our licensing; what we do is look at that category of homes and how other operators are managing and, to that extent, arrive at some assessment to the extent that Economic Security consults us, some assessment as to the adequacy of rates. In fact, some of these homes that we license are private and many of the guests are in fact self-paying.

MR. G. MERCIER: Mr. Chairman, in the Annual Report, on Page 12 it refers to the branch that monitors letters of approval for residential care facilities to the maximum four children.

Can the minister indicate how that is defined and what happens if you have more than four children and what happens if, for example, you had three of your own and two children in care?

HON. M. SMITH: Just referring to that paragraph on Page 14 of the report, there are two levels of approval. The numbers refer to the numbers over and above family members, so that you could have your own children but they wouldn't be counted in the number of children. If a residential care facility has up to four children or three adults, they can get a letter of approval from the licensing branch. If they have more than four children or three adults, then they must go under the usual licensing criteria.

MR. G. MERCIER: Just to clarify that, if a family or a single parent or parents or two adults were looking after three children in care, would they have to be licensed and protected?

HON. M. SMITH: If I've heard you correctly, parents who have three children for whom they're caring, three

not their own children, they would require a letter of approval. It's only when they had more than four children or more than three adults that they would have to be licensed.

Now that doesn't necessarily apply to zoning which is another issue.

MR. G. MERCIER: If you have one person, one child in care, do you need a letter of approval?

HON. M. SMITH: If there is placement by an agency. If there is a casual relationship by a family arrangement, then it would not be considered in the same light.

MR. G. MERCIER: Is there a different standard for obtaining a letter of approval than for being licensed?

HON. M. SMITH: The physical standards are not as onerous for the smaller number as they are for the larger number. It's assumed that fire and safety and health issues become more complex almost like on a geometric progression as you get more people. The smaller-scale arrangements have a less onerous approval on their mechanism process.

MR. G. MERCIER: Who issues? You say the branch monitors letters of approval. The letter of approval, I believe you said, was issued by the child-caring agency?

HON. M. SMITH: There are two approvals required, a letter of approval from the regional office having to do with the residents and an approval from the child-caring agency for placement.

MR. G. MERCIER: Which comes first?

HON. M. SMITH: I think what I would like to do is get all the detail on a piece of paper and hand it to you because I think in trying to sort it all out we may end up sort of adding more confusion than clarity.

MR. CHAIRMAN: Appropriately, the time being 4:30 p.m., it is time for Private Members' Hour. I will interrupt the proceedings until 8:00 p.m.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, C. Santos: Committee, please come to order. This section of the Committee of Supply has been dealing with Estimates of the Department of Agriculture. We are in Item No. 4.(f)(1) Marketing Branch: Salaries.

The Honourable Minister.

HON. B. URUSKI: Mr. Chairman, when we left off yesterday I had begun to provide for members, details on the current activities in our Marketing Branch dealing with export market development as well as some of our goals for the 1986-87 year.

I think I should indicate to the honourable members that this year alone, in terms of assisting industry in export marketing, we have cooperated with, I would say, the major packers of Manitoba in obtaining in excess of .5 million of new business in the 1985-86 year on pork sales, primarily to Japan, and participated

in a number of missions between Manitoba and Japan as well. We're looking at increasing the volume of business in the pork area to in the neighbourhood of .75 million to \$1 million this coming year, substantially increasing that business. That is new business, over and above what had been there before.

As well, in the poultry area, we've worked with the Marketing Board, as well as a number of the processors in this area. As I indicated the other day, we shipped almost 53 metric tonnes of processed poultry products valued at close to \$300,000.00. This was new business or increased business from years before.

As well, in the whole area of beef, we've cooperated with the Beef Commission and a number of packers in developing market activities. We're looking at a number of offshore proposals for further processed products in the beef area.

As well, with the goose industry, the two goose plants that we have in the province, we've exported fairly substantial amounts south of the border, and we've penetrated some of the European Economic Community in this area. It has been small to this point, somewhere in the neighbourhood of 50,000 kilograms of product. It should be noted for my honourable friends that 90 percent of Canada's commercial goose market production is right here in the Province of Manitoba. We're the major goose producers in Canada.

As well, a new industry was developed in the Province of Manitoba, and that is the pheasant industry. We're looking at beginning to target the offshore markets and, in fact, have received small orders, somewhere in the neighbourhood of 2,500 kilograms of orders for pheasant meat offshore. That is the beginning in a fledgling industry in the Province of Manitoba.

As well, in the area of breeding stock, we have an ongoing commitment between ourselves and the Manitoba Swine Breeders Association as well as private exporters to ship breeding stock to China and Japan. There were missions into China and Japan this past year, and there likely will be other missions offshore to those countries in 1986-87. We are looking at, for this coming year, somewhere in the neighbourhood of 200 to 250 swine to be shipped to offshore markets.

I should indicate to my honourable friend that there are increased missions, both to the Orient and from the Orient coming into Manitoba over the last couple of years. In fact, there is a new group of purchasers and traders coming into Manitoba within the next week or so who have been involved, both in the construction industry — I guess it would be called the construction industry — and have involvement, and business dealings are now involved in processed food products. They're interested in Manitoba relationships. As well, as I indicated to Japan and China on livestock, those are some of the work . . .

Insofar as dairy and beef cattle, we've established with a Holstein-Friesen Association, a dairy cattle export committee and investigated sales possibilities for embryos in China, live animals to Mexico and Kenya. As well, we're looking at investigations through the Asian Development Bank for possible markets in Indonesia and the Phillipines for dairy cattle and the like, as well as China and Mexico and others. In the beef cattle, we're looking at Central and Northern Mexico for greater expansion of beef cattle and breeding stock in those areas.

In the area of forage crops and seeds, we've been involved with Manitoba producer groups and Ag Canada and the University of Manitoba in a cooperative way to try and increase the promotion and sale of forages and forage seeds, both North America-wide and offshore.

Special crops, of course, we have a long-standing relationship with the Japanese, Japan Buckwheat Millers Association, the Mitsubishi Corporation and, in cooperation with Manitoba producers and contracting firms, Manitoba produces about 50 percent of Canada's production in buckwheat. The Mancan variety of Manitoba buckwheat is highly regarded in the Japanese market.

We have had difficulty in terms of production. Primarily, I believe that there is an attitude difficulty, at least in our own province, that buckwheat is an afterthought. It is not being used as part of the rotational and production plans of many farmers. It's a kind of hit-and-miss crop which has kind of created some uncertainty in terms of our ability to supply that oriental market. We have been very concerned about that and our staff have been trying to promote buckwheat as more into the rotational plans of farmers who have experience in growing it, because it is an ongoing market, although it is a cash crop in the sense that they have to play the market. But over the last number of years, there's been a fair return from the export market in this area. But it has not developed into a consistent supply so that we can, in fact, what I would say, boast the fact that we are a reliable supplier. That is our greatest difficulty in supplying that offshore market.

The Buckwheat Millers' Association visited this country in 1985 and there's been a number of exchanges of clientele back and forth from Japan and Manitoba in this whole area of buckwheat.

In the area of peas, beans, lentils, canary seed, mustard seed, we do work with the producers, the producers' association and Manitoba contract firms. We have responded to many inquiries from foreign sources in South America, Europe, United Kingdom, Nigeria, Guatemala. We are preparing a kit containing samples of grains, pulse and oilseeds from Manitoba and will continue to route inquiries to Manitoba contracting firms.

We are working with the Pulse Growers' Association in production of a brochure in different languages to promote pulse crops.

We have, of course, worked very closely with the Manitoba wild rice industry. Last year, we hosted two missions from Germany. Samples of the product were sent to Germany, France, New Zealand, Denmark and Japan, with small sales made to New Zealand, Germany and Japan.

A MEMBER: Why is production falling?

HON. B. URUSKI: In the same way as we can't understand the whole question of buckwheat, why the buckwheat production . . .

A MEMBER: I'll tell you the reason for that.

HON. B. URUSKI: Can you? You tell me the reason. (inaudible)

In terms of canola, of course, we work with the Canola Council of Canada and other western provinces in Japanese consumer promotion, and have assisted the Canola Council with financing the annual meeting in San Francisco and the like to promote the use of canola products.

As well, we are involved in the international promotion of Food Pacific 86 as an adjunct to the World Expo in Vancouver, and we will be there from August 29 to September 2 in conjunction with that. Ten Manitoba firms will be participating, and our department, along with IT and T, will be assisting in the funding and staffing that display booth in Food Pacific.

As well, we continually work with the Manitoba Food Products Directory and distribute it to all Canadian Embassies and Consulates worldwide, and continually updating that brochure.

As well, we have printed and distributed a number of brochures in Japan, in the Japanese language, with several Manitoba export commodities like pork and poultry. In fact, we participated in the design and distribution of a recipe book in Japanese to promote Manitoba-produced products in terms of pork and poultry and the like.

We assist with the Manitoba Breed Associations in terms of having ads in the World of Beef, ads in the Record Stockman USA on breeding stock, in support of the Ag Ex in Brandon and, of course, the Agribition in Regina. We will continue to work there.

Last year, in the fiscal year of 1985-86, our Premier attended the Manitoba Night at the Canadian Club in New York City to promote Manitoba products. Our staff arranged a menu assembly, packing and shipping for what we could consider a very successful event there. We expect our turn, of course, to come again in 1995 at this event there, and we will be participating in that area. Each province, as I understand it, is given one night a year to promote produce from their own area in the New York market dealing with a large clientele of the business community in that city.

Those are some of the highlights that I have provided to the honourable member. If he has some specific questions, we will endeavour to answer them.

As well, in the area of — I guess I went as far as geese and ducks. Last year we did not deal with the whole area of vegetables and vegetable promotion. We designed and coordinated a new image in the whole area of Manitoba food production, entitled, "Enjoy the great taste of Manitoba vegetables," an availability and ordering specifications chart designed for retail-wholesale trade and the food service industry.

We also coordinated printing and distribution of a new brochure indicating the locations of "U-pick" vegetable operations and roadside stands. As well, we worked with the Manitoba Vegetable Producers' Marketing Board to develop a survey addressing the topic of vegetable usage in the food service industry, and we are applying through the Student Temporary Employment Program within government to have a student carry out the survey to find out how much usage is being made of Manitoba-grown products.

The survey is being done right now. I'm sorry, I said that we had applied. The survey is being done by a student to really see how effective the work is we're doing in this marketing area on the use of Manitoba vegetables in the food service industry.

As well, we've provided displays to the Vegetable Board for annual convention and trade shows at the Canadian Food and Vegetable Wholesale Association in Calgary. Of course, we're using a new logo and new colours in the "Fresh for Flavour" promotional calendar dealing with Manitoba vegetables.

In this coming year, we are encouraging installation of vacuum-cooling and hydro-cooling. Competition elsewhere in Canada and the United States is extensively using this technology and we're trying to get industry involved in this whole area so that we can in fact be competing right up in terms of the technology in the marketplace.

As well, in conjunction with Ag-Canada, IT and T, and the Manitoba Vegetable Producers' Marketing Board and Growers, we endeavour to extend our availability of supply through improved, expanded storage. Of course, we are continuing to encourage the establishment of frozen vegetable processors in Manitoba.

In concert with our own Soils and Crops Branch, we undertake market investigation with regard to the potential of new product development, supervise a survey re the food service use of Manitoba vegetables. That's what we're into now.

We were closely aligned with the "U-pick" industry of the Strawberry Association of Manitoba and assisted them to plan their promotional activity for the year. We tested all their recipes and wrote a copy of a new recipe brochure, printed it and distributed 20,000 "U-pick" maps, assisted in organizing strawberry promotions with selected Winnipeg restaurants, and provided booth and display material for the Red River Exhibition. We have also worked with the association to organize Strawberry Hotline, a consumer phone-in service staffed for the summer by a university student, and contacted the media and wrote newspaper articles on the use of strawberries.

We will continue in all these areas this coming year as well as test recipes to produce a new recipe brochure, if there are new areas that we should be looking at.

We've also worked extensively with the Greenhouse, Nursery and Landscape Industry in planning their promotional programs. We've collected data, edited articles for a special outdoor supplement for the Free Press; and, of course, assisted them in the preparation of a new membership directory and we intend to continue that liaison.

I guess I could go on and on and on. There's a whole host of others and I think I will stop there at the present time.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. G. FINDLAY: Mr. Chairman, you're mentioning the projects that the marketing branch is involved in. There was a lot of discussion with pork and vegetables, the poultry industry. There wasn't very much mention of the beef industry and could he . . .

HON. B. URUSKI: Beef?

MR. G. FINDLAY: Yes. I'm wondering to what extent the beef industry is being supported in this direction, considering the economic input that they put through

the province, in terms of the basic industry and the processing industry; and are we involved in selling carcasses live, processed products, specialty-type products from the beef industry? Can he expand in this area if there's anything going on?

HON. B. URUSKI: Mr. Chairman, I should indicate to my honourable friend that we now have, on staff, a person in the marketing area whose major expertise is in the beef industry. He has just come onstream at the beginning of this year. We did have a number of staff, for example, Burt Waters, who was one of our marketing people, has gone as general manager of the Turkey and Chicken Marketing Board. We had a number of people retire. We did not have someone whose expertise was in the red meats sector, as much as we would have liked. The person we have now, Terry Young, who is our marketing person who just came in from the industry and joined our branch, has, I would say, 15 years or more experience in the whole red meat area.

I think one of the major areas that the beef industry, in terms of expansion of production, has generally concentrated its development on fresh product or frozen, in terms of the vacuum-packed or whatever in terms of the fresh cuts. They have not tended to look into the further processing area as some of the other industries have tended to move. I think that's the area that probably deserves the greatest investigation and look, in terms of what might be possible for export potential.

We're now working on some research through the Canadian Food Products Centre in Portage on the whole area of the fast-food industry, the "beef-fingers" area. There's research being done there to try and really go beyond the hamburger market, so to speak, in the fast-food industry. We are concentrating some development in assisting industry in that whole area, but it is the expansion into that fast-food industry beyond the hamburger market, will be the area that I think has to be concentrated on, recognizing that the consumption of red meats is on the downslide and has been for the past, I would say, seven or eight years and it's continuing to drop.

North American eating habits are changing and the industry itself has, I would say to some degree, not reflected that change or attempted to reflect it. We're now starting to move — even though I believe we're ahead of our counterparts down south — in terms of what consumers demand, rather than having basically that inch of fat on those steaks, that's not what the consumers are demanding. They want good quality, lean product that they can use and that's the area that has to do more in the grading area, and our own Beef Commission has coordinated an approach with all the breed associations to develop a strategy. In fact, we've developed a strategy in the whole grading sector and made extensive proposals to the Federal Government in terms of changes we would like to see. But, as you know, changes in that whole grading system do take time and are not very swift in coming, but we're continuing to work in that area.

MR. G. FINDLAY: Does the Minister believe that advertising promotes sales of Manitoba products?

HON. B. URUSKI: I'm sorry, I didn't hear you.

MR. G. FINDLAY: Do you believe that advertising promotion the sale of Manitoba products?

HON. B. URUSKI: Mr. Chairman, there's no doubt that advertising will do a certain amount of promotion, but after that you also, depending what market you're into, you can advertise all you want and if the market is difficult to penetrate, you will have one heck of a time breaking into it.

I think you have to have an acceptable product and it will be a long-term effort. I don't know whether you could pour in thousands and thousands of dollars and never really be able to concretely measure the impact of the advertising dollar. We believe that there is value in it, but I don't believe that we should just pour in an unlimited amount of dollars, which we don't have, in terms of advertising, but we do promote, within our own province, the promotion of Manitoba-grown product. And, of course, we have to have cooperation with the entire industry. If it isn't industry-wide, then the government can do all the promotion it wants; it has to be integrated in terms of the market that you're trying to address, in terms of the promotion you're doing.

MR. G. FINDLAY: I'm thinking particularly in Manitoba of the ads that we see periodically, once in a while, in poultry and in pork. Those ads seem to be pretty effective. I've seen comments from people — and milk I guess is another one — and these are commodities advertised, using producer's money, as far as I am aware, coming from the marketing boards and their ability to collect the checkoff for promotion.

I think back a few years, there was a substantial move across Canada to promote the sale of beef, a beef promotion across Canada, and the checkoff was occurring here in Manitoba, and the Minister has already identified that beef consumption is going down, but yet he removed the checkoff that allowed for beef promotion on behalf of the producers of Manitoba. I would say that was a negative move and we're still seeing the effect of it, because he's already said that beef consumption is still going down and we're doing nothing to address it.

HON. B. URUSKI: Mr. Chairman, the honourable member knows that it's not a Manitoba phenomenon; it is a worldwide phenomenon. The checkoff — the honourable member wishes to get into that issue. I want to tell him that I offered a voluntary checkoff to the industry, to the association, that they could continue it if they so desired. They did turn me down and I met with them, even before the legislation was put into place, I met with them and I offered that proposal to them, as a compromise in terms of the question of the compulsory checkoff. We offered them a voluntary checkoff on the beef industry. That was turned down, Mr. Chairman. The member should be aware of that.

MR. G. FINDLAY: We had that checkoff — I guess you wouldn't use the word "voluntary," but the person who was checked off could recover his funds and I'd like to know on what fashion you had proposed a

different nature of checkoff, beyond removing it entirely?

HON. B. URUSKI: Mr. Chairman, what was being discussed, and in fact may be coming back on the table again is, of course, the need for a manifest system in terms of the movement of animals. The association was very supportive of that proposal in terms of having a manifest system in this province.

I can't recall the specific type, whether it was personal or whether it was general, in terms of manifest, but on that manifest we proposed that there would be, in fact, a notation for the association. Then, of course, the association could deal with the funds as they saw fit, whether they wanted to belong to the Canadian Beef Promotion Program, or whatever they desired. That was their checkoff; that was proposed to them. It was turned down and at that time, we did not proceed with the manifest system.

There is a movement, again, to reinstitute, because of security reasons and enforcement reasons on the movement of cattle, there is some movement about now to bring that forward again in terms of trying to deal with the whole movement of cattle; a similar system to what they have in Saskatchewan and I believe in Alberta. Those discussions are under way. That issue, in my mind, I left it on the table, and quite frankly, if the association representing beef producers — and we may be involved in bringing in the manifest system — that option will still be there for them to consider.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please. If the member wants to speak, he can be recognized.

The Member for Virden.

MR. G. FINDLAY: Have you had recent and ongoing discussions with the Cattle Producers Association and with the RCMP for developing this manifest system involving a checkoff?

HON. B. URUSKI: I'm sorry, are we having discussions?

MR. G. FINDLAY: Do you have ongoing discussions with them that are developing this system of manifest involving a checkoff and are the RCMP involved in this discussion?

HON. B. URUSKI: Yes, Mr. Chairman.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: I don't know if the last time we met, we established where the cut in the marketing budget went. You said it went to Business Development and Tourism. Did you establish where in Business Development and Tourism it went? Which number in business? What page? If you could direct me to the page and the number.

HON. B. URUSKI: Mr. Chairman, I can't provide the honourable member with specific information as to where in fact it is shown in the Business Development and Tourism lines in their Estimates. Perhaps the

member, when those Estimates come up, can deal with that with the Minister.

The bulk of the funding that we had in terms of Buy Manitoba — we're looking at about \$75,000 to \$80,000.00. That's what the member is talking about in terms — well, \$87,000-88,000.00. The major promotion being coordinated through that department is the Manitoba Food Products event that is going to be handled through that department.

MR. E. CONNERY: Business Development and Tourism is surely not going to be under Tourism, so it would have to be in the Business Development sector. It shows here last year, \$635,000, and this year \$641,000, or a little bit more. You're looking at an increase of \$6,000 or \$7,000 and you've cut 87 or 88 or 89 out of the other one. So I don't know where you could have included it under Business Development.

Now I don't know what agriculture is going to benefit in marketing by coming under the Business Development sector. Now can the Minister explain what the Business Development sector can do for Agriculture as far as promoting agricultural products?

HON. B. URUSKI: Mr. Chairman, the whole Buy Manitoba campaign, and I'm going from memory, in terms of promotion, ranges in the amount of somewhere in the neighbourhood of \$150,000 of the food products. Part of that budget is from our own department in terms of that promotion. The member says: what will the industry of Manitoba agriculture gain? The whole Manitoba food products event is a combined event. It has to have the cooperation of the wholesalers, the retailers, the restaurant industry, as I would call it, and producers. Because, unless you have that full cooperation of the major retail industry of Manitoba, we can blow our horn about buying Manitoba products all we want. The industry has to use it, has to buy it and we need their full cooperation and we're doing it — not that that amount was better here or better there. I mean, the honourable member can place that argument, whether it should have been in that department or should have been in this department. I guess I could have the same argument. Maybe we should have taken the 150 and shown it here. It would have been more for Agriculture, but the process of the work and the promotion still will be done jointly between the two departments and the entire industry. That's all I'm saying.

MR. E. CONNERY: Like the kamikaze pilots said, "Whose stupid idea is this?" And it really is a stupid idea. You'll never convince me that moving that money into the Business Development sector is going to have an impact for Agriculture.

I've had a lot to do with the Marketing Branch. I've got a lot of respect for the director. We've had a lot of good promotions and he's aided the industry at a time when the industry is in tough condition. We see the grain sector in really bad shape because of losing markets. Now is the time we want to look to increasing our market ability in other crops and other commodities and you are cutting the budget by some close to \$90,000.00.

Now you say it's going to be done in the business sector, and I say that I don't see how it's going to be

done in the business sector we're developing. I am very familiar with the Manitoba Food Products Development Program. I've been involved in it, with the wholesalers; it's the food chain. Are you going to add in lumber with the promotion now, if you're going to say Business Development?

HON. B. URUSKI: We're only talking about one component, don't . . .

MR. E. CONNERY: I suggest, Mr. Chairman, that the Minister doesn't understand marketing. He grows products that are sold through a marketing board, and I don't think he's very familiar with the marketing program. I can tell you that I've been very involved with marketing and the Marketing Branch . . .

HON. B. URUSKI: Don't you go through a marketing board?

MR. E. CONNERY: And a lot besides that, not only through the Marketing Board — sure, we market through the marketing board. But I've been part of the program, part of the people who have done the marketing, where I have not seen the Minister, or very seldom, at these times.

HON. B. URUSKI: We're both at the same plateau, aren't we?

MR. E. CONNERY: I'm not that far down the plateau. There's no way. I've been around too long; not quite as long as the Minister of Labour, though, but a fair while.

The Manitoba Food Products event — is the Minister listening? — when you used to have a promotion, you had the wholesalers and the retailers together. I know the Vegetable Marketing Board set up a vegetable display and we had a real good promotion. I think people went out of that meeting with enthusiasm. Now you're doing it by paper and I don't think you have the same enthusiasm for the promotion that you had before. Can you explain why you got rid of the event where you had all the people in and got them hyped up? — (Interjection) — Well, it's your department, you should know.

HON. B. URUSKI: Mr. Chairman, it does become, in terms of the total scheme of things, a matter of dollars and cents. In terms of all our other promotions that we've done, we felt that the use of our dollar, the limited dollars that we have, could be used in other areas in terms of promotion. That's not to say that it wasn't a worthwhile event. If we had all those dollars available it, in fact, would have been done, but we don't have that kind of money.

MR. CHAIRMAN: May I remind all the members to address their remarks through the Chair and not through to each other.

The Member for Portage.

MR. E. CONNERY: Mr. Chairman, for some of those that aren't familiar of what's happened when the question was asked, these bags, we see the printing

on them. We used to have a get-together at the Westin Inn, I think it was mostly held at, where the people were brought in and there some hype, there was some — (Interjection) — and the Holiday Inn also, okay — it was a promo where the people got hyped up and they were able to get together, and I think the event was much more successful, Mr. Chairman, at that time.

We also got the odd little hors d'oeuvres and whatever went with it, which was well accepted, but the Minister says because of money constraints, but I think that extra little bit of money in that program was a good venture.

I still would like the Minister for another day — it won't be today — to tell us exactly where the money went to in the business development sector. I don't think the money went anywhere. I don't think there's any plan or any working papers the Minister can show us that they have actually done it, Mr. Chairman. It's like all of the other things they've done; 10 million for Business Development; there's no program. They just make statements and they can't be verified.

I'd like to see the working paper that said we'll take \$89,000 out of Marketing Branch and we're going to put it into this sector in Business Development and Tourism. The money's not there. It's baffle-gab again.

HON. B. URUSKI: Mr. Chairman, the honourable member will have an opportunity to ask the Minister of Small Business and Tourism and he will have the answer. I've given him — (Interjection) — Pardon me? Well, if I did my apologies, Mr. Chairman, I meant the Minister whoever he/she may be in terms of that department.

Mr. Chairman, I want to share a story with my honourable friends.

MR. H. ENNS: Story time.

MR. CHAIRMAN: Is the story relevant?

HON. B. URUSKI: No, Mr. Chairman, we had a colleague in this Chamber who happened to be a minister and every time he met me in the hallway he said, "You will be a Minister maybe for three months, maybe for four years, maybe a year, but I will be a minister till I die." That was the Reverend Don Malinowski. It was well put and that's why I say Ministers, whoever they are, will come and go in terms of this legislation. Some of us may not want to think that way, that we're here forever, but we're not; I can assure my honourable friend.

MR. E. CONNERY: I hate to wish you any bad health. — (Interjection) — Okay, that's fine; go ahead.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman.

I am sorry to hear that promotional effort had come to an end. I hadn't realized that. I remember when I used to visit my friends in the branch. I'd walk in there and there'd be bags full of groceries all over the place, or vegetable products I believe.

Mr. Chairman, I would ask the Minister what is happening in the world of forage seed trade? I know

that his government has given some support in some of the missions that have gone to Eastern Asia, an attempt to promote our forage seeds. Can the Minister tell me whether some of our firms, our contracting firms are realizing any success in exporting to that new market? Can he also indicate whether there is an ongoing program of support of that portion of agriculture within the province?

HON. B. URUSKI: Mr. Chairman, the work that we have done in the forage area was done by one of our staff who went to CANAGREX ultimately and, of course, Dick Lennox — I think my honourable friend may as well put the name on the record — and Dick's now, I think, in industry on his own since CANAGREX was canned, in fact, by the Federal Government in this whole area. We are re-establishing contact and the strategy in the forage seed area and there are ongoing meetings with the trade and the association.

Many private sales, forage seeds, take place by well experienced, Manitoba-based firms, or branch offices, corporate giants such as MK Seeds and UGG. Due to the nature of these private treaty transactions, the actual volume is virtually unknown, nor is the supply and demand, as no thorough analysis has been made of either the supply capacity of forages and seeds or the trading patterns.

Of course, our climate and soil conditions are conducive to forages and forage seeds and production capacity acreage could easily be expanded. Livestock forage is traded on a private treaty basis, as well. However, the actual volume really is unknown. There is an opportunity to develop a marketing strategy designed to encourage forage production and sales through the development of grade standards for hay and the offering of hay sales purchased listing services with the cooperation on a regional basis within our own province.

There are, staff tell me, interesting international marketing opportunities for high quality hay and dehydrated alfalfa products, particularly, in Southeast Asia, Japan, Korea, Taiwan, Hong Kong. However, the activity and trade pattern, we're not up to date on it and it is unknown. Alberta and Saskatchewan are mustering an expanding sales volumes in these areas. Markets may also exist for some of these products in Mexico, Southeast Asia and South America.

We expect to establish a forage committee comprised of representatives from our own staff, the university, Ag Canada and the industry which will be presented with statistical data on the production capacity and trade patterns, domestic and international. This committee will be making recommendations to ourselves on forage policy, particularly with the marketing slant, including design for grade standards and other areas. We will be investigating the feasibility of providing listing services for sellers and buyers of forages, to be developed grades, via our district offices. We will be developing a marketing plan and strategy which will promote the quality of Manitoba forages in selected markets which will be targeted and identified via the trade statistical analysis and that's what we're beginning to work towards presently.

MR. C. MANNES: Mr. Chairman, I thank the Minister for that response. I know he's fully aware of the potential

that Manitoba soils have in producing 4-H seeds, and as indicated by my colleague, the Member for Virden.

I think that we have to look at this time, particularly at this time, more closely at diversification. I see where there, in my view, is great potential in this province to diversify in a larger measure and I believe that government, the Provincial Government, which really can't do anything with respect to the price of it, which really can't do an awful lot with regard to international wheat agreements, can help in these areas of diversified crops.

Now I'm not talking about the CANAGREX type of marketing arm. I don't want to see government rush in where we have expertise today in industry that I think can do an awful good job in seeking out markets and supplying them. But I think where government has a role — and it was part of the promise that we made as a party during the last election — where government provincially has a role is in support of production areas of crops that are almost — if they're not indigenous to Manitoba, well, certainly we grow them well.

I'm not talking about wheat or the basic cereals where the Minister would argue and I suppose I would, too. It's more of a responsibility of the Federal Government to ensure that funds are directed into that area. But when I think of very specialized areas that Manitoba has, over many decades, been able to generate quality production whether it's in forage seeds — previously, it's been buckwheat even though it's having some difficulty at this time — but really government can help.

If the Minister is saying, well, we're going to do it through the development of a committee where there will be representation of industry and university and government, fine; but I would encourage him, particularly, given the time that we're in and the seriousness of what appears to be a major downturn in cereal and oilseeds markets, that we in fact be given some type of major thrust in the development of special crops. I can think of no better special crop, really, than any of them that fall into the forage area.

So I just would encourage the Minister to have that committee come into place posthaste and begin very quickly if it can for the 1987 year. Well I know it's 1986 but we're talking about production. I'm more gearing up research in some production areas to help our firms who have some expertise in this area. Even if it means bringing Asian varieties of grass seed to see whether we can grow them within our latitude, fine, but let's go to work and see what we can do.

HON. B. URUSKI: Mr. Chairman, I appreciate the comments of the Member for Morris in this area.

I guess one can say that there will always be much more that one can do in the area of attempting to promote and market one's product in an area like the province of Manitoba; that we will never have enough resources to deal with that whole area in trying to say "have you touched this area" or "have you sought out another area and developed strategy even to a greater degree." I have no quarrel with that. There's never enough funding in this area.

I want to indicate that the forage seed area will be represented in the seed kit that we are preparing now, and we'll be sending those kits to all Canadian Embassies and Consulates worldwide to be presented

to present and potential buyers in selected foreign markets. So we're working with the industry in that area and that's one aspect of the work that we're doing and it will be done this year.

I have no quarrel with what the honourable member says. It's never enough in some of those areas.

MR. C. MANNES: Fine, Mr. Chairman, we've said it all. I would just encourage the Minister this coming fall, when he's developing priorities in his department, that some higher priority be given to production of forage seeds in a research sense, directed, of course, by the committee that he's putting in place now.

It seemed to me, Mr. Chairman, that over the past five or six years there was some significant activity in the area of livestock export, particularly breeding stock. That seems to have diminished over the last year or two.

Maybe the Minister can tell me the reason for it and give me some indication as to whether, because of market conditions, Mexico or elsewhere, that indeed total demand is off, or are we really again not directing the expertise and the resources to that area that we once did? Because again, it's my perception, at least, export trade within that very important area has fallen.

HON. B. URUSKI: Mr. Chairman, much of our major trade in terms of the breeding stock in the beef area was with Mexico. Part of the difficulty there, I think my honourable friend realizes, was the economic crisis going through Mexico and the drop in the energy market and their currency dilemma in terms of the value or nonvalue of the peso.

Part of it is, as well, in terms of total budget, in terms of trying to continue on heading the world market, we continue to try and target each year a number of countries but we're not going into all fronts every year because of limited funds. It would be nice, I suppose, to be able to hit every market at least on an annual basis. We have not done that on an ongoing basis. That, I would admit, may be part of it but the biggest part, of course, would be the economic crisis heading through Mexico.

I did have opportunity to host the Mexican Minister of Agriculture here in this province, I guess it was last year. We had a number of meetings and some correspondence going back and forth as follow-up to our meetings. It may be that we will want to heighten that move but, given the economic circumstances there, that is part of the difficulty that nation is having. The needs are there, certainly; the value of the currency and the economic crisis there is another matter.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. G. CUMMINGS: If I could follow up on the last question, Mr. Chairman. It's my understanding that, in fact, the market has been taken over to a large extent by Alberta promotions.

Has the Minister any knowledge in that area, in the pure-bred beef cattle industry, that the bull purchases are still ongoing but the Alberta breeders have been given a fair boost from the marketing branch of their own province and have in fact taken over a lot of our market.

HON. B. URUSKI: Mr. Chairman, that has been an historic situation in terms of a province with the kind of resources that Alberta has, whether it's breeding stock in Mexico or Japan or wherever. The amount of personnel that the Alberta department has, there is virtually no province in this country that in fact can compete with that.

I think what Manitoba has stood for, and what we have tried to promote wherever we have gone, and with some success, is the stability and the integrity of the people involved in the industry in this province, both on the production side and on the governmental side, as being the major thrust of building the relations that have to be built, in terms of gaining the confidence of offshore markets, whether they be to the south of us or whether they be to the west or east of us.

MR. G. CUMMINGS: This diverges, I realize, from the Marketing Branch responsibilities, but the border clearance for livestock being exported, has there been — this probably should have been asked under Veterinary Services — but has there been any slowing down of the clearance for permits, or any problems with the permits that can be improved on behalf of the exporters who are involved?

HON. B. URUSKI: To which country?

MR. G. CUMMINGS: On this side, going to Mexico, through the States. I realize I'm asking a question in the wrong department.

HON. B. URUSKI: Mr. Chairman, we have had no difficulties there at all, in terms of meeting the requirements. There's been no inordinate delays or anything that has occurred at all, that our staff are aware of, in terms of the work.

We did, I should mention to my honourable friend, use — Mr. Chairman, I should bring my honourable friend some information about the swine exports. Historically, we have used a U.S. destination, or a U.S. takeoff point in terms of the shipment of breeding swine, primarily to the Asian countries. Just yesterday, and one time before were the first two times, I guess since we've been involved, that actual breeding swine has left Winnipeg, as a Winnipeg destination for Vancouver, destined to Tokyo. We have always used Minneapolis — I believe it would be primarily U.S., Chicago airlines as the base point of exit from our province. We are starting to use our own point of takeoff, right here in Manitoba, which will lessen the cost, I believe, and, of course, lessen the stress on the product.

MR. G. CUMMINGS: It would probably lessen the stress on the owner, also.

In the area of export promotion of our breeding stock, is there any one person, or is there a specific area that anyone in the department is designated to work, for example, in offshore promotion of cattle, or hogs? You mentioned earlier, and I apologize for not having heard part of your answer regarding dairy cattle, where we have an export involvement, is there a specific amount of staff that's designated to promote these offshore, or cross-border sales?

HON. B. URUSKI: Mr. Chairman, our staff person, for the information of my honourable friend, is Lasby

Lowes, who has been with the branch for a number of years. He deals with the promotion and sales contacts on all breeding stock, whether it's livestock or swine.

MR. G. CUMMINGS: Following on the aspect of promotion, Mr. Chairman, going back to the checkoff situation regarding the Manitoba Cattle Producers' Association, the Minister referred to the fact that he was still willing to discuss with the Manitoba Cattle Producers the aspects of a checkoff.

Are those discussions proceeding or is that simply something that has been in limbo for some considerable length of time?

HON. B. URUSKI: Mr. Chairman, an aspect — MCPA has promoted, of course, specific checkoff legislation which, in fact, I guess is a fair bit different than what is being discussed by Keystone agricultural producers. So there is a bit of — rather than just the checkoff that we've talked about, because their legislation is still on the books and they're recognized as an association. They have not raised the specifics in our latest meeting, of a checkoff, based on our discussions earlier when we made the changes to the legislation dealing with the manifest system. They have been speaking about a separate piece of legislation dealing with a checkoff, which differs, I would say, quite substantially with what is being discussed by Keystone agricultural producers.

So it's still on the table, the scope of which is really for the association to say, yes, well, we'll try this route. In fact, I think in retrospect to the debate that went on when the original changes to the bill were made in the second year of our administration — actually in the first year of our administration — I think a lot of the members, who I would call the key actors in the association at the time — just did not want to have anything to do with the issue and did not inform a number of their other executives, or at least it didn't percolate and, as a result, the issue in the association kind of, I would say, died. Although about two or years ago when we started meeting on a regular basis again, some of them kept raising the issue with me, kind of saying, well, damn it, you wouldn't consider anything. I basically had to tell them, look, it was your guys, your people in the association that said, thanks but no thanks, we're not interested in anything.

I left it back with them to say if you're interested in this, I'm open to that. We may be dealing with that whole area within the next year or so in any event and, if that happens, they're still free to come back and say we'd like to tag onto this whole area. That's been an open question from Day One with me.

MR. G. CUMMINGS: Mr. Chairman, pardon my naivete but I'm not sure what the Minister is referring to when he said he might be dealing with that area in the next year or so. He also made a couple of references to the Keystone and the cattle producers, and the incompatibility between the ideas that they had regarding checkoff. I'm not aware that Keystone was negotiating on behalf of the cattle producers for checkoff.

HON. B. URUSKI: Mr. Chairman, both groups are, in fact, interested in a legislative process for a checkoff, as a farm organization.

What I was speaking about was tagging on a checkoff specifically on beef sales, with a manifest system. The MCPA were originally and I believe still are in support of a manifest system in terms of identification of cattle on the move, so that the RCMP and anyone in the enforcement area could, at any point in time, do a spot check and determine the destination and the ownership of the cattle being transported, because that's been a source of difficulty of enforcement for the RCMP in this area.

We are still discussing the whole manifest system even internally. We have not made a decision that we will proceed. Certainly that is one area that a checkoff which was originally tied to the manifest system on every animal, then the individual who would be shipping would be making the decision, yes or no, every time he or she shipped cattle and that would be their way of tagging into a type of a checkoff.

MR. G. CUMMINGS: Mr. Chairman, for the record, it seems to me that anybody involved in this process is well aware of the fact that there's a considerable difference between a checkoff that is voluntarily in, or voluntarily out. Is the Minister at all open to the idea of a checkoff, from which those who wish to opt out would be given, if you will, a relaxed or an easier method of opting out? Is that at all on the table in terms of the philosophy of the Minister?

HON. B. URUSKI: Mr. Chairman, I guess I've taken the position in the past that in terms of checkoffs, there is a differential as to how the checkoff should be employed, depending on what you're going to use it for. In terms of when I say what you're going to use for, if the organization becomes a bargaining agent on behalf of the group of producers and becomes their key spokesman economically, I could see a vote being taken by the group and if the majority of producers vote in favour of checkoff, as has been put forward, then everybody is in. But just to have a checkoff instituted without, I would say, the majority of producers voting in favour of it, I would have some difficulty with that, Mr. Chairman.

MR. G. CUMMINGS: Because this whole idea of checkoff is so tied into not only marketing but marketing boards and representation of the farm community through organizations such as CAP, it seems to me that there has to be some recognition of the fact — a perfect example to my mind and I would invite the Minister to react — is the Western Grain Stabilization Program, not in terms of how the money goes in or out, but in terms of how those who wish to be in were given an up-front option to be out. It was not put in under a plebiscite, but the opt-out option was provided up front for those who wish to have no involvement. Is that not a viable alternative to the problems facing it?

HON. B. URUSKI: I suppose, clearly, that is an option, but the member should be aware that I form a distinction as between, say a marketing board which in fact producers vote for clearly; and then there's a checkoff for the operation of that board as an economic tool, basically a union on behalf of producers, and that the majority of producers vote annually on the deduction

that they make from the sale of their product for promotion, for the levy, for whatever means, in terms of that bargaining process required. I see that as different from a general farm organization group to say we will deal with policy matters.

Now in terms of how a checkoff then is employed — so I make a major distinction between those two areas. However, how one institutes a checkoff and in fact those kinds of discussions have started percolating in a more general way, as proposed by Keystone and myself. We haven't had any lengthy discussions since the presentation of their annual brief to Cabinet, but certainly that question was raised, and over the next months or year or so, we will no doubt be exploring some of those options as to what might or might not be a way of dealing with this question of funding for a general farm organization, whether there may be some options.

But I say again, I do make a distinction, a very clear distinction between a general farm organization — I'm talking about all kinds of farm policy — and that of a group, a commodity-based organization which specifically deals with the direct economic welfare of those farmers, whereby farmers have voted for the checkoff and, in fact, are making it towards that organization for either the promotion, the negotiations and all aspects of the marketing of their product, clearly designed to deal with their economic welfare directly.

MR. G. CUMMINGS: I'm sure the Minister is aware of the benefits that have accrued to the hog producers of this province through the use of the checkoff there for the promotion of the product. In fact, I've been very supportive of the promotional efforts that are used in that way and I find it most disturbing that the cattle industry is not given at least some option to approach that sort of a self-funded marketing program. Of course, it boils down to whether or not the checkoff is one where you opt in or opt out.

It seems to me that the cattle producers of this province could do a great deal more to promote their product if they had a opt-out type of legislation that allowed those who had no interest — and it's not my job to negotiate here for the cattlemen — but it seems to me that there's options out there that aren't being explored.

I would go further, Mr. Minister, in suggesting, at least from my perspective, that the relationship between the cattle producers and the present Provincial Government hasn't improved a heck of a lot. Because it seems to me that the most recent meeting with the cattle producers was the situation where, within two hours of the time the meeting was to be held, the Minister at that point was able to inform the cattle producers that he would be unable to meet with them, and not to reflect on your Deputy Minister, but I think it was a great deal of disappointment that at that short notice, after travelling for a considerable amount of time, that the cattle producers were unable to meet with the Minister, as had been previously arranged.

I would hope that we could have your assurance that they would once again be given the opportunity to lay their case before the government, through your good offices, and that you would be open to those kinds of discussions so they can get on with promoting their product.

HON. B. URUSKI: Mr. Chairman, I meet with the cattle producers at least two or three times a year, depending on circumstances. There will be times, and they won't be the only group that will come and something does come up and I am unavoidably absent from the meeting — not often, but it does come up — and as a result, my deputy who does represent myself or another staff will be there.

There's no doubt that anyone who phones the office, either my office or the deputy's office, would like to meet with the Minister and I know the attitude of Manitoba organizations and Manitoba farmers. You're my Minister; I want to see you. Maybe some day in the next 10 or 20 years, when members are on this side of the House, they will know of what I speak, in terms of the attitude of Manitobans, and that's fine; I accept that. In fact, I have no difficulty with that, but I do recognize and I think most people recognize that at times there are difficulties in terms of being able to meet all the meetings that you'd like to because there are hundreds, I can assure my honourable friend.

If you want to be at every meeting, you would virtually do nothing else but be at meetings and I'm not sure how much you would — a lot of people would see you and it would be nice — but I'm not sure how much you would accomplish. Otherwise you'd be doing all your work from somewhere between midnight and 6 o'clock in the morning every night of the week, and even though right now it's at least till midnight every night. I recognize producer's difficulty of not meeting, but they've had an opportunity of meeting with me directly on a number of occasions and I'm sure that they will avail themselves of that opportunity again.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Mr. Minister, you identified that you are the Minister of Agriculture and people do want to meet you. As the Member for Ste. Rose said, a group of producers were in the city. They had an appointment, as I understand, with you, the cattle producers, to meet with you in April. Were you in Alberta campaigning at the time you were supposed to be meeting with them?

SOME HONOURABLE MEMBERS: Oh, oh!

HON. B. URUSKI: Mr. Chairman — (Interjection) — pardon me? It didn't do any good.

Mr. Chairman, going from two members to 16 was pretty good in the Province of Alberta — (Interjection) — pardon me?

MR. A. KOVNATS: You'll probably lose the Manitoba election next time.

HON. B. URUSKI: Well, Mr. Chairman, the Member for Niakwa said that before the Manitoba election last time. — (Interjection) — I would think the honourable member would have said it.

Mr. Chairman, I was in Alberta on the day of that meeting, it is true. I did speak at a couple of public meetings which I was asked to speak at in the Province of Alberta.

MR. CHAIRMAN: The Member for Niakwa.

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

I shan't be long. I do have some very very interesting things that I wish to communicate to the Minister where the Minister stated that, you know, it will be 10 or 20 years before we're on that side of the House. I would suggest, at this point, that the Minister is usually very astute. In this case, he's completely wrong.

Under the Department of Marketing, I really can't contribute that much as an urban member to the actual agricultural problems, but I do as a Manitoban have an understanding of the plight of Manitoba farmers and people who raise cattle and people in that type of industry, in the agricultural and farming industry. But I do have some knowledge on marketing, and I think that at this point we've got to establish, you know, what comes first, either the chicken or the egg. Do we market the product before we have it? Or do we have the product, and then market it?

What I'm really trying to get across, Mr. Chairman, is: do we go out and make a market for our products? Do we go out and do we sell our products before we have the market? What I'm saying is that, do we encourage farmers to grow particular products and we really don't have a place to sell them?

We're talking about different types of fruits, strawberries. I heard you mentioning strawberries before, and there are all kinds of beautiful by-products out of strawberries: strawberry jam, strawberry shortcake, strawberry preserves, and all things that are very very encouraging, and strawberry pie. Have we ever tried to encourage markets into the United States with our product?

We keep bringing in their products all winter. Why aren't we sending our products into the United States over the summer or when we're able to grow our products? The way that we have the canning industry, some things of that nature — (Interjection) — well, sure it takes money, but you can't have it both ways. You can't promote and not spend money.

You know, I've been accused of I can't have it both ways, but I tell the Honourable Minister he can't have it both ways. You can't promote the product if you're going to cut down on the spending of money. I see this as one of the most important departments that the Honourable Minister has.

I heard a little earlier from the Member for Portage saying where there were some monies cut out of a particular part of the budget. I really don't know that much about it, but I look here and I see the salaries of the Marketing Branch have been cut down by about \$40,000.00. I think, rather than cutting down on the promoting of products, we should be spending money, not indiscriminately because that would be foolish, wisely to promote our products and to develop our products.

That's where I really want to get across to the Minister now on the developing of products. We have all kinds of land and areas that we can grow the finest vegetables, the finest fruits, raise the best cattle in the world right here in Manitoba. What are we doing to encourage the promotion of raising and growing these different products?

We have the best blueberries in the world grown at Minisino. I have tasted a product that comes out of British Columbia, and it's a real nice product, a blueberry that comes out of British Columbia. There's

no reason we can't have that same product here. Has the Honourable Minister ever tried to promote a market for our blueberries? Has he ever tried to promote a market for our strawberries? Has he ever tried to promote a market for loganberries?

Mr. Minister, I have to eat South African loganberries, because we've never had any grown here in Manitoba and, because of the circumstances and I love loganberries, I have cut off eating loganberries. I think that they're out of promotion. The Honourable Minister should be promoting the growing of loganberries right here in the Province of Manitoba.

And let's get rid of those products from South Africa that compete with what we have here, if for no other reason. But there is a good reason. We don't need their products here at this point. We've got to show them that we don't want their products out of protest, and that we are going to grow our own products here.

Has the Honourable Minister done anything to promote products such as loganberries, strawberries, raspberries, blueberries here in the Province of Manitoba which would encourage and help the declining agricultural market here in the province? What kind of monies have been spent? Is the Honourable Minister still going to stand up and say, you can't have it both ways, because I tell the Honourable Minister he can't have it both ways. What's he going to do to help our farmers and the plight of our farmers here in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, in terms of our export opportunities that we're trying to concentrate on, we're not using, I guess what I would say, the shotgun approach and just going all over. We're trying to target our potential markets, wherever they might be. If it's economically feasible for us to target, say, the U.S. market as the member suggests, there of course the consideration has to be at least an economic return for the producer, if he's going to produce into a market that there is some return. If there is no return, I tell my honourable friend, you can promote all you want, if the dollars aren't there.

We're having a heck of a time, for example, with buckwheat. The demand is there on the Japanese market, and we have what I would say probably the most excellent variety demanded by the oriental countries. That is the Mancan variety developed here in Morden, but yet we're having one heck of a time promoting its continued production on a sustained basis by our producers in this province, even though we produce over 50 percent of the buckwheat produced in this country.

There may be some production difficulties. I'm not sure that they're so severe if, in fact, the right techniques which our staff are prepared to assist farmers with, but it is the attitude, and I say this, of using buckwheat as a kind of a last-ditch effort. Like it's getting late already and I've got nothing else that I can put in its place. Oh, I will throw in some buckwheat as an afterthought. That's basically what, in many instances, it is. The Member for Gladstone chuckles, but it is. That is the attitude from a lot of producers. As a result, the reliability and the agronomic practices are really not given to the crop that it deserves. As a result, our yields have not been that significant in terms of the potential of bushels per acre.

So in terms of the fresh crops that he speaks of, I know, for example, the Province of Alberta was attempting to and had done a fair bit of work in the whole of commercial saskatoon production. They've developed, I think, a lower bush in the northwestern part of the province but I'm advised that they're having a difficult time in sustaining that commercial production.

Now our strawberry industry has developed, I would say, successfully in this province on a slow growth U-pick industry. Where we have to do some further work is of course in the processing area and see whether or not there is enough of an economic viability to use our present strawberry industry to go a bit further than just a fresh U-pick market and go into the further processing. Not only strawberries but also the raspberry area and even the whole area of loganberries.

I must confess I don't have much experience in that area but I do have some knowledge of the whole blueberry industry and the member points out there is a fairly thriving industry on the west coast. There is also a very major industry in the blueberry area on the east coast. In fact their major exports are to Germany I believe it is, to Europe; they're having their difficulties quite frankly in terms of the international competition and barriers that do get put up once in a while in the blueberry area. In fact the Minister of Agriculture from Nova Scotia, his family is in the production of and has been in the production of blueberries commercially, and we've had some lengthy discussions, he and I on that whole area.

Manitoba has not gone into the commercial production of blueberries, it's been generally a natural resource-based industry and basically within season but not on a commercial basis. We would have to do a fair bit more work in that area to see whether or not we could in fact impact on some greater local market or even off-shore market in this area. But as I've indicated before there is no doubt that much more money could be put into the whole area of marketing and then some, but I say to my honourable friend we're continuing to promote, maybe not enough, and I'll be the first to admit that we probably should be doing more, but we will continue to do our utmost to work in a cooperative basis with the industry.

MR. A. KOVNATS: I listened to the honourable minister and it all sounded very, very good, but he really didn't say what you've done, what he's done. I come up with these great ideas and it's up to the Minister to implement them. What I'm suggesting is that we grow strawberries here in the province, beautiful strawberries. We have sugar to preserve those strawberries. We can make strawberry jam; it's almost as easy as falling off a log. I think most of us have some sort of a jam in the morning when we have breakfast, and every time — the thing that bothers me, Mr. Minister is that every time that I pick up a tin of strawberry jam it says a product of British Columbia. I never see product of Manitoba, and that's what I'm trying to get across. Why aren't we promoting Manitoba products? That's what the idea of this whole department is, and to promote Manitoba products we've got to have Manitoba products.

I would suggest that the Honourable Minister investigate this so that we can have some Manitoba

products, and let's not just have it in exclusive type of foods. I say loganberries, pineapple, everything of that nature. I happen to like pineapple. You know what, and it's not so out of the question. We were talking strawberries, how long ago is it that we never thought we could grow strawberries in the Province of Manitoba? Many years ago I was up in Alaska, it happened to be the middle of summer and I picked strawberries right beside the sidewalk as we were walking into town.

But anyway I give these suggestions to the Minister, spend a few dollars, find out that there are markets and then promote the farmers to grow some of these products so that we can have a successful agricultural industry here in the Province of Manitoba.

A MEMBER: Well said.

HON. B. URUSKI: Mr. Chairman, I think the honourable member, if he checks the record I've given a fairly lengthy what I would call dissertation on our involvement in the various food products of Manitoba. They were done at the beginning of our discussion here.

I want to share an incident with my honourable friend in terms of going into the U.S. market, and we did try on vegetables for example into the Minneapolis market. In fact I think it was during your term in office in the late Seventies and early Eighties. In fact I am told that a promotion in fact was set up with some U.S. retailers. When producer organizations found out about that promotion, producers south of the border, they in fact threatened the retailing industry that if they went ahead and in fact purchased products from Manitoba there would be something to pay and as a result we didn't go very far in terms of that promotion so there are those kinds of countervailing measures which may be unsanctioned that do occur from time to time but we recognize that in terms of retail markets and retail promotion that the Minneapolis market per se is a ready market for Manitoba products. It's a three million person market within 500 miles. It's the largest single market closest to Manitoba anywhere that we could have in terms of distance.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: I guess the time is getting close to being done. The Minister has mentioned two or three times this afternoon that we are not growing enough buckwheat for the market that is there in the world. I would just like to comment briefly. As a producer, I say the gross and net return I've never considered satisfactory to offset the risk of growing it or replacing acres of other crops by growing it.

HON. B. URUSKI: Are you getting the yields or are you not getting the yields?

MR. G. FINDLAY: Yes, the cool summers in the last two years particularly I'm glad I wasn't growing it and the early frosts of '82. I'll remember that one for a long time. But the other side of the coin is that if there is a real market and there certainly are zones in the Province of Manitoba where buckwheat can be grown at less risk than say where I live — but I don't believe

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or I haven't perceived that there's enough promotion of that concept by the extension staff or whatever of the department. If there is the market let's promote it and let's inform the farmers in those zones where it's safest to grow it.

HON. B. URUSKI: Mr. Chairman, our staff are involved in the current and possible future situation of buckwheat in Manitoba. I want to share some information with my honourable friend on that whole area, and using last year and a number of years as an average.

The potential yield for buckwheat in Manitoba is 40 bushels per acre. In 1985 a yield of 38 bushels per acre net seed was reported by one contracting company, by one grower in the Notre Dame area so it's been reached in one year. The record acreage in Manitoba stands at about 135,000 acres and that was in 1979. In 1985 that acreage was down to 40,000 acres. In 1982 China became the principal supplier of buckwheat to Japan replacing Canada, primarily, not because of the quality but because of the uncertainty of supply. From 1983 U.S. exports to Japan have been similar to Canada so the U.S. has gone into it and in the past two years the strength of the U.S. dollar has prompted Japan to seek increased supplies from our own country. The question of why production in Canada is so inconsistent was addressed. Our staff looked at acreage, at comments and areas of what are the difficulties. Acreage yields in our own province range from 7.4 to 16.8 bushels per acre between 1979 and 1985. That's been the average yields in our own province. This reflects gross returns of \$51.80 to \$117.60 an acre at \$7 per bushel. Production costs were published as \$91.05 in 1986; a 13 bushel yield is therefore required to break even on operating costs. Average yields have been at or above this level in only three of the past 10 years. Production in Manitoba tends to be . . .

MR. CHAIRMAN: The hour being 4:30 p.m., it is time for Private Members' Hour. I am, therefore, interrupting the proceedings of the committee and will return at 8:00 p.m.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

MADAM SPEAKER: Private Members' Business. Debate on Second Reading of Bill No. 6, standing in the name of the Honourable Minister of Labour.

The Honourable Government House Leader.

HON. J. COWAN: I believe the intent was to stand that.

PROPOSED RESOLUTIONS

RES. NO. 9 — PURPLE FUEL REBATE

MADAM SPEAKER: On the proposed resolution, the Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker.

I move, seconded by the Member for Ste. Rose, that

WHEREAS recent pricing comparisons between retail and farm bulk deliveries indicate that the provincial motive fuel tax exemption is not being passed on to the farm community; and

WHEREAS elimination of the dyed fuel program would result in significant savings in operating costs which would be passed through to the farm community.

THEREFORE BE IT RESOLVED that the Manitoba Government consider the advisability of implementation of a system of a direct rebate of the motive fuel tax for all fuels used in the production of agricultural products.

MOTION presented.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Madam Speaker, I rise on a point of order for clarification, not to debate this resolution at all, but to ask your guidance in that this measure, in fact, has been addressed in the Budget Address of the Minister of Finance earlier, specifically dealing with the question that is addressed in the resolution; and that being that it has already been addressed directly in the Budget Speech, whether in fact this matter is in order to be debated in the House, that being that it's been specifically addressed by the government in a Budget Address. I ask for some guidance in that matter, Madam Speaker.

MADAM SPEAKER: Order please. Would the Honourable Minister of Agriculture please repeat his point of order? Did the Honourable Minister say that this was a matter referred to in the Budget Address?

HON. B. URUSKI: Madam Speaker, it was dealt with in the Budget Speech, specifically as a matter dealing with the question of specifically the dying of purple fuel. The dyed fuel question was addressed specifically in the Minister of Finance's Budget Address.

MADAM SPEAKER: May I suggest in that case, if that is the honourable member's objection, that he does not have a point of order. We're dealing with the BE IT RESOLVED which is "that the Manitoba Government consider the advisability of implementation of a system of direct rebate . . ."

Under our Rule 31, which suggests: "No member shall revive a debate already concluded during the session, or anticipate a matter appointed for consideration of which notice has been given." We have nothing on our Order Paper constituting notice on this particular matter.

HON. B. URUSKI: No. Madam Speaker, the Budget dealt precisely with the matter of the BE IT RESOLVED; that the implementation of a system of direct rebate of motive fuel tax for all fuels used in the production of agricultural products. I quote from the Budget of Pages 28 and 29, and I just take one section of this whole matter, and I quote, Madam Speaker, from the Budget Address 1986: "Representatives of various farm organizations and the province have met extensively during the last year to devise a permanent

method of ensuring that farmers receive the full benefit of the Manitoba farm fuel tax exemption. Agreement was reached on replacing the current system of dyed fuel with a new Manitoba farm fuel tax credit administered through the income tax system."

Then the speech goes on to talk about how it will be facilitated in terms of the tax credit system and "Manitoba, therefore," — and I go on to quote — "asked for federal cooperation in administering the fuel tax credit on the 1986 income tax returns." In view of that question being dealt with directly within the Budget Speech, Madam Speaker, I ask for guidance whether or not, in fact, this resolution would be in order to be debated by members of the House?

MADAM SPEAKER: The Member for Virden on the point of order.

MR. G. FINDLAY: Can I speak to . . .

MADAM SPEAKER: On the point of order as to whether the resolution is in order.

MR. G. FINDLAY: Yes, I would just say, before you rule, that the resolution was submitted before the Budget was brought in, and I will agree that we're addressing the same issue, but we do have a different method of getting the fuel rebate directly to the farmers. We're on the same objective with a different method of getting there.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Perhaps, as there is a question as to whether or not this revives the debate or deals with the matter which has already been dealt with for the purposes of facilitating the debate, which I think is a productive debate in this Legislature, we might agree that, by leave, that the resolution proceed and we will conduct debate in the normal manner in which we conduct any Private Members' Resolution and the debate thereon.

MADAM SPEAKER: I'd like to thank all honourable members for their advice on this situation. I'd like to refer to our Rule 31, "That no member shall revive a debate already concluded during the Session or anticipate a matter appointed for consideration." I'm satisfied that the general budgetary policy of the government has been adopted, but we have not had a debate on this specific subject. It was in the Budget statement, but not in the Budget motion.

The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Madam Speaker.

I take this opportunity to address the method of delivery of the purple fuel rebate system that we feel will be most beneficial to the farm community. We have talked many times about the cost of farming and the problems that the farmer has in the cost-price squeeze and, certainly, the cost of fuel is one of the major items in a farmer's operation and has become ever more major over the last 10 years. If we look back at the cost of fuel, in 1975 it was around 30 cents a gallon;

in 1985, we were paying up close to \$2 a gallon. That's an increase of over 600 percent in the cost of fuel at the farm level. If you break it down to a cost per acre, which is what every farmer has to do, because he has to recover it on that basis, on the production per acre, the cost of fuel has increased over a 10 year period from \$2 an acre to \$12 an acre. If we look back to the income that a farmer gets to offset that cost, in 1975, we were selling wheat for an initial price of \$3.50 a bushel with a final payment of 82 cents for a total income for a bushel of wheat of \$4.32. In 1985, we received around \$4 a bushel for wheat as an initial price, with no guarantee that there'll be a final payment coming in January 1, 1987.

In 1986, the situation is even worse. We've talked in Estimates repeatedly about the value of a bushel of wheat and the Minister believes it's \$3.25, again, with very little chance of a final payment in January 1, 1988. You can see that while the cost of fuel has gone up substantially over the last 10 years, the product that we're growing on the majority of our acres, if anything, it has gone down in value. If you look at what it's going to take for us to offset these costs, you'll see that the farmer is in a difficult position.

As I said before, the cost of fuel is one of the major items in producing grain, and farmers have repeatedly said if governments want to address the problem the farmer has, in terms of the cost-price squeeze, one of the best areas to move in is reducing the cost of fuel, because it's really fuel that is produced in our country, why should we be paying as much as we are.

If I look at what some other government jurisdictions have done in Canada in the recent period of time — let's look at the Federal Government — our leader, with the concurrence of our caucus, sent a letter to the Minister of Agriculture, Mr. Wise, on April 9th of this year. We requested removal of federal sales tax from all farm fuels. That has happened, and that's 5.5 cents per litre of fuel for a two-year period. It'll be a substantial saving to the farm community of Western Canada.

The method of delivery of removing the federal sales tax is a tax number that the farmer obtains from Revenue Canada, and it's entered on the invoice at the time of purchase of the fuel and the tax is not charged. If we look west of us at two Provincial Governments, at Saskatchewan, they have no provincial sales tax, but they also have a rebate to their farmers of 21 cents a gallon or 4.6 cents per litre. The rebate that's presently in place in Saskatchewan saves those farmers about \$1 an acre. In Alberta, no provincial sales tax. They also have a rebate in place of 63.6 cents a gallon, or 14 per litre, saves their farmers \$3 per acre.

Let's look at Manitoba. We have no general program to reduce the cost of fuel in this province like Saskatchewan and Alberta. That puts it at a degree of disadvantage relative to those two provinces to the west of us because we grow the same grain products. In the Province of Manitoba, we have no provincial sales tax on farm fuels and that's what we're debating here today, the method of delivery to be sure that sales tax reduction or rebate is getting directly to the farmer. In theory, we have a saving in cost of fuel around 9 cents a litre through the purple fuel system.

It has been recognized by many farmers, over the last two to three years, it's been recognized by farm

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organizations, it's recognized by our party and, because of what the NDP did in the Budget here recently, we know it's recognized by them, that the total rebate system, or the method of getting the rebate to the farmer through the purple fuel, is not working completely. As an example, what we have happening — if we look at 1985 — if a farmer had an invoice for fuel — let's just pick some figures — if it was 45 cents a litre for his fuel and you subtracted the motive fuel rebate of around 9 cents, that meant he was paying 36 cents a litre. He could go to town and, if the price on the Bowser was 42 cents, he would wonder why it was 45 cents on my invoice. He could sense a slippage of about 3 cents of that tax benefit that wasn't getting to him.

It was even worse when the price war on here in the City of Winnipeg. Sometimes you could come in and buy it for say 38 cents and the farmer was paying 36 cents with the rebate off. At the farm he said there's a slippage there of 7 cents. Next time he comes to Winnipeg, he sees that the price of the Bowser is 32 cents, even less than what he's paying on the farm and he's supposed to have had the tax off his fuel and the tax is supposed to be on the fuel that's sold here in Winnipeg. So there became a fair degree of alarm in the farm community as to why this perception that there was a slippage in the system was allowed to carry on.

There seems to be about \$35 million of rebate going to the farm community or benefit through the purple fuel system. The contention is that around \$10-15 million of slippage is occurring in terms of the amount of rebate that's not getting to the farmers' pocket through the purple dyeing system. The only solution that is apparent that will work is to do away with the dyeing system, find another system of getting that rebate directly to the farmer.

Not only do we want to get the rebate directly to the farmer but, if we can do away with the dyeing of fuel, there will be additional savings in the system and maybe further benefits to the farmer. By doing away with the dyeing process, we believe that there will be savings in terms of, there'll be need for less tanks by the dealer, less tanks in the farmer's yard. The cost of the dye will not be included in the charges to the farmer. There'll be less trucking needed for fuel, because you don't have to haul clear fuel and dyed fuel at the same time. There will be no longer any need for highway checkers to see if somebody's burning purple fuel in a non-farming operation.

Certainly, the members on the other side of the House differ from us on this side in the method of delivering this rebate directly to the farmer. I would like to go over our system first, and then compare it with the system recommended in the Budget. We recommend the use of a credit card or a tax number like the Federal Government uses to rebate the federal sales tax. If you use the credit card, then the rebate can be delivered exactly at the time of purchase. If a bulk dealer comes into a farmer's yard and they make out an invoice, they put the posted price and deduct the rebate right there on the invoice, if he's got a tax number or if he's got a credit card that allows that to happen.

We don't believe that there can be a lot of abuse of that system because, if somebody is abusing it and using the credit card or allowing somebody else to use their credit card, it can be easily reported by the retailer,

and stiff penalties can be put in place. We believe the credit card will be a direct rebate at the time of purchase, and there is little or no chance for slippage in that system.

The Provincial Government's recommendation, as I believe it's spelled out in the Budget, says that, for 1986, we carry on with our present system and allow the \$10 million to \$15 million slippage to continue. For 1987, the benefit will be determined by what is in the income tax return for 1986 in terms of the total gallons of fuel consumed on the farm.

There will be a payment, Madam Speaker, of the benefit to the farmer in the spring of 1987, based on his 1986 consumption. Then the farmer has the money in pocket, and he buys his fuel through the course of 1987, and pays the tax at the time of purchase with the money he received as a benefit in advance. I presume that any corrections in that system in terms of too much benefit received or not enough benefit, can be corrected in the 1987 tax return a year later.

The disadvantages I see in that system is that, on no farm, will the 1987 consumption of fuel be exactly the same as 1986, so there will be a certain amount of overpayment of the benefit or underpayment of the benefit. I see considerable trouble, if there has been an overpayment of the benefit, how is the government going to get its money back that it gave to the farmer to pay the provincial fuel tax, that amount that he didn't use. If the farmer consumes more fuel in 1987 than 1986 and he didn't receive the benefit, he's going to be paying the full provincial sales tax on fuel, in addition in 1987, which he didn't burn in 1986.

What if he goes out of farming? He received a benefit in the spring of 1987, and he goes out of farming during 1987. He's obviously got a credit he didn't deserve. How does the government collect that back?

So we feel that system, as it's presently suggested, is open to considerable abuse. In order to prevent that abuse, we believe it'll take an awful lot of government checking, not only at the farm level but in terms of income tax statements to see what entries were put in there.

We agree with the government that the purple fuel rebate system must be streamlined. We must do it. But I suggest, don't create a nightmare situation trying to implement a new system. Take the direct system of a credit card or a tax number that can be entered on an invoice.

The June 30 deadline that was imposed in the Budget for getting the tax return for 1986 altered to have a line for entry of the amount of fuel, the June 30 deadline given to the Federal Government is fast approaching. I don't believe the Federal Government has given that assurance that they will enter that line in the tax return for 1986. So we hope that the government does not use that as an escape clause to stop their intent to change the system.

We both believe that the benefit must get entirely to the farmer. Let's stop the slippage of \$10 million to \$15 million. Let's have the system put in place immediately, without any further slippage.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker.

I'm very pleased to rise and get into the discussion on this resolution. The resolution demonstrates, first of all, in the first WHEREAS that maybe sometimes we spend too much time in this House. The first WHEREAS has been correct for a number of years. It has not been correct during this seeding season. In fact, we've been doing comparisons of coloured versus uncoloured, that is tax versus untaxed fuels, recently. Every penny of the tax saving is being passed back to farmers right now, on average. There may be some service stations somewhere or some dealer somewhere who's not passing the full amount on. That's not to say the member's point isn't a valid point. It is a valid point.

But at the moment, I'd just like to go through three price checks, and it's very clear what the trend is, April 15, May 9 and June 2. So we're dealing roughly — I believe those are not quite one month, three-week periods approximately apart, using the average farm fuel price and using the diesel price, so that it's comparing the same thing throughout. Average farm fuel price on April 15, 1986 was 34.3 cents a litre. The tax rate is 9.2 cents a litre, and the average farm fuel price below Winnipeg — that is, if you look at the Winnipeg service stations at that time, they were selling diesel at 46 cents a litre. The average price advantage of farm fuel over Winnipeg service station fuel without the tax is 2.5 cents. You take 2.5 minus the 11.7, you get down to the 9.2 cent tax rate. So every penny and more was being passed back to the farmer on April 15, 1986.

On May 9, 1986, that differential had increased to 3.1 cents a litre. That is, the average farm fuel price at that stage for diesel was 32.5 cents a litre. It had come down from 34.3. The Winnipeg price at that stage had gone down to 44.8. That's taxed, of course. Again, the 9.2 cent tax rate remained in effect, so the average farm fuel price below Winnipeg was 12.3 cents compared to the 11.7 cents on April 15. So the price advantage of farm fuel over Winnipeg service station fuel without tax on May 9 had grown to 3.1 cents a litre.

On June 2, that differential had again increased to 3.6 cents a litre. So we're talking now in terms of 14 cents, 15 cents a gallon benefit. I can go over the numbers. The average farm fuel price, 32 cents a litre. It had dropped again just a little bit. The diesel price in Winnipeg, with the tax, had not dropped in that period at all. It stayed at the 44.8 cents and, therefore, the advantage worked out to 3.6 cents a litre.

I make that point, and I think one of the reasons why there is a change is the fact the one intervening factor between the numbers the member raised and these numbers are the opening of the border. That's the one intervening factor.

Although not very much fuel, and I don't know the numbers but I don't believe a large proportion of our fuel crossed there, that very clearly signalled to the oil companies that we meant business, that we were quite serious about it and, quite frankly, the oil companies six months ago were saying to us when we met with them, we're passing it all along to the farmers. They would look me right in the eye and say we're passing it all along.

I recall vividly one meeting with a group of contractors where there was one individual, who was not only there

as a representative of a contracting company but also happened to be there as a representative of one of the major oil companies, made that statement to me.

During the course of that meeting — obviously, a lot of contractors also have other interests — and one of the contractors said, well, maybe as a farmer I'm not as efficient as a contractor because, very clearly, I can't get the same deal cut as a farmer with purple fuel as I can with the other stuff.

There's no question that the fuel companies weren't passing it along. That's why we were looking for changes and we still are. We're looking for options. I believe right now, if we were, for this particular spring, to be with either the recommendation of the member, or the particular proposals we're putting forward, farmers would really be paying a little more for their fuel than they are today. So in that sense, I think maybe we should be not too speedy about jumping into this because there are some advantages with respect to the retaining of the existing Coloured Farm Fuel Program.

It had been generally successful until the last few years; it had been put into place twenty years ago. It does retain the traditional tax exemption for farm fuel used both on the farm and on farm trucks which use our highways, one of the advantages of that system. The farmer receives his or her tax exemption right at the time of purchase. Now we have to make sure that that full exemption is passed on to the farmer — there's no reason not to have it passed on — but as I've indicated, right now the farmer is getting actually more than the full tax benefit because of a little more competition.

There is an accuracy of the tax exemption maintained for each farmer. One can calculate exactly how much it is. One of the big advantages of it is that it doesn't require any paperwork by the farmer; no records, no applications or other things like that. In that sense, it's been a good system. Administratively, it's the most efficient method of tax relief, and it allows certain negotiated agreements with other jurisdictions to remain in effect.

Obviously, there are problems with it, as I've indicated. It may not maintain the competitive price pressure on coloured fuels, but I think we have to be imaginative; we have to use whatever means are at our disposal on that. It is true; another disadvantage is that it does require additional storage at bulk plants and in farm yards.

I just checked with the Minister of Agriculture — pressure basically came off the government in terms of farmers complaining over the last couple of months. There was a very good reason for that. That was because they weren't getting the hassles they had been in the past; that doesn't mean to say they won't get them again in the future.

But I think that before we rush into changes, unless we can get agreement from the Federal Government, and the proposal has been made, and I'm sure members are well aware that we've been asking for the tax credit system. That is the system, by the way, which has the support of the major farm organization in the province which was pursuing the issue, the Keystone agricultural group. They looked at a number of alternatives with us and we've had those consultations going on across the province.

It seems to me, at the moment, we should look very carefully before we move to any system other than what we have proposed. We would hope that we could get the cooperation of the Federal Government on it.

Just going back to the Resolution for a second, though, that is why I say that the first WHEREAS is out of time at the moment. Now maybe six months from now it will be accurate again. Because it is out of time, so is the second WHEREAS, which would suggest that it would result in significant savings and operating costs. It would not at the moment, certainly not at the moment.

In terms of the RESOLVED, that, of course, as the member has indicated, he had put his resolution in; our Budget referred to the same problem. I think all members of the Chamber agree that something has to be done. I do believe that the proposal made by our Minister of Finance is a very sound one.

We've been wrestling with the problem for something like a year. Each time we came up with what we thought was a solution there were people coming along and pointing out certain problems with it. We don't have the luxury of coming up with programs that would cost us large amounts of money and, of course, this, I guess what especially annoys governments about this kind of a tax break not going to the people to whom it goes is that it then winds up in the hands of others for whom it was not intended and we're having enough trouble finding money as it is.

The Member for Virden lapsed into sort of a partisan style there for just a minute, and so you'll allow me to do the same just for a moment. He told the House this wonderful move of the Federal Government to remove some farm fuel taxes only for a two-year period and basically the taxes the Mulroney Government put on. In that sense, what we're dealing with again is sort of the Tory Tango — two steps forward, one step back — in terms of increasing taxes on farmers. This has been happening time after time. I'm sure the Minister of Agriculture could go through all of the tax increases farmers have experienced under the Mulroney Government.

One of the biggest ones is the elimination of the investment tax credit which, on average, is going to cost each farmer in this province per year \$2,000 once it's fully implemented, \$2,000 per year per farmer after about two years.

The Member for Morris says it will cost them more than that. Of course. A lot of farmers are going to lose more than the \$2,000 a year; some will lose nothing. Those who purchase no new farm equipment will not lose any money, but that's an awful big hit to put on the farming community right now.

At the last Trade Ministers' meeting I was at, there was a little blurb dealing with the funding of credit and the rates of credit for the Canadian Wheat Board. I asked Mr. Kelleher what that was about. Mr. Kelleher informed me that they felt that the terms of credit given to customers for Canadian wheat are too generous and they're going to be reducing that. They're planning on changing that. I mentioned to him that I think that all members of this Legislature would disagree that at a time when we're having a terrible time selling our wheat, we would want to change our terms of trade with customers who are accustomed to particular terms, given especially the fact that we have the least-

subsidized farmers of the group that are out there exporting wheat, less subsidized than the European community, certainly less subsidized than the Americans right now, and so on.

So this is not a time to find further ways of saving federal tax money at the expense of the Western Canadian farmer. Although there may be a two-year tax holiday on a tax basically imposed by the Mulroney Government, that is not a great deal of comfort for Canadian or Manitoba farmers.

Again, in closing, I would say let's take a very careful look at where we are right now with the market and let us not put the farmer in a position where, because we think we're doing a good deed, we're going to wind up costing the farmer more money.

MADAM SPEAKER: The Honourable Member for Ste. Rose.

MR. G. CUMMINGS: Thank you, Madam Speaker.

I'm pleased to rise to discuss the purple fuel rebate system in this province because during the election campaign — this is a concern that the candidates on this side of the House were talking about long before we got into the middle of the campaign. In fact, many of us were talking about concerns in this area back in our nominations, which occurred probably about a year prior to the March 18 election.

As a farmer and a consumer in the area of purple fuel, I can verify the difficulties that the farm community has had in identifying the savings, whether or not the full value of the savings of the purple fuel system were passed on to the farm community in the original intent of the legislation.

It seems to me that this is a very simple situation with a fairly simple solution, Madam Speaker. The purple fuel system, when implemented, was meant to identify fuel to the farm community, that would be used for farm purposes, and farm purposes only, that the dyeing system was there to indicate that that fuel was designated for agricultural purposes, that it would involve the heavy equipment and the movement of agricultural produce. In fact, the government would not be collecting a tax that basically originated as a road tax, would not be collecting a tax that would be adding to the cost of the production of foodstuffs in this province.

Let me look for a moment, Madam Speaker, at the statements that were made in the Budget Speech. There was such statements that a tax credit, as the system is referred to, being proposed by the legislation, indicated through the Budget that it would ensure that the farmers would receive the benefits of the over \$30 million fuel tax exemption. Certainly that's a statement that anyone who wants to see that tax benefit passed on to the agricultural community, would not dispute.

It would enable farmers to shop for advantageous pricing. It would broaden their fuel purchasing opportunities and eliminate the need to dye fuel. That's exactly what we're talking about in this resolution, that that need has outlived its original purpose.

It talks about the facilitating of use of on-farm unleaded fuels. That's a concern and a purpose of our resolution because the unleaded fuels are becoming increasingly used in our agricultural endeavour, our

vehicles that the farmers purchase today. So that adds another classification of fuel that has to be stored, not only in the system, but on the farm itself.

Therefore, it leads to simplification of the storage process, but there's not only simplification of the storage requirements for the farmers, but storage requirements for the industry as a whole. In fact, this may be the source of some of the problems that we are having in determining if the full advantage of the purple fuel system is being passed on into the agricultural community.

The increased storage capacity that's required, the increased sorting that's required by the bulk delivery system, the flushing of the trucks that deliver fuel to the farms, the tax system allows for punishment of those who intentionally or inadvertently deliver dyed fuels into areas that it's not supposed to be delivered. This has led to a great deal of work and a great deal of concern on the part of the private fuel delivery, bulk delivery systems that we have in rural Manitoba. I'm not talking about the cost to the major fuel company, the suppliers, I'm talking about the small businessmen who are the wholesalers who supply us at the farm gate level.

We hear a considerable amount of talk about the recent savings that were generated this spring, or supposedly generated by the ability to dye fuel at the border. I suggest that the members opposite are overlooking the fact that there was also tremendous pressure being applied by the farmers themselves, knowing that world fuel prices were on a decline. In fact, there was a tremendous holdback on purchases this spring because of the anticipated decline.

A reverse situation to what occurred during the rapidly rising prices of a few years previous and under the National Energy Plan where, every time we went to the pumps to purchase fuel, we were quite prepared to accept whatever price was there because we knew that it was rising on an incremental basis.

Something that I think needs to be brought into the discussion today, Madam Speaker, is the fact that when we look across the border at the pricing system that is used there, many of us forget that, in fact, the wholesale dealers, in delivering to the farmers of the northern United States, in several cases actually charge additional over and above their pump prices for delivery of bulk fuel, because of the tremendous increased costs that they see in their bulk delivery equipment.

We might be asked what is the relevance of this argument in relationship to the purple fuel system in Manitoba? The relevance is this, Madam Speaker. By eliminating the purple fuel system in this province, it allows the farmers to determine precisely what the price comparisons are as they shop around and take advantage of the free market system in order to have the most advantageous location from which to purchase their fuel. If, in fact, the farmers of this province wish to tender, as many of them do, there will be no ability of the retailer to hide his discounts within the tax system. In fact, the farm price that is quoted is the farm price that we can trust and know that there would be no doubt what the price will be on our invoices.

The purple fuel system, as I stated at the beginning, has served its purpose.

When we are looking at the rebate system that is proposed, however, in the outline in the Budget — and

I realize that there are several positive sides to the aspect of rebate through the tax system. But the Minister of Industry, Trade and Technology cautioned us to be slow in dumping the purple fuel system.

I would say to the members of this Legislature that the very fact that he even chose that particular line of reasoning gives me additional reason to worry that the government may not be totally sincere in its effort to have the purple fuel system replaced with a more easily administered system in the agricultural community, because the linkage between the tax system, the income tax system, and the rebate of the tax on agricultural fuel, when linked to the tax system and linked to whether or not there will be agreement made with the Federal Government, starts to raise certain questions. Perhaps the Minister of Agriculture will address these questions at some point prior to us seeing this legislation as proposed in the House. But in fact, if the rebate system is to be implemented, and if that is the only method that this government is considering implementing, they have given themselves a very convenient out, because they have not indicated anywhere in here or in discussions that we have had from time to time, just exactly who's going to be putting that thousand bucks up front, which is indicated to be the benefit to the average farmer, if there is such a thing in this province. I wonder if that isn't where some of the concerns enter into, in negotiations with the Federal Government in relationship to facilitating this objective.

I would hope that our resolution would be greeted with approval on both sides of the Legislature, and I would hope that, because our method is other than that proposed by the government, that in fact there is some middle ground that we may all meet on and make sure that this benefit is passed onto the agricultural community because there is concern, not only expressed here, but there has been concern expressed for a number of years in the rural areas. The Minister of Industry, Trade and Technology says that there's a possibility that we are throwing out a good system. I know I don't quote him precisely, but that was the feeling that I got from his statements.

That system has become somewhat archaic; that system, if replaced by the system that is proposed here, whereby a distinct percentage of the tax — and I go further than what is written here, I know some of the proposals that have been made to the government — wherein a percentage of the tax rebate could be held back and stipulated as being that percentage that would be used for personal consumption by the farmers of this province. If, in fact, that is part and parcel of this proposal to tie it to the income tax system, that in fact what we are saying to the farmers of this province, we know that you are cheaters; we know that you will not tell us truthfully how much you use for personal use; we're telling the farmers of this province that we know that you will take advantage of any system that you think you can use to reduce the taxable income or the amount of tax that you would pay.

The system indicates to me that there's a distinct distrust of the willingness of those in the agricultural community to indicate to the tax department, to indicate to the government, exactly what their personal usage is.

So I would suggest that the system that is proposed is unnecessarily complicating, and that our resolution

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is a simple one. It simply addresses the problem in a manner that I think would eliminate problems of rebates at the dealer level or discounts at the dealer level, to make sure that the tax is not included in the price, is precisely the way the agricultural people of this province would like their rebate to be handled, and therefore I would plead with all members of this House to support this resolution.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Madam Speaker.

This resolution, I find it somewhat odd in dealing with it, although I recognize that members opposite are asking for a system somewhat different than is proposed in the Budget. But it probably would have been more appropriate for them to bring forward a resolution to this House that is more factual and more appropriate for the circumstances today, given the actions that the province has already undertaken over the past several months, which has, once again, restored the traditional system where the tax rebate has been passed on to the farmers by the oil companies.

We went through a period of a couple of years where the oil companies were I guess money grubbing enough to not pass the taxation benefits on to the farmers that has been passed in the Legislature of this province and in many other provinces as well. They essentially use the system to make money, they used the tax system to make additional profits off the farmers, the people who are exceptionally dependent on, not only for the fuel, but people who are among the best customers for the volumes of fuels that they use and also for the feed stock that the petroleum-based products are used in the making of fertilizers and pesticides and herbicides, of which Shell, and Esso, in particular, major manufacturers, major participants, and yet they were unscrupulous enough to go after their best customers that they have in the whole ruddy country, to take excess profits off the farmers by not passing through the tax benefit given to the farm population of this province by this Legislature.

Your resolution, as the Minister of Finance pointed out, the first WHEREAS is not longer in effect. The second WHEREAS, as well, I would say is no longer in effect because the benefits are being passed through. I just made some calls yesterday in regard to this and tried to check out what the prices are that are being passed on from the Winnipeg price versus the farm price in diesel fuel, in particular. The Winnipeg station price is still in the mid-45 figure, 45.6, 45.8; the diesel fuel tax is 9.2 cents a litre. The price that the farmers should be paying, therefore, is in the vicinity of 35 to

36 cents per litre. And, in effect, the actual firm fuel price, I called through to the Erickson Co-op yesterday to see what they were charging and their delivered price of diesel fuel was 32.4 cents.

So perhaps right now it shows how out-of-date this resolution is, not totally irrelevant, but the premise that the resolution is developed upon is no longer the situation, as far as I am aware, in the province today. There may be some pockets in the province where the price gouging is still going on. I would say that the oil companies should continue offering the good price that they are currently offering to the farm population for some time to come, to pay back to the farmers of this province the money that they unscrupulously took from them by charging excess prices over the past couple of years.

So in a way, I would almost like to see the system, as it is, maintained for some period into the future, to make sure that some of those excess profits that were taken from the farm community are returned to them. Madam Speaker, the basis and the system that the province has had in place for 20-some years now of purple fuels and dyed fuels, has worked relatively effectively overall. It does have some, I think, inefficiencies in it, in that it requires the dealers to store their fuels in separate containers of the tax and the non-tax fuels, the dyed and non-dyed fuels; so they have to basically have bulk storage facilities for more than one product, although the commodity is essentially the same commodity.

The basis of that system had worked and it's shown, because of the dishonesty of the oil companies in the past few years, I think that it now is perhaps required that we do look at changing the system, as we have been studying and involving the farm community over the past year. The Minister of Agriculture has been meeting until they have come up with a joint proposal. We have included that in this year's Budget. We are expecting and anticipating that the Government of Canada will allow us to work alongside their program of tax fuel exemptions so that a farmer doesn't have to fill out additional application forms. The same quantity is being used. It's the same quantity, the tax, be it federal or provincial, is based upon. I should not have to go through two separate forms for the same deductions.

MADAM SPEAKER: Order please.

The hour being 5:30, when this matter is again before the House, the honourable member will have nine minutes remaining. I am leaving the Chair with the understanding that the House will reconvene in Committee of Supply at 8:00 p.m.