

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 24 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 Burrows.

MR. C. SANTOS: Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same, and asks leave to sit again.

I move, seconded by the Member for Inkster, that the report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Economic Security.

HON. L. EVANS: Madam Speaker, I have a Ministerial Statement.

Madam Speaker, I would like to take this opportunity to inform the members of the Assembly that as Minister of Employment Services and Economic Security, I signed a proclamation in my office this morning, declaring July 7 - 11 as Hire-A-Student Week in Manitoba.

Hire-A-Student Week, an annual event, promoted by my department's Manitoba Youth Job Centre Program, represents a province-wide effort to recognize the importance of hiring students and giving them the opportunity for career-related work experience.

The proclamation signing for Hire-A-Student Week, reflects the Provincial Government's commitment to the concept of hiring Manitoba youth. We all know that people are a nation's most important resource and our younger generation comprise the most vital component to securing our economic future.

Through the Manitoba Youth Job Centre Program, the Provincial Government presently provides job counselling, referral and placement services throughout the summer for students and unemployed youth. Forty-three Manitoba Youth Job Centres operate province-wide. Nine of these facilities run in cooperation with the Federal Canada Employment Centres for Students.

In addition to the Manitoba Youth Job Centre Program, my department operates a variety of job creation and job placement initiatives, whereby it is anticipated that the Provincial Government will assist approximately 20,000 students and youth to secure jobs this summer.

These initiatives take the form of:

- (1) - direct employment offered through STEP - the Student Temporary Employment Program, and departmental budgetted positions;
- (2) - referral services to full-time, part-time, and casual employment through the job opportunity service and the Manitoba Youth Job Centre Program;
- (3) - direct wage assistance programs such as Manitoba Careerstart '86, \$8.5 million, and our Northern Youth Corps Program.

Hire-a-Student Week is certainly an important happening across our province. It is a time when we call upon the business community, and others in the private and public sectors, to acknowledge the efforts of our youth, who need to gain work experience for future employment opportunities.

During Hire-a-Student Week, as throughout the course of the year, our government urges all Manitobans to do their share in helping students and youth in their respective communities.

The staff at the Manitoba Youth Job Centres promote this week to increase the public awareness of hiring students. A variety of events designed to encourage community participation, such as, parades, contests, and car washes, have been scheduled. In the past, local officials in towns and cities across Manitoba have offered their support by promoting local involvement in Hire-a-Student Week publicity endeavours.

Madam Speaker, as a gesture to promote Hire-a-Student Week, I would invite all my colleagues to wear our Manitoba Youth Job Centre buttons during Hire-a-Student Week, in support of our Manitoba youth.

Thank you.

MADAM SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Madam Speaker. I would like to thank the Minister for his statement this afternoon. As many of us know, this program has been going on for many years and, in fact, it's been going on for many weeks this spring, in starting and coordinating. I think the jobs that some of these young people get, of course, direct them in a path that they may want to go on later in life.

I would very much like to congratulate the young people that coordinate and do the actual promotion and work in the communities because they're the ones that make the program work and make it successful in hiring students and, of course, hiring students is a very, very important thing in these days of high unemployment.

I thank the Minister for the statement.

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

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before proceeding to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 46 students from Grades 5 and 6 from the J.A. Cuddy Elementary School, under the direction of Miss Marie Brooks. The school is located in the constituency of the Honourable Member for Morris.

We have 45 students from Grade 6 from the Assiniboine School. These students are under the direction of Mr. Carney and Mr. Reynes, and the school is located in the constituency of the Honourable Member for St. James, the Honourable Minister of Labour.

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

ORAL QUESTIONS

Limestone Training and Appointment Agency - awarding of contracts

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker, my question is for the Minister responsible for the Limestone Training and Employment Agency.

I wonder if he could indicate whether the agency has awarded a contract to monitor the agency's efforts to maximize Native and Northern employment arising out of the construction of the Limestone Project.

HON. V. SCHROEDER: Yes, it has.

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether, prior to the awarding of the contract, proposals or tenders were called for with respect to that project.

HON. V. SCHROEDER: No, Madam Speaker.

Limestone Training and Appointment Agency - Churchill Research Centre

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether the amount of the contract was approximately \$340,000, and whether it has been awarded to the Churchill Research Centre Inc.

HON. V. SCHROEDER: The answer to the first question is no, Madam Speaker; the answer to the second question is yes.

MR. G. FILMON: I wonder if, Madam Speaker, the Minister could then indicate what the value of the contract was.

HON. V. SCHROEDER: It was for \$250,000.00.

Limestone Training and Appointment Agency - WMC Research Associates

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether a portion of that

contract will be performed or fulfilled by WMC Research Associates, or Doug Davison?

HON. V. SCHROEDER: Madam Speaker, I can table the contract. There is nothing in the contract with respect to WMC or Doug Davison, but the Churchill Research Centre has, indeed, sub-contracted a portion of the work to Doug Davison. I might add that the people at the Churchill Research Centre include the director, Dennis Macknack, who is with the Brandon University, the Brandon University's North Teacher Employment Program, which has provided so many Native teachers for Northern Manitoba. He was involved with the Core Area Training Agency, with the Winnipeg Education Centre dealing with teacher training for disadvantaged people in the core area of the city; people like Deo Poonwassie, Director of the ACCESS Program of the University of Manitoba, again involved with ACCESS for post-secondary education for Native Manitobans, a very successful program; Don Robertson, a Native Manitoban who was also involved with the Brandon University's North Teacher Education Program, a very successful program in getting Natives into teaching positions, and he's now the Superintendent of Island Lake Education Authority.

Those people are basically the people behind the Churchill Research Centre, and they have sub-contracted some of their work out to other people who have an expertise in this field.

Limestone Training and Appointment Agency - Man. Hydro representative

MR. G. FILMON: I wonder if the Minister could indicate who Manitoba Hydro's representative on the Limestone Training and Employment Agency is.

HON. V. SCHROEDER: Madam Speaker, there are a number of people on that Limestone Training and Employment Agency. Of course, the Chairperson is Peter Ferris, the Hydro representative is Linda Jolson. There are representatives on that board as well from the Department of Finance, from the Federal CEIC, from Employment Services and Economic Security and a number of other agencies, all of whom have an interest in ensuring the success of this project which, to date, has been, Madam Speaker, extremely successful in that we are exponentially higher in terms of Native employment at Limestone than we have ever been able to achieve in the past.

We have done, up until this point, what we have set out to do — to make sure that this time Native Northerners will not be by-passed in terms of training and employment when we're doing work and resource development in the North.

Limestone Training and Appointment Agency - Churchill Research Centre

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether Ms. Jolson participated in the decision that led to the award of that contract without tender to Churchill Research Centre Inc.

HON. V. SCHROEDER: Madam Speaker, I've had several discussions with the Chairperson of the

Limestone Training and Employment Agency, who has vigorously insisted that Ms. Jolson has at all times acted in a way to ensure that there would be no possible conflict of interest. The fact that her husband was with WMC was noted by her and she left meetings when any discussions were involved in any way with respect to either her husband or WMC.

MR. G. FILMON: Madam Speaker, given that Ms. Jolson's husband now is the recipient of a subcontract — a subcontract, as I understand it, in the amount of approximately \$40,000 — as a result of the awarding of that contract to Churchill Research Centre Inc., does the Minister believe that is satisfactory conduct for her to be involved in the committee that awards this contract?

HON. V. SCHROEDER: Madam Speaker, she did not involve herself with that contract, nor did this particular committee involve itself with that contract. I explained the committee entered into a contract with Churchill Research Centre Inc. which in turn subcontracted a part of the work. It is true that in order to obtain that subcontracted work there had to be approval from the Limestone Training and Employment Agency, in that they wanted to ensure that people doing the work would be qualified to do it.

I'll just point out to the Leader of the Opposition that it's not a \$40,000 contract and he should be just as careful of two-day-old newspapers, especially when they're the Free Press, as one-day-old newspapers, in terms of accuracy. The dollar amount was wrong; it said that it was done last Fall, that was wrong; the dollar amount of this was wrong. There are so many inaccuracies in that story that I would think that the publisher of that paper would think about what he says when he says that one inaccuracy makes a story not worth reading.

MR. G. FILMON: I wonder if the Minister could then indicate what the amount of the contract portion will be given to WMC Associates or Doug Davison, and I wonder if the Minister could indicate to us, Madam Speaker, whether or not Ms. Jolson had prior knowledge that WMC Research Associates or her husband, Doug Davison, would be involved on a subcontract basis when this contract was awarded to Churchill Research Centre Inc.

HON. V. SCHROEDER: Madam Speaker, the contract was for approximately \$32,000.00. I've already indicated the Chairman of the Limestone Training and Employment Agency has made it very clear that there was absolutely no conflict of interest, that Ms. Jolson never advanced the cause of Doug Davison or WMC, and made sure scrupulously, that she would not be present at any discussions dealing with those matters, keeping in mind that it is Doug Davison who was one of the two people who presented reports to us prior to the start of construction of Limestone as to how to proceed.

There was one report which suggested that we should proceed in the way of the past of the Northern Manpower Training Corporation where we didn't have any kind of priorities for Native Northerners; that was

one report. The Davison Report said, yes, there should be priority; and, yes, we should start training immediately, have the guts to do it. We've been following his advice. It has been good advice. It has been advice which has meant jobs for Northern Native Manitobans.

MR. G. FILMON: Madam Speaker, given that one of those two reports that the Minister has referred to called for the establishment of a position that was later given to his wife, Linda Jolson, can the Minister indicate now why this contract was not given out for proposal or tender?

HON. V. SCHROEDER: Madam Speaker, the contract with the Churchill group, and keeping in mind because there tends to be some spill-over that people like to associate the two, the Churchill Research Group is one with Dennis Macknak, Deo Poonwassie, Don Robertson, that organization. That is an organization which has been in place as a research organization for a number of years. The Limestone Training and Employment Agency has, as I've indicated, a purpose of ensuring Northern Native employment. This particular group is also interested in identically that kind of progress for Manitobans. They came forward last August with a proposal that they expand their research activity into this area, bringing with them the expertise and background I've indicated. The Limestone Training and Employment Agency was looking specifically for ensuring activity at Limestone by Northern Native Manitobans, as well as having spinoffs to northern organizations; this fit the bill. There was, quite frankly, no one else out there at the time who would appear to fit the bill in the same way, so they felt there was no real purpose in doing any tendering. They were looking at what services these people were prepared to perform. I think that the services they are performing for us have been quite suitable to our needs. I think they've been doing a good job for Manitobans, as has Manitoba Hydro, as demonstrated by the fact that they just recently won the Inter-Provincial Association on Native Employment's Ahenakew Award for precisely ensuring that there would be substantial Native employment on their Limestone site.

They're doing exactly what we're setting out to do, contrary to the expressed promises of Tory candidates up North during the last election campaign. They were saying, "Don't do these preferences; don't do those priorities; don't help the Natives." We're saying that's wrong. We're going to have fair shares for Manitobans.

Limestone Training and Appointment Agency - opposition by Native re contracts

MR. G. FILMON: Madam Speaker, the Minister's editorial comments about Tory candidates are absolute balderdash.

My further question to the Minister is, given that the Northern Native groups are opposed to this award, why would they have given an award to a group that was opposed by Northern Native groups, to help them?

HON. V. SCHROEDER: Madam Speaker, that is clearly not factual. First of all, the Leader of the Opposition

should check the statements of his candidate in ridings like Thompson, in ridings like Flin Flon, in ridings like Radisson, in southern Manitoba, to determine where they stood . . .

MADAM SPEAKER: Order please. Answers should be as brief as possible, should deal with the matter raised and should not provoke debate.

The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, the Ahenakew Award is given by the Inter-Provincial Association on Native Employment Inc. The Leader of the Opposition was asking how we wound up having that award presented to Manitoba Hydro. We're very proud of the fact that it was presented to them and, in fact, the nominees, the people who nominated Manitoba Hydro and supported it were Manitoba Natives, and there are many Manitoba Natives who are saying that we are doing a good job.

They are also saying that we should do better. They're saying, notwithstanding the fact that we have at least three times as many Northern Natives working at Limestone today than we had at any time in the past, under the old projects, we should do more, and we are doing our best to do more, and we will continue to do our best to do more.

We admit we're not perfect, but certainly the numbers demonstrate that we have done, with the backup we have, we've done far better than has been done in the past and we have done that in the face of opposition from the Tories up North who said we should not give any priorities to Native Northerners.

MR. G. FILMON: Madam Speaker, the Minister continues to misinform the House with respect to any comments . . .

MADAM SPEAKER: Order please. The Honourable Leader of the Opposition should not accuse a Minister of intentionally misinforming the House.

MR. G. FILMON: Madam Speaker, as I said earlier, the information that the Minister has provided is incorrect and I ask that you inform him that he not continue to give information to the House about statements of Tory candidates that are not correct.

MADAM SPEAKER: Beauchesne Citation 322 says that ". . . no imputation of intentional falsehood is permissible." Would the Honourable Leader of the Opposition please withdraw those remarks?

MR. G. FILMON: Madam Speaker, I will withdraw the use of the word "misinformed," but earlier I stood up and I specifically said that the Minister's information was not correct with respect to statements of Tory candidates. He has done so, again, and I suggest to you, Madam Speaker, that it is not correct and that you ask him to withdraw those statements.

MADAM SPEAKER: I will read further from Beauchesne Citation 322. "It has been formally ruled by Speakers that a statement by a Member respecting himself and particularly within his own knowledge must be

accepted," and that, ". . . no imputation of intentional falsehood is permissible."

Could the Honourable Leader of the Opposition please withdraw his accusations, imputations that the Honourable Minister was intentionally making false statements in the House?

MR. G. FILMON: Madam Speaker, I said that I would withdraw the statement that I said with the word "misinformation." I have withdrawn that. I am further asking that you ask the Minister not to keep repeating a statement which I have suggested is incorrect, and that is about Tory candidates statements in the North.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Thank you, Madam Speaker. Keeping in mind the Citation you just read from Beauchesne that another member must accept a statement from another member of the House, in support of my Leader's comment, he has said that the Minister of Industry's statements were incorrect; and so that, too, must be accepted by the Minister of Industry and Trade and he should therefore withdraw the comments that he has made, keeping in line with your ruling.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, how often have you admonished us that a dispute over facts is not a point of order and, for that reason, the Opposition House Leader's comments, which referenced what is a dispute between members as to what the facts were in relation to statements that were uttered during a campaign, and I happen to agree with the Minister of Energy and Mines in respect to what was being said by Conservative candidates in Northern Manitoba when they spoke out against our Native preference hiring policies. While I have to agree with them, I understand fully . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please. Could we please have order?

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please. The Honourable Government Leader, to finish his advice on the point of order.

HON. J. COWAN: While I understand the concern about the members opposite, not having been there to have heard those comments, I can fully recognize that in that uninformed state they may believe those comments were not made and that, in fact, is a dispute over the facts and not a point of order.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please. Would honourable members please come to order?

I am satisfied that what we do have here — taking into account the Honourable Leader of the Opposition's apology and withdrawal of his initial remarks — is a dispute over the facts with the remaining remarks.

The Honourable Leader of the Opposition.

MR. G. FILMON: Well, Madam Speaker, I want it then clear on the record that Tory candidates in the North did not . . .

MADAM SPEAKER: Order please. Does the honourable member have a question? Question period is not a time for debate. Does the honourable member have a question?

MR. G. FILMON: Madam Speaker, my question to the Minister is, leaving aside the Ahenakew Award that he wants to go on to, I'm talking about the award of a contract to Churchill Research Centre Inc., which has been criticized by Native groups in Manitoba. I say, in view of the fact that it has been criticized by those Native groups, why was it awarded, without tender, without any proposal, to a group that included the husband of one of the members of the committee?

HON. V. SCHROEDER: Well, Madam Speaker, I am told by the chairperson of the Limestone Training and Employment Agency that the Churchill Research Centre proposal was accepted by all members of the committee. There was one member who wished to ensure that there would be representation and evaluation from the Limestone Aboriginal Partners Development Board, LAPDB, and that was the basis of the dispute. At no time, as far as I know, was there any question as to the competence of this group to do the work, the price, the timing or that there was another group available and able to do the work which was contracted to the Churchill Research Centre.

MR. D. ORCHARD: How can you say that?

HON. V. SCHROEDER: Well, Madam Speaker, they say, "How can you tell"? What we were going to do, hire somebody who had — (Interjection) — Madam Speaker, there are very few people in this province with the expertise to deal with the whole issue of employment in that kind of an environment.

As I have indicated, by and large, those people were already involved with the the Churchill Research Centre. The Churchill Research Centre, as well, informed Mr. Ferris that there was another group of people — about eight or nine organizations — with whom they wished to work to ensure that they would have all of the bases covered with respect to this evaluation, and that is how the contract was awarded.

MADAM SPEAKER: If honourable members want to participate in question period, I'm sure that they know enough to rise to their feet.

The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. Given that WMC Associates, in the person of Doug Davison, produced a report that resulted in the establishment of a position and the hiring of his wife, and now his

wife sits on a committee that has awarded a contract without tender, without proposal, that he is now the beneficiary of; is the Minister satisfied that there's absolutely no inside dealing, that there's absolutely no inside information being used by any of these people in the acceptance of positions and award of contracts?

HON. V. SCHROEDER: Madam Speaker, if the Leader of the Opposition has some evidence, let him come forward with it. I have said to the House, twice now, that the chairman of that organization has vigorously informed me that there was no conflict of interest; that every time there was any reference to WMC or Doug Davison, Ms. Jolson ensured that she was not a part of the conversation, that she was not a part of the meeting. The other people on that board, including people from the Federal Government — not just your local New Democrats, as the Leader of the Opposition would like to have you believe, senior placed officials in a variety of Provincial Government Departments. What he would have you believe, Madam Speaker, is that one person from Manitoba Hydro somehow influenced this substantial group of people, at least 10 other people, to bring on some contract for people — (Interjection) — Well, Madam Speaker, they would have you believe that but they have no evidence, and the only evidence we have is that of people like the chairperson, who says that's not true.

MTS - access to Board meeting Minutes

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker. My question is for the Minister responsible for Manitoba Telephone System. Past practice has allowed members of the Opposition, members of the public access to the Board Minutes of the Manitoba Telephone System. Is that practice still available, and do members of the Opposition have access to Board Minutes of the Manitoba Telephone System?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: I don't recall that past practice, Madam Speaker. I'll take that as notice, and I'll certainly give the honourable member full information.

MR. D. ORCHARD: Madam Speaker, not that I want to get into a debate because you'd rule me out of order, but . . .

MADAM SPEAKER: You're right.

MTX - access to Board meeting Minutes

MR. D. ORCHARD: The Minister himself, as he's been Minister responsible, is allowed access to those MTS Board meetings. Could the Minister also indicate, while he's taking as notice the question of access to Board

Minutes of the Manitoba Telephone System, whether members of the Opposition would likewise have access to the Board Minutes of the MTX, the wholly-owned subsidiary of Manitoba Telephone System?

HON. A. MACKLING: I've already indicated, Madam Speaker, I will take as notice the questions the honourable member puts, and I will do that.

Manitoba Energy Authority - access to Board meeting Minutes

MR. D. ORCHARD: Madam Speaker, my question is for the Minister of Energy and Mines.

I think several days ago I posed the question about access to the Minutes of the Manitoba Energy Authority Board meetings. Has the Minister made a decision as to whether the Opposition has access to those Board Minutes?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. I believe I answered those questions.

MR. D. ORCHARD: Then, Madam Speaker, since the Minister indicates he's answered that, then I take it that I have the authority to go over and read the Minutes of the Manitoba Energy Authority Board meetings. Is that the answer he's giving me today?

HON. V. SCHROEDER: I would suggest that the member read the reply.

MR. D. ORCHARD: Madam Speaker, is the Minister denying access to the Manitoba Energy Authority Board meetings, yes or no?

HON. V. SCHROEDER: Madam Speaker, there has never been access to those Minutes. I indicated previously to the member that the Authority, set up by the government he was a Cabinet Minister in, is in the midst of commercial negotiations which I will not have him leaf through, no matter how much he might enjoy it.

MR. D. ORCHARD: A question to the Premier. How does denying access to the Manitoba Energy Authority Board Minutes, a public corporation of the Province of Manitoba, fit with his government's policy of open and divestiture of information to the public of Manitoba?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, there is a difference between open government and stupid government. The honourable member is demonstrating which side of the fence he is on, Madam Speaker, insofar as that description is concerned, because . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. H. PAWLEY: Madam Speaker, the Honourable Member for Pembina certainly demonstrates what side of the description his performance in a particular government would suit. Madam Speaker, the Minister of Energy and Mines has indicated, quite clearly I thought in this House, that there are matters of negotiation that are under way. While matters of negotiation are under way, Madam Speaker, it is important that those negotiations remain, in the public interest, as they are at the present time, not open to the particular scrutiny of the Member for Pembina.

MR. D. ORCHARD: Well a supplementary then to the Honourable First Minister.

Since he has now confirmed that his government is not open, in that it is denying access to the Board Minutes, is he now saying his government is stupid?

MADAM SPEAKER: The honourable member should know not to ask trivial questions.

The Honourable Member for St. Norbert.

Eliesen, Marc - contracts

MR. G. MERCIER: Thank you, Madam Speaker, I have a question for the Minister of Energy and Mines.

Last week he, in response to an earlier question from me, indicated that Mr. Marc Eliesen rents a Volvo, at a cost of \$529 per month to the taxpayers of Manitoba. Since then, he's indicated this is in excess of the guidelines. Could he indicate how much in excess of the guidelines this rental figure is?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, I don't know that the \$529 a month is in excess of the guidelines. The vehicle is in excess of the guidelines, that is, there were criteria for motor vehicles sent out to government departments — (Interjection) — Yes, instead of Buick Electras for Tories, which are far more expensive than that Volvo, far more expensive.

MADAM SPEAKER: Order please, order please. Question period will not deteriorate into fighting matches between two members. Could the Honourable Member for Pembina please contain himself?

MR. D. ORCHARD: Yes, Madam Speaker.

MADAM SPEAKER: Thank you.
The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, I really don't want to put on the record more nonsense from the Member for Pembina.

I want to answer the question, and the answer is that there were criteria set out in terms of the standards of the vehicles, the sizes and that sort of thing, which I understand that particular Volvo does exceed. That doesn't necessarily mean that, on a per month basis on a lease, it is over the cost of a vehicle that would be within those guidelines. If the member wishes, I could get the guidelines, they're fairly clear.

MR. G. MERCIER: Madam Speaker, as I understand the guidelines, they only refer to the use of a compact vehicle. Could the Minister indicate for how long this car was rented at a rental rate of \$529 per month, and whether there will be any steps to have Mr. Eliesen reimburse the taxpayers of Manitoba?

HON. V. SCHROEDER: Madam Speaker, as I understand it, it's a three-year lease. We would expect that, at the end of the lease, the next lease will be for a vehicle which will be within the guidelines.

The Manitoba Hydro did make those arrangements, and they will be carried on until the end of them unless there would be any saving in doing otherwise, which I don't believe.

MR. G. MERCIER: Madam Speaker, could the Minister perhaps clarify his answer. Will Mr. Eliesen be asked to reimburse the taxpayers of Manitoba for being outside of the guidelines with respect to his rental of the Volvo?

HON. V. SCHROEDER: As I understand it, at the time the lease agreement was entered into, the people involved with the lease of that vehicle were not aware of the guidelines. That is what we've been informed. That being the case, and they had made the arrangements for their chairperson, I don't think it would be appropriate to now come along in the middle of the contract and say, pay some money back, when they felt at the time that they were doing nothing improper when they weren't aware of those guidelines.

Scientific Research Tax Credit Plan - criminal charges

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker, I direct my question to the Minister of Finance.

Whereas Revenue Canada's Deputy Minister, one Harry Rogers, says he'll push the Federal Government to change quickly one of their laws that will allow people who have abused the Scientific Research Tax Credit Program to face criminal charges and, given that the former Minister of Finance charged that those who took part in such a scheme were guilty of legalized theft, did the Minister of Finance, in his meetings last week with other Ministers of Finance across Canada, did he lend his support to discussions surrounding this matter? Was he supportive of any possible changes in law that would allow charges to be laid against those who are guilty of that act?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Well I'm pleased to comment on that matter, Madam Speaker, even though it is a decision of the Federal Government. No, there were no discussions on this issue at the recent Finance Ministers' meeting. The Federal Finance Minister did not place that issue on the table for discussion, but I can tell him that, at an earlier bilateral meeting that I held with

the Federal Minister of Finance, I raised that issue and concurred with his action with respect to that particular item.

MR. C. MANNES: Will the Manitoba Government be pushing Revenue Canada to review claims filed under the quick-flip provisions of the CRTC in order to rescind tax breaks associated with improper claims?

HON. E. KOSTYRA: Yes, Madam Speaker, we support the action of the Federal Government. Indeed, the issue of the one particular enterprise in the Community of Morris was referred to them by staff of our department.

MR. C. MANNES: I would ask the Minister whether they would push the government to review all possibly improperly conducted operations or programs under any constituted company that entered into scientific research programs.

HON. E. KOSTYRA: I would encourage the Federal Government to ensure that all federal statutes, all federal laws, are kept in a state of compliance, whether they be tax laws or otherwise. I would encourage the Federal Government to continue to do that, as I think they are doing.

MR. C. MANNES: A final supplementary, Madam Speaker. I'm wondering if the Minister of Finance can indicate whether the Auditor's Special Audit into the 115 Bannatyne affair has been completed and, if so, can he indicate whether we'll see that report by the end of this week?

HON. E. KOSTYRA: To my knowledge, it has not been completed. I have not received any report from the Auditor and, as I indicated at the time of release of the information that we had asked for that audit, it will be tabled for information of members at the appropriate time, once it's received.

Employment, summer - effect of federal cutbacks

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Madam Speaker. I'd like to direct some questions to the Minister responsible for Employment Services and Economic Security.

Can the Honourable Minister tell the members of this House what is the general effect of the cutback of the Federal Government on the Summer Job Creation Program in the Province of Manitoba?

MADAM SPEAKER: Order please. Could the honourable member please rephrase his question, that question is not within the administrative responsibility of the Minister.

MR. C. SANTOS: Given that the Province of Manitoba's program for job creation is also dependent on federal support, can the Minister tell the members of this House what the effect of that federal cutback is on the Job Creation Program in the Province of Manitoba?

MADAM SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Madam Speaker, the fact that the Federal Government has cut back now for two years in a row approximately \$1.3 million to \$1.4 million per year, two years in a row, it has made a considerable impact on the provincial employment programs for youth and students this summer. The fact is that there's more pressure being put on Careerstart, which has been maintained at \$8.5 million and, regrettably, it has had a detrimental effect on the non-profit organizations in Manitoba who have not been able to get the amount of support that they've had in the past from the Federal Government; and who, therefore, have not been able to create those useful jobs that we need in Manitoba.

Employment, summer - effect on Northern Manitoba

MR. C. SANTOS: Can the honourable Minister also tell the members of this House and the people of this province about any special impact of that federal cutback on Northern Manitoba?

HON. L. EVANS: Madam Speaker, because the Federal Government has tended to emphasize the private sector, at the expense of the non-profit sector, this has had a particularly regrettably negative effect on Northern Manitoba, where we don't have the same degree of private enterprise, same degree of business to provide opportunities. So, therefore, Northern Manitoba particularly has been adversely affected by these federal policies.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, before moving the motion, I would just remind members of the House that we will have the three committees meeting concurrently this evening at eight o'clock: Statutory Regulations and Orders; the review of the Estimates of Agriculture in the House; and the Estimates of Community Services outside of the House in the committee room.

Madam Speaker, I move 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, seconded by the Minister responsible for MPIC.

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 and Corrections.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES

MR. CHAIRMAN, M. Dolin: Committee come to order. We are considering Page 33, Resolution 31, Item 3.(c) Manitoba Developmental Centre — the Member for Portage la Prairie.

MR. E. CONNERY: To the Minister, Mr. Chairman, I want to go back to the \$75 per diem at the Manitoba Developmental Centre and \$110 at the St. Amant.

The information I got, there was no program in place to begin phasing in the MDC to the same level. Two things — will she consider it and how can she justify \$75 at one and \$110 at another, when basically they're the same type of institutions?

MR. CHAIRMAN: The Minister of Community Services.

HON. M. SMITH: Just before answering this specific question, I'd just like to table two items. One is the statistics and explanation on the term time at the MDC.

The other is a status report from the Welcome Home. It's the reports that are given by the regional committees at the monthly meetings of the steering committee. There's an update, as of April 30, and then attached, a June 18 update, so you'll see the form in which the regional plans come forward to the central steering committee.

Now back to the other question of the differentials. I think what I said when I commented on them before is that throughout the social service area there has been a pattern, for time immemorial — decades I guess — of responding to requests for funding in a rather disconnected way.

There hasn't been, in many program areas, a concerted effort to develop a more systematic approach where there is a continuum of services available, levels of need are clearly identified and funded in some kind of rational way and comparability and equity of access throughout the province.

We have started to develop such an approach. It is not a program that is written down in stone anywhere; it's a political commitment to bring more equity into the system. There are issues of collective bargaining and year-by-year variations of program and so on that account for variations. But in our overall desire to bring greater equity into the system, we are interested in closing the gap between these differences.

The per diem figure for the MDC is somewhat understated insofar as the maintenance costs show up in the Government Service budget rather than the MDC budget, whereas the St. Amant is a separate organization so all the costs would be reflected in their per diem.

MR. E. CONNERY: Does the Minister know what that difference is?

HON. M. SMITH: I don't readily have access to that. It might be a question you could raise when you're dealing with Government Services. These accounting systems have followed a certain pattern, and over time again, I know I would certainly like to know the total functional cost of MDC, but to date we don't have that type of breakup.

MR. E. CONNERY: One of the concerns that has been raised to me by several people and also the Member

for River Heights also raised the question of the quality of life at the MDC. I guess the emphasis, and rightly so, if a judgment had to be made as to where the money went, that the fire safety would have to be the priority over aesthetics, but the quality of life, the reclining chairs that we used to have and different things along that way, the inside decorations that would give some life to the place, is that going to be somewhat improved? It has taken a very back place to fire safety and fire safety as I perceive it is good in everywhere except Northgrove.

HON. M. SMITH: One of the three thrusts of Welcome Home has been to improve the quality of program at MDC, so I would agree that some of the aesthetic aspects at MDC could be improved. Institutional care can also improve in quality and the type of surroundings can certainly assist as well as the programs.

MR. E. CONNERY: What is the workload of social workers in the retarded program? I am told that it is in the area of 150.

HON. M. SMITH: I think when we get to 3.(d), I can give you the stats on that. That's the program's portion of this area.

MR. E. CONNERY: Can the Minister give us a comparison, Mr. Chairman, between the cost per person in the Welcome Home or in the community versus at the MDC?

HON. M. SMITH: I missed the first part of your question.

MR. CHAIRMAN: Give the cost comparison between the Welcome Home and somebody in MDC.

HON. M. SMITH: Just a minute, I have the residential care per diems, but we're also building in the other elements as well. Again, I can give you the residential rates for the group homes. That would be the residential portion. When we come to 3.(d), I can give you the day activity rates. Again, there's quite a range because of the variation in placement in the community. I don't know if the member's looking to see if there is a similar expenditure, a reduction or whatever.

I should add that part of the community thrust is to improve the programs for the at-risk people, so the figures are not always broken down.

I'll give you the residential rates for the group homes under Welcome Home: the base rate is \$23.63 per day, the capital component added on can be the actual amount up to \$7.72 per diem. The additional care support based on individual assessment of need ranges from \$8.39 to \$33.56, so that the total range is \$23.63 to \$64.91. There can be a higher rate if there are very special needs and they would be approved individually by the steering committee.

MR. E. CONNERY: You mean to say in Kin Glen or one of these residential homes, that is what it would cost to keep a resident in that home in the total cost?

HON. M. SMITH: I'm not sure if the name you're referring to is one of the homes in the community. Yes.

Some of the institutional per diems, I guess because of the nature of institutional care and at least round-the-clock shift coverage, some of the extra problems that arise when you have such a large number of people together, institutional per diems do tend to be higher than what's achievable in the community.

On the other hand, where community options have been developed elsewhere, it's found, although there may be a slightly lower start-off cost, that in time the expenditures are very similar.

Wages have a way of moving up and there are some supplementary needs that need to be met so that a community option should never be justified as a money-saving device. It should be justified on a quality base. That, in fact, is what we have been doing.

MR. E. CONNERY: Are all of the costs: the physiotherapy, the social worker, all of the things that go into the community, in that figure? Is this the total cost of the residents, the whatever and the infrastructure of all the support services total, total cost?

HON. M. SMITH: No.

MR. E. CONNERY: That's the figure I'm looking for — the bottom line at the MDC, the bottom line in the community taking all things into — (Interjection) —

HON. M. SMITH: We don't total up all the costs because of the different mode of service delivery, but I can give you the key elements.

The residential figures, I've given you. The day programmings range from \$10 to \$20, based on the individual level of need. There are, in addition, some behavioural counsellors that can move in and assist with behaviour situations.

We have speech therapists, mental retardation workers, vocational rehab workers in the field, and gradually there will be a larger number. They will be the, sort of, case managers. They won't be involved in the day-to-day delivery of the program but they'll be there to help with the planning.

We have also put in an evaluation process so that we can see if there are any gaps and they should come up with some comparative costs for us.

Some of the services, for example a lot of the health services and education services, will be absorbed under what we call the generic service. They will show up under Medicare and under Education costs.

MR. E. CONNERY: I still think we do have to be able to have a cost comparison, or know where our costs are going when we're entering into a program. To get a program full-blown and going and then find out that there just is not enough money to carry it, as we see the restraints, I think we're dealing with an ideological idea that I'm afraid the province isn't going to be able to afford and we're going to put a lot of people into turmoil and in conflict because of it. There's a real concern.

HON. M. SMITH: Again, I said it was a matter of political will and a belief in equity and quality. This government has not cut back in this type of service to the least advantaged citizens in spite of difficult times. Instead,

we have moved ahead with this type of system reform. We are committed to equitable access and fair quality of life to disadvantaged whether we're in periods of restraint or not. That's our political commitment, and it's strong and it's been demonstrated by our actions.

If the member has concerns about what another government might do, he's entitled to those concerns, but I, for one, feel, as a result of current and past experience with my government, that our commitment is there and our actions support that commitment.

MR. E. CONNERY: The Minister said, "in a time of constraint." Are we in a time of constraint?

HON. M. SMITH: I think the rest of your life and my life will be lived in an era of scarcer resources. I think the basic issues that we still have to face are how do we share available resources among the members of the community; and we believe that good times or bad, a summary distribution is necessary and that the disadvantaged members of our community have a particular claim on a reasonable share.

MR. E. CONNERY: The Minister, in earlier remarks, said she was trying to get it balanced between the institutional situation and the Welcome Home and the community living.

Does the Minister not also have a feeling for those who are paying for the programs, who are private and build a home and raise a family? There's a lot of people in this mix that have to be addressed. We could do everything for every disadvantaged person but nobody would be working because there wouldn't be any point and we'd be taxed to the limit.

Is this the goal of the government, to tax this generation and the future generation beyond reason because of some sort of ideological idea?

MR. CHAIRMAN: I would suggest that is not really in order for Item 3.(c) on MDC. That is a question of a general governmental nature which is more properly brought up during the Budget Debate or the Throne Speech.

If you'd like to ask further questions on MDC, specifically, we will entertain such questions.

The Member for Portage.

MR. E. CONNERY: Has the Minister looked at the Michener Centre as an alternative to the Welcome Home Program or as a modification on the Welcome Home Program, nice little residences, all the facilities available and interfaced with the city, everything there?

A MEMBER: Where is that in?

MR. E. CONNERY: Red Deer, Alberta.

HON. M. SMITH: In reviewing the options and consulting with the Manitoba groups that have been interested, the consensus has not come down in favour of that model. I don't know, the Chairman may rule me out of order if he wishes, but referring back to the tax issue, I believe that the very tax reform proposals that our government has been putting forward . . .

MR. CHAIRMAN: I think that is out of order. You're encouraging debate on an item which is not within these Estimates.

HON. M. SMITH: I accept the ruling of the Chair, but want it noted that I was not reluctant to give an answer.

MR. E. CONNERY: I'd like to thank the Chairman for being equal. It's appreciated.

MR. CHAIRMAN: Chairs are impartial. Some members are not.

The Member for Portage.

MR. E. CONNERY: I'm going to wind up my part on the MDC at this point, but I do want to make some comments.

I feel that the credibility of a lot of the stuff that we've heard, the information that's been presented, has been damaged severely by the remarks over the fire protection and when the pieces of plastic turn into a full-blown protection system, I feel that it's unfortunate that members are given information that isn't the right information. It concerns me very much when we're dealing with something as sensitive as the unfortunate people and, while maybe we're concerned about the costs, we're also concerned about the individuals. So it leaves a credibility gap in the whole debate.

Also, it leaves me with a lack of confidence in the direction that we are taking. We have asked on more than one occasion to have an impartial review of the retardation program in Manitoba in all aspects of the retardation program so that all people, who I feel is the other side of the coin, could have input, then the general public would have a pretty good impression as to who really is giving information and is the government listening to all sides. It is my feeling that the Minister is listening to one side of the coin with people who she is surrounded with, and then there's the other side of the coin which is in the community which she is not siding with.

Just one last remark and this is a letter of material that came from the Manitoba staff, and it says: "This information sheet and questions were prepared by the staff at the MDC Centre, who care about the quality of life for the mentally retarded wherever they live. It is very evident that the quality of life will not be maintained at the MDC as overcrowding and shortage of staff already exist. Whoever is instructing all these changes is obviously trying to make the MDC a hellhole and to look like one, it is absolutely inhumane." That is coming from the people who are working with the residents of the MDC, and have a real deep caring concern.

Thank you, Mr. Chairman.

HON. M. SMITH: Again, I respect the member's perspective, but I also disagree. The issue about the broader inventory of parts required in fire upgrading, they are more than what I was aware of, the plastic pipe supply. However, a full-blown fire and safety upgrading would have required replacing the door frames as well as installation of the magnetic locks, etc., and would have been a far more costly and extensive process than the member suggests.

With regard to the confidence re the direction, we are elected to sort out policy directions, evaluate them and make a choice. We are not here to be impartial. We are here to listen, to evaluate the options available,

and indeed to come down in favour of a direction. We have done that.

In the process of arriving at that, we did listen to a broad representation from the community. Perhaps it's the first time that this particular program has been directed and shaped by the full range of community groups interested in the field of the retarded.

With regard to the issue of crowding and staff shortage, I can only say that any crowding or staff shortage that is there is something that has existed for a very long time that we've been making steady progress and are committed to making further progress in reducing the crowding and enhancing the staff ratios and improving the facility. It is not something where we can overcome neglect from the past in an immediate way, but the direction we're moving in is in the direction of reducing any crowding and improving the ratios. So, with respect, I disagree with the comments.

MR. E. CONNERY: The Minister mentions neglect from the past. What is she referring to?

HON. M. SMITH: Fifty years of operating institutional care for the retarded may have been a best effort at the time, but the situation at MDC is not something that has been created in the last three years coincident with the Welcome Home thrust. There's been a pattern of service delivery and inmate accommodation and staffing that if we have made any changes in it, it's to reduce the problems identified, not to aggravate them.

MR. E. CONNERY: I would like to remind the Minister, Mr. Chairman, that members opposite take great delight in saying that they have been in office for 12 of the last 16 years. If there's a shortcoming, I think it has to be accepted in that light.

Thank you.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Chairman.

Can the Minister indicate how many people she will move out of the Manitoba Developmental Centre during the calendar year 1986?

HON. M. SMITH: Our figures are not based on the calendar year. We've distributed information to show the numbers we expect to be moved by the end of this year. Now, if there is some additional value in having the calendar year, I may not be able to produce those numbers immediately. However, I think that probably the relevant numbers are the total numbers achieved during the Welcome Home Program and where we will be by December '86. Is that sufficient for the member?

MR. G. MERCIER: What is that number then?

HON. M. SMITH: Again, we're having a little difficulty to try and get at the question because we don't have the calendar year stats. If it is to deduce whether or not there will be enough moved out of MDC to vacate Northgrove, we have a minimum of 85 that will be moved by December '86 with an expectation that we'll far exceed that and be well over 100.

We have 45 new spaces in Southgrove that can be used temporarily while we're completing the reduction

and then those spaces will be available for program enrichment.

MR. G. MERCIER: I thought it was the most simple question that could be asked, Mr. Chairman. I'm just looking for the number of people who are going to be moved out. I said the calendar year. If she wants to refer to the fiscal year, that's fine, or for the balance of this year.

I'm dismayed by what appears to be a lack of approaching this problem in an efficient way.

HON. M. SMITH: I did say that from now till the end of the year, a minimum of 85 and probably up closer to 110, in addition to what have been moved out for the previous years, and that if we run into any difficulty in downsizing the Northgrove population, the full amount, we have 45 spaces in Southgrove that can be used as a back-up until we complete the downsizing.

MR. G. MERCIER: Is the Minister sure that there will be sufficient community residences available to accommodate 85 people for the balance of this year?

HON. M. SMITH: We went through a lot of this yesterday. I handed out the list of people for whom the planning was well along and another somewhat shorter list for whom the planning is at the stage where the application has been made for mortgage approval. I also handed out the update reports from the regions and it is our estimate that we will achieve our target.

MR. G. MERCIER: Who is in charge of the implementation of this program?

HON. M. SMITH: The Assistant Deputy Minister, Joe Cels, is heading up the process and he's supported by an advisory committee, in addition to staff people that are involved, of the following organizations: The Manitoba Council on Rehabilitation and Work — they're the workshop, day activity place; the Association of Community Living; the Auxiliary to the Manitoba Developmental Centre; the St. Amant; Parent-to-Parent; the Sanatorium Board, which operates the Pelican Lake institutional setting; the Coalition of Residential Providers; representatives from Housing and from Education; and the Manitoba Recreational Association.

MR. DEPUTY CHAIRMAN, D. Scott: The Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Deputy Chairman. Just a comment. I'm sure everybody is well intentioned with respect to this whole program, and I thank the Minister for providing us with this information she tabled with the committee today and yesterday, and maybe it's the nature of this type of work, but the comments with respect to the possibilities and proposals and mortgage applications, and proposals being considered by such and such, comments that were made throughout these reports seem to be very inconclusive.

It seems to me there should be a clearer way of administering this program and advising the Minister in a more certain way as to the prospects for achieving some of these residences, say, for example, by the end of the year.

When you compare the Status Reports with the Mortgage Financing Report and the Fact Sheet, there appears to be a great deal of discrepancy between all of them. I would think that perhaps the Minister can ask that some more concise, precise information be made available with respect to this whole program and the residences that will be available this year.

Could she indicate, on the one sheet, the Welcome Home Program Status Report as of June 17, shows four residences cancelled. Could she just give me in a general way why they were cancelled?

HON. M. SMITH: The last question first. The houses that they had identified were far too pricey for the program.

With regard to the earlier comments, though, because the program is based on working with community groups and community boards, and because it's based on planning for individuals and developing appropriate accommodation and programs for them, it is not a program where the centre says we'll put in 24 group homes and then slot people into them. It's a circular process, if you like. That's why, in a sense, everything is moving along. The process for applying for mortgages and so on, though, because we're coordinating at the department end with housing, we can anticipate approval because we know the money that's allocated and we know the criteria that they will apply. So, in a sense, we are coordinating at the government end and we're working with community groups.

I think that there is adequate control in the sense that the central decision-making group is the steering committee but they base their decisions and their approvals on what is coming forward from the regional teams, and each of them is proceeding at a slightly different pace.

In a sense, the circular process is working and we are achieving the goals set.

MR. G. MERCIER: I do appreciate the difficulties in doing this because there would have to be accepted by the community, and the families and individuals involved have to come forward to help make it work.

I'd just like to ask one question, Mr. Deputy Chairman. In the list of grants to external agencies, I find no mention of St. Amant. Could she indicate whether that has been left off the list of payments, or where would we deal with St. Amant?

HON. M. SMITH: It shows up under 4.(f) as an external agency, 4.(f)(4).

The reason it doesn't show up in the grant list is that it's funded on a per diem basis. I did identify, when I handed out the list, that not all the grants were paid on the same basis.

MR. G. MERCIER: I suppose we can talk about that later, but it used to appear — for example, in that list of 1984-85, it appeared on the sheet with respect to payments to external agencies. Has there been a change there?

HON. M. SMITH: I think I've been saying as we went along that we're trying to not just have separate organizations that come in and negotiate the best deal

they can, but some sense of a system. What are we purchasing; what is the administrative cost; what are the range of levels of need, and the associated per diems, to build some order and equity across the system.

MR. DEPUTY CHAIRMAN: 3.(c)(1)—pass; 3.(c)(2)—pass; 3.(d)(1) Programs, Salaries.

MR. CHAIRMAN, M. Dolin: 3.(d)(1) — the Member for Rhineland.

MR. A. BROWN: Thank you, Mr. Chairman. Before we start in on 3.(d)(1), I would just like to serve notice that I will be asking for detailed information under Financial Assistance and for External Agencies. I want the figures paid to each one of the external agencies and financial assistance given. I want that for the year '85, '86 and '87, so this is going to give the staff a little bit of time to prepare.

The reason why I'm doing this, Mr. Chairman, is I'm very concerned about what has happened in this particular area. In 1985-86 or for the '86 Estimates, there was \$28,000,952 was approved and the bottom figure, we've only spent \$18,000,623 and this came directly out of External Agencies, so External Agencies have been cut back drastically.

I want to know just exactly how much they have been cut back and how much it has affected each particular area, the cutback.

HON. M. SMITH: Yes I can appreciate those questions. I think Harvey will find that the adjustments to the 1985-86 vote that I will give you will explain the shift. There is no reduction in money, it's just showing up in a different place. I'll go through in some detail.

Basically this area provides program direction standards and evaluation for care, accommodation, rehabilitation and assistance to physically and mentally disabled persons.

The adjustments made to the 1985-86 printed vote are as follows: In the Salaries area, 571.9 was reduced; the '85-86 was adjusted to 546 to reflect a net decrease of one staff year that was transferred to Child and Family Services Division. Now the reason for that will show up as I proceed.

On the Financial Assistance side \$11,071,500 was reduced to \$10,738,200 due to a transfer of \$390,900 to Children's Special Services. That's basically a respite care item and it's being handled through the Children's Services side so it's not a reduction of service, it's a shift in program responsibility area.

A transfer from \$57,600 from Programs: External Agencies — that is to cover the Steinbach Developmental Centre and COR in Brandon. It's again, to take external agency grants that used to be under — it's to shift program grants into an area where there is a program responsibility. This department used to give a lot of miscellaneous grants for miscellaneous services and what we're trying to do is gradually shift those grants over to a program area so we can get program advice as to whether we should expand or maintain at the same level, reduce or change the method of funding. It's to make sure we have some analysis and accountability for the program.

Under External Agencies the \$17,230,000 was reduced to \$7,260,000 because of a transfer of \$9,912,400 for the St. Amant Centre to the Special Children's Services. The \$57,600 transferred to Programs Financial Assistance — that was just the internal one I referred to before.

Again, it's to shift the institutional care for children away from this adult program over to the general area of Child and Family Service under the Special Children's Service. So again, no reduction in money, just a reallocation of program responsibility.

MR. A. BROWN: Well, Mr. Chairman, I hope that we'll be getting documentation of all these particular areas so that we can make actual comparisons as to where this money went because this is something that we definitely want and it's very difficult for us to determine where this money went just by the Minister making a statement. That's why I served advance notice that when we get to those particular items, that we will be wanting that particular information.

HON. M. SMITH: Basically the whole of 4.(f) is new. Those services were delivered in a variety of other places before. That's probably the key shift. We're trying to separate them. Instead of taking all the mental retardation programs, children and adults, and leaving them in Community Social Services Division, we've taken the children's portion and put it under the Child and Family Services, feeling that's where we can best get the continuing services in the home and in the institutions.

MR. A. BROWN: Mr. Chairman, I noticed that the money had been transferred over to Child and Family Services and I was going to address that particular item when we got over there. But in the meantime, we still do want to know just exactly what happened with the external agencies. Was there a cutback in funding? That's why it's necessary for us to go back to 1985 so that we can make valid comparisons as to the exact funding that the external agencies did receive.

HON. M. SMITH: Again, I think the Estimates procedure of putting in reconciliations are ensuring that if something has transferred, there's no loss. There is a process in Estimates that does that.

I guess I asked the members to accept that that is the method whereby the reconciliations are made. The particular comments I've made will be available in Hansard shortly and you'll have a record of them.

MR. A. BROWN: Okay. I hope that these fact sheets are going to be available so that we can see where the actual monies went.

Now getting back to (d)(1), I wonder if the Minister can tell me how many SY's there were and has there been any drastic changes in program direction other than the Welcome Home Program?

HON. M. SMITH: The same number of staff, 15. The salary increase is \$29,000, just a general salary increase.

MR. A. BROWN: I asked whether there had been any change in program direction other than the Welcome

Home Program. Have any new programs been implemented by this group?

HON. M. SMITH: Yes, the overall thrust of the Welcome Home had the three parts: 220 out of MDC, another 220 people at risk in the community with enhanced servicing, and improvement at MDC. In moving the people out of MDC and picking up the at-risk group, the main thrust there was a development of the residential levels of care and standards through the whole system; also the development of the workshop system, the development of standards and a general rate increase.

In addition, there has been a development of respite care and standards relating to it: a crisis intervention service, supervised apartment living, training of both clients and people caring for them. There is, in addition, vocational assessment and training programs offered for the post-mentally ill and the physically handicapped and thrusts in employment development and work experience.

So, at that point, we broaden the vocational activity from the mentally retarded group to the broader group. Those are the main services offered by this group and they are funded under the Financial Assistance line.

MR. A. BROWN: Can the Minister explain to me just exactly what she means the at-risk group?

HON. M. SMITH: Yes, there are approximately 4,000 people with some degree of retardation in the province. Of those, approximately 1,000 or slightly fewer are in institutions. The others live in the community in one mode or another. There is a group always at risk of institutionalization. They may be youngsters whose care is too much for the family and there are various programs to support the family in their care or provide alternate care in the community for the children.

There are then adults of age who may require independent residential arrangements and work placement. Probably the largest group at risk are the people who are living with aging parents. Years ago, in a sense, we didn't have quite so much of this problem because retarded individuals didn't live as long, but they are living longer and parents who have been able to care for them over the years may themselves be becoming frail; so if there's no alternative arrangement made for their relatives, they run the risk of institutionalization.

MR. A. BROWN: The Minister also mentioned crisis intervention. Now is she telling me that this particular area is doing programming or is also involved with 4.(e), Family Dispute Services, or what kind of crisis intervention are we talking about?

HON. M. SMITH: The type of crisis that occurs in this area is a sudden behaviour shift on the part of the mentally retarded person, and the crisis intervention team assists the local care giver in assessing what the cause of the behaviour change is, and together they develop a way of handling it.

I think I referred to one example a few days ago when I said there was a young man who had been moved out of MDC into a residence and his behaviour

became somewhat aggressive after a period of time. In the past that would have probably led to immediate reinstitutionalization.

In this case, the crisis intervener moved in, observed the individual, talked with him, discussed the situation with the care givers. What they concluded was that the young man, having more freedom and time on his hands, was in fact in need of more activity, more recreational activity, more challenge, so they proceeded to design an enriched program for him which worked very well.

At the same time, they found that other residents in the household, though not presenting as obvious a behaviour shift, also were in need of more activity, and so it was provided for them. What we ended up with was an enriched program, a happier group of individuals, and no need to reinstitutionalize.

MR. A. BROWN: Standards and evaluation for care and then we have accommodation. I suppose that the evaluation would be four programs, but would they also be doing standards on accommodation and evaluation? As a matter of fact, would they be doing somewhat the same type of job as what we had under Residential Care Licensing where you also look at standards, where you look at accommodation? Is this group involved in the same type of program?

HON. M. SMITH: No, it's a complementary type of evaluation. It's looking at all the services and how they interconnect.

MR. A. BROWN: How much of the money spent over here — and I suppose that there is a definite division between the physically and the mentally disabled person. I know that this is one of the things that the physically disabled have mentioned to me a number of times that really they do not want to be involved at all with the mentally disabled persons because their problems are different.

Can the Minister tell me approximately what the breakdown would be in these items between the physically and the mentally disabled as far as dollars is concerned?

HON. M. SMITH: I don't think I have that type of breakdown here. Many mentally handicapped people do have physical disabilities; not all physically disabled people have mental disabilities. The type of program support we have is to try to provide the appropriate care for the individual. In general, if the dominant problem is the mental retardation problem, they'll be handled through this program. If it's a physical disability, they'll tend to come through the health system, but there are some crossovers. Basically, this program though, it's main thrust is for the mentally disabled.

MR. CHAIRMAN: The Member for Brandon West.

MR. J. McCRAE: I wonder if the Minister has the information we talked about yesterday respecting COR Enterprises and ARM Industries in Brandon.

HON. M. SMITH: Yes, we'll distribute it.

MR. J. McCRAE: Thank you.

HON. M. SMITH: Perhaps while you're waiting for that, I could just add that the Vocational Rehabilitation Services, the primary service for physically disabled, goes through the Society for Manitobans with Disabilities and the Canadian Paraplegic Association. No, it was the Society for Crippled Children and Adults. No, it is one of our components as well, but the programs aren't usually identical.

MR. J. McCRAE: The Minister mentioned the Society for Manitobans with Disabilities. I'd like to know what services that society provides in general terms.

HON. M. SMITH: SMDI has a children's component but is funded under the Child and Family Services area. For adults, it offers a Vocational Assessment and Training and Employment Preparation Centre. The Employment Preparation Centre has two components, one for people who can move out or, hopefully, can move out into integrated employment and another sheltered workshop component. They also offer counselling and job placement.

MR. J. McCRAE: Mr. Chairman, how is one classified as disabled? I'm thinking of someone coming to this society for help and being turned away on the basis that the applicant wasn't disabled. What is the guideline? What kind of people can be helped?

HON. M. SMITH: Again, I guess this is where we're dealing with history and how different groups achieved assistance. Most groupings started out as disability-specific and then, over time, some have become more general. SMDI has changed its name and, I think, aspires to be a cross-disability group to a certain extent. But the great majority of its clients are physically disabled. There would be a referral system, I'm sure, among agencies or through the departmental workers.

I don't think a person would be turned away because the service wasn't appropriate. If ever that should occur, I'd appreciate our regional offices being alerted, because that's where the sorting out would occur.

MR. A. BROWN: I wonder if we would be able to get the information that I requested on financial assistance and the external agencies. Can we have a breakdown of those figures? Are they available for us?

HON. M. SMITH: We'll compile information for the member. I draw his attention to the fact that we did distribute payments to external agencies which compared the 1985-86 and the 1986-87 amounts. Under Community Social Services, he'll find a listing of the major groupings.

This is the paper I'm referring to. It was handed out yesterday or it might have been the day before, last week.

MR. G. MERCIER: Are we on the payments to external agencies now?

MR. CHAIRMAN: Well, we're dealing with 3.(d).

MR. A. BROWN: We're dealing with the whole thing.

MR. CHAIRMAN: All of 3.(d).

The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I notice the amount going to Ten-Ten Sinclair has been increased from \$559,000 to \$658,000.00. Last fall, it was reported that a number of quadraplegic patients were being kept in \$500-a-day hospital beds while cheaper accommodation would have been available at Ten-Ten Sinclair if they had had funding in order to operate the beds which they estimated cost between \$75 and \$85 per day, as compared to the \$500-a-day hospital bed. I believe this occurred as a result of a cut by the department for Ten-Ten Sinclair Street from the previous year.

First, I would ask the Minister, and it was indicated in the article that Mr. Cels was studying the matter, could the Minister indicate what the amount of the deficit was for Ten-Ten Sinclair during this last year?

HON. M. SMITH: Perhaps I could approach the question from another angle. The member has correctly pointed out that, during the year, there came to be a bit of a pile-up of people in the rehab hospital who could have profited from the Ten-Ten Sinclair placement. The problem at Ten-Ten Sinclair was it was meant to be a transitional housing location where people would come, get trained in independent living, and then move on to low-rental housing. The low rental housing wasn't developing at a fast enough rate so there was a congregation of people there, or insufficient support services to meet all their needs.

In fact, they did appeal to us mid-year. We did study it and we did increase their grant mid-year to enable them to get through the year and then we have maintained that extra this year. As you can see, the increase is \$99,400.00. It's the full year cost of operating at a slightly higher level.

MR. G. MERCIER: So there was no deficit at Ten-Ten Sinclair for the year . . .

HON. M. SMITH: I think what you're referring to as a deficit was the fact that they were running into a deficit position had we not moved in and increased the grant after we'd studied it. As so often happens, the problem gets reported but not the solution.

MR. G. MERCIER: Are they now able to operate at full capacity?

HON. M. SMITH: Yes, but the problem could repeat itself if we don't have development of low rental housing or some suitable housing for them so that there can be a flow through because we were getting increased numbers of people needing that service.

It's our hope, since a lot of the paraplegics who primarily are using that facility were the result of automobile accidents, that some of our driving safety provisions may reduce that number; that's our hope.

MR. G. MERCIER: The report last fall indicated there were 10 people waiting to move out of Ten-Ten Sinclair when housing became available. Does that same problem exist now?

HON. M. SMITH: Since the housing end of it is not in our department, we sort of indicated our support for

development of the housing, but it's not — I guess it's one of the legacies of the Health-Community Service split that portions of that service are in our department and portions in Health.

However, Health has been developing the focus units and also there are, in quite a few public housing developments, some suites developed for people who require special aids. To our knowledge, the Health and Housing people are working on that, but we don't have direct departmental responsibility for that. So in a sense we got the increased demand at Ten-Ten without the necessary associated ability to influence the other programs directly, but we have met with our counterparts and trust that those problems are being dealt with.

MR. G. MERCIER: I wonder, Mr. Chairman, if the Minister could indicate how many people are presently in Ten-Ten Sinclair just waiting for government housing.

HON. M. SMITH: I don't have that. I can get that detail. It is a 75-unit complex and 50 of the units are specially designed for moderate to severely physically handicapped adults. We can get that information for you, but I don't have it at this point.

I do know that there's been one special unit opened called Fokus IV, but that will come under Health.

MR. G. MERCIER: Mr. Chairman, I would ask the Minister to undertake to get that information. The Health Estimates will be coming up in a little while and it may very well be an issue that we want to take up with them as a result of the information she may be able to give to us on the number of people in Ten-Ten Sinclair waiting for government housing.

HON. M. SMITH: Yes, we'll get that. We'll also try to get some reading on the demand pattern over recent years.

MR. G. MERCIER: There's a grant for \$25,000 to the Manitoba League for the Physically Handicapped. I would never oppose such a grant, but I wonder. Is this a new grant in this department, for the league?

HON. M. SMITH: We did respond to their request mid-year by reallocating. They are a cross-disability consumer organization with a membership of 4,500. It's an umbrella organization that's been providing leadership and development to member organizations. It now appears in this year's Estimates.

MR. G. MERCIER: Does this department carry out the main liaison with the League for the Physically Handicapped or do they simply deal with whichever department they have a problem with at the time?

HON. M. SMITH: The answer is yes and no. In the past they have gone to specific departments for the generic service, but in recognition of the desirability of having a focal point, we have appointed a coordinator of the disabled and that person will be in our department. It's to coordinate the Decade of the Disabled, but they will have some — how should I say it — they'll be able to advise and work with the disabled

community as they attempt to influence generic services in all departments.

MR. G. MERCIER: Can the Minister explain the grant to the Children's Rehabilitation Centre? Where is that?

HON. M. SMITH: That's the program for preschoolers in what was the old Shriner's Hospital — I'm not sure what they call that complex now — but there is a program for preschoolers who are profoundly disabled and that provides the transportation for the children.

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

MR. A. BROWN: Thank you. I'm still really waiting for those figures. What I'm trying to get at is much more of a breakdown than what we have over here. I'd like to know how much Altona was getting as far as a grant is concerned. How much did Winkler get? How much did Morden get? How much did Steinbach get? How much did any of these associations receive so that we can have much more of a breakdown than what we have over here?

HON. M. SMITH: Yes, the individual residences are funded on a rate system. I gave the rate system earlier. So it would depend on the level of care of the individuals there and the associated rate.

MR. A. BROWN: The Minister mentioned that the St. Amant Centre was no longer funded, I believe, by her department. Is that correct?

HON. M. SMITH: St. Amant, did you say?

MR. A. BROWN: Yes, St. Amant. What happened at St. Amant?

HON. M. SMITH: It shows up under 4.(f), the sizeable amount there, \$10 million.

MR. CHAIRMAN: I think it was mentioned under External Agencies (4)(f), I think the Minister mentioned earlier.

HON. M. SMITH: Yes, it's just that the responsibility centre in government has shifted from an overall mental retardation program under Community Social Services to Child and Family Services.

We're trying to put all these services to children under one umbrella on the basis that we're better able then to provide the continuous services and the particular mix of services that an individual or a family would require.

MR. A. BROWN: Okay, that's one of the things that I was not clear on.

Pelican Lake Training Centre, what is happening over there at the present time? We've been hearing rumours that there have been big changes.

HON. M. SMITH: The total amount allocated to Pelican Lake Training Centre has risen from 1,894,100 in 1985-86 to 2,027,300 in 1986-87. The increase of 133,200 includes 70,800 to meet fire commissioner requirements

for staff-client ratios, 22,700 for the union contract, and 39,700 as a general operating increase.

It provides residential care and specialized developmental and behaviour training to 70 mentally handicapped adults. All the residents are ambulatory, and the majority are severely to moderately handicapped. It's administered by the Sanitorium Board of Manitoba, and is supported financially by this department.

MR. A. BROWN: Are they going to be affected by the Welcome Home Program?

HON. M. SMITH: We're looking at using them as a transition centre for people who are moving. To date, they haven't been heavily involved.

MR. A. BROWN: I notice that the Manitoba League for the Physically Handicapped has not received funding so far. Is this the first time that they're being funded by this department?

HON. M. SMITH: I think I've already answered that. They were funded during the previous year, but their grant was given during the year. They are now on a regular 25,000 grant basis. They have been an umbrella organization, developing sort of among the different disabilities. It's a consumer organization or a self-help approach, and we're finding it a very valuable source of advice and ideas on how best to deliver services to the handicapped to enhance their independence.

MR. A. BROWN: Well I really have no further questions, except I did want to have those figures that I could take a look at them and satisfy myself. There might be some questions arising out of those figures.

MR. CHAIRMAN: The Member for Rhineland, there are a couple of options we have here. We could pass the item. We could rise early, and continue in the evening if the Minister could undertake to get you those figures. Is that possible?

HON. M. SMITH: What I could give is the totals for the different functions. I've already given the rates for the residences. What I have listed and could copy is the list of the residences, their capacity and the rates on which they're funded. But what it doesn't give is the total per residence for the year, because that would depend on who they had in, whether they moved people in or out part-year, total year.

The total amounts for community residences are 5,748,400; additional care and support, 2,838,200; supervised apartment living, 396,400; respite service, 528,500; crisis intervention, 141,000; vocational, pre-vocational and day activity, 5,296,600; and transportation, 952,300.00.

MR. A. BROWN: There is no way, Mr. Chairman, that we can remember all those figures without . . .

MR. CHAIRMAN: Well it'll be in Hansard.

MR. A. BROWN: Yes, they will be in Hansard but, by that time, we will have passed the item and we won't

be able to get back to it. This is just the problem that we have come to.

HON. M. SMITH: What is available is the total amounts per function right across the system. What we also have is the listing of the names of the residences, their capacity, their capital and per diem rates, but we don't have the total that would add up to for the year for each residence, because that depends on who they have in their residence for what portion of the year. That fluctuates.

In other words, we're not giving flat grants to residences. We're giving them on the basis of who they have there and their requirements.

MR. CHAIRMAN: Is that the information the member's seeking?

MR. A. BROWN: Yes.

MR. CHAIRMAN: Then I would suggest, if that can be available this evening, the time being 4:30, it is time for Private Members' Hour. I interrupt the proceedings until 8:00 p.m.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, C. Santos: Committee come to order. This section of the Committee of Supply has been considering the Estimates of the Department of Agriculture. We are now on Item 6.(c)(1), Manitoba Natural Products Marketing Council, Salaries. The Honourable Minister.

HON. B. URUSKI: Mr. Chairman, I wish to provide for honourable members — there were a number of questions raised dealing with appeals yesterday heard by the council.

I would like to place on the record that for the year 1984-85, April 1, 1984 to March 31, 1985, there were 20 appeals — 4 granted, 15 dismissed — 4 appeals under beef, 8 milk, 5 egg, 3 turkey.

April 1, 1983 to March 31, 1984, there were 12 appeals — 3 were granted, 9 were dismissed — beef, 6; milk, 3; egg, 2; turkey, 1.

April 1, 1982 to March 31, 1983, there were 18 appeals — 7 granted, 11 dismissed — milk, 9; vegetables, 1; eggs, 7; chicken, 1.

Those were generally the scope of the appeals that were handled in the last 3 years, and they generally are in the 10-20 appeal range, fairly consistent year-in and year-out.

Mr. Chairman, the Member for Roblin-Russell raised the question of remuneration provided to board chairmen. Per diem expenses for the chairpersons of each of these: for the Chicken Board, \$7,250 per diem; Under the Egg Board, \$17,625; Hogs, \$17,036; Milk, \$52,886; Turkey, \$4,700; Vegetables \$2,925.00.

There, of course, would be out-of-pocket expenses in addition to these per diems that members of the board and chairpersons would claim for as out-of-province travel and related to the board activities. There would be additional remuneration there as well.

Mr. Chairman, the per diems for the members were \$105 per day — that is, for council members; the

chairperson received \$105 per day plus a monthly allowance of \$100 for ongoing duties; and members received \$80.00.

The Chicken Broiler Producers Marketing Board, the chairperson receives \$125 per day; vice-chairperson \$100; and directors \$100.

The Turkey Producers Marketing Board: chair \$125 per day; vice-chairperson \$100; and directors \$100.

Hog Producers Marketing Board: The chair received \$5,000 per annum plus \$120 per day; directors received \$110 per day plus a travelling time allowance.

Milk Producers Marketing Board: chairperson receives \$170 per day; directors receive \$123 per day.

Vegetable Producers Marketing Board: directors' half-day meeting fee \$35, full-day meeting fee \$35; chairman's stipend, \$150 per month in recognition of other duties.

MR. CHAIRMAN: The Member for Virden.

MR. G. FINDLAY: Thank you, Mr. Chairman. In the per diem list there's obviously one board that's way above the rest. I didn't catch the first one — Chicken. Could you give it to me? What was the Chicken per diem total?

HON. B. URUSKI: Chicken, \$125 for the chair and \$100 for . . .

MR. G. FINDLAY: The total.

HON. B. URUSKI: Oh. For the chairperson?

MR. G. FINDLAY: Yes.

HON. B. URUSKI: \$7,250.00.

MR. G. FINDLAY: Okay. There's obviously one board that spends an awful lot more than the rest, the Milk Board. Does the Minister have any reasons for that?

HON. B. URUSKI: Mr. Chairman, we are not directly involved in the day-to-day operations of the board. That remuneration, of course, would have to be approved by the board of directors and I am assuming by the membership in terms of those duties. Clearly, if there would be any reasons in which there would be questions in terms of the duties involved, I am sure that board members and, of course, producers would be raising those areas.

I can only assume, Mr. Chairman, that the chairman of the board makes it a function of his duties to be at that board office. I have not done the calculations but they're virtually on a full-time basis.

MR. G. FINDLAY: The figures you gave us here just this afternoon, are they detailed in the annual report for each commodity; and have there been any questions raised at annual meetings about those figures, those per diems, the number of days that the per diems are collected; and what has been the response of the boards?

HON. B. URUSKI: Mr. Chairman, I'm advised that only one board provides the precise details in their annual

report, and that is the Vegetable Board. The other boards have not provided that in details in their annual reports.

These matters do get raised, as I understand, from time to time at board meetings. Some of the boards have taken the position that these fees are confidential and have not released them.

Their producers have, from time to time, raised these issues with the boards. Of course, I would think that if producers felt very strongly about that, they certainly should press it clearly at the annual meeting and have those figures released.

MR. G. FINDLAY: What position has the council taken on this, and have they given any direction to the boards as to the advisability of releasing this information because it's producer money?

HON. B. URUSKI: Mr. Chairman, council's position, I think historically has been that that information should in fact be approved by the membership at their annual meetings in detail.

By the very nature of our legislation, we are unable to force them to make those details although council does receive their budgets from most of the boards and fairly good cooperation from most of the boards. We are, of course, hoping that all boards will in time reflect those kinds of wishes and be prepared to provide that information on an ongoing basis and, as well as to council, release it their membership.

MR. G. FINDLAY: Does council not have to approve those budgets, those final reports? And if they do, why not withhold the approval until that detail is supplied?

HON. B. URUSKI: Mr. Chairman, I'm advised we do not approve the budgets. We are notified of them. Nor do we approve the per diem rates; that is a board and membership decision — Oh, we do. I'm sorry. We do approve the per diem rates that are sent in to the council.

MR. G. FINDLAY: Am I to take from that, then, that council approves of the present method of not fully divulging of these details?

HON. B. URUSKI: Mr. Chairman, most certainly, I, as Minister, do not approve, and neither does the council, of those kinds of methods of withholding the information. In fact, in order for us to receive the information, we are unable to have voluntary compliance. We had the records of, for example, the Milk Board audited twice to make sure we knew what the actual expenditures were for and what they had been. So we've gone in and audited them so we would be certain what the expenditures were.

I don't approve of that at all, Mr. Chairman. In fact, we may have to consider amending the legislation in dealing with this question.

I believe that producers themselves should as well raise these matters at the annual meeting. It is a concern at various times and, of course, in many instances, the issue dropped. But it's one that I believe it may be time that the government reviewed the legislation dealing with the disclosure of their financial statements

in detail and we should in fact look at changes in this area.

MR. G. FINDLAY: I would agree with the Minister that some action is needed in that area, and I would request that he follow through on his comments and see that something is done in the very short term.

One more question. You mentioned two audits on the Milk Board. Is the council satisfied with what they found in those two audits?

HON. B. URUSKI: Mr. Chairman, I'm advised that the expenditures incurred were all receipted; whether or not we may have proof of those expenditures is another matter. But in terms of what was in the budget and what was claimed as expenditures, the audit, I'm advised, did show that all expenditures incurred were receipted and were able to be shown where the money was spent.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, we ended last evening on the discussion on broiler produce and whatnot, and I've partially perused his answers. I think the Minister recognizes the problem that has been caused to small flock producers of broiler hens by the restriction to 499 birds from the previous 999, given that we've got an industry — it's one of the few ones in the controlled marketing commodities. Would the Minister give consideration to a change in the regulation in allowing it to go back to 999 so that small family farms can get in on this windfall of increased demand and increased production, instead of clamping down on the small family farm allow them to have 999 birds?

HON. B. URUSKI: Mr. Chairman, there is no restriction on broilers. It is at 999, I'm advised.

MR. D. ORCHARD: Is the Minister telling me today that my producers, who wish to produce broiler chickens — the examples I gave him last night — that they can produce 999 birds, have them killed through their processing plants as they could in the past and not have any penalty? Is that what the Minister is telling me today?

HON. B. URUSKI: Mr. Chairman, the member made the statement as they have in the past. If the facts show that his constituents processed their broilers through a recognized processing plant in the last, as I'm advised, two out of the last three years, that practice can continue.

MR. D. ORCHARD: Mr. Chairman, the Minister is very interesting in his remarks.

Now, can the Minister answer the further question? If new individuals with children want to produce broiler hens, are they allowed to produce 999 and have access to a licensed killing plant to have them processed under the Minister's new regulation?

HON. B. URUSKI: Mr. Chairman, no. There can be up to 1,000 broilers produced for what is normally known,

and has been, that's been the whole area of the allowance of the exemption is for family use and neighbourhood use of the commodity, normally what would be known as on-farm slaughter.

The member knows, because of the fact that the production from unregistered producers beyond what is involved in the quota that Manitoba producers receive from the national quota, any overproduction by unregistered producers results in a penalty to be paid by registered producers and that is the reason. It's only picked up, Mr. Chairman, because those birds which are produced and slaughtered through processing plants, that's where the records are, of course, maintained.

There is no penalty against the province and province's registered producers if the product is produced and slaughtered at home on farm and used domestically within the family or their neighbours. That's where the difficulty occurred, and that's where the change in regulations requested by the Broiler Chicken Marketing Board were changed; we acceded to those requests.

MR. D. ORCHARD: Mr. Chairman, that's exactly the point that I've been trying to make with this Minister. We're not in an industry that is contracting in terms of its production volumes. We're into an industry that's expanding. The Minister is saying that a 999 bird flock is quite all right provided they don't go through a licensed killing plant, because there is where they are counted according to the national production scheme.

The point I'm making to the Minister, and he full well understands the point I'm making, is that in an expanding market why would you allow the expansion to go to the largest existing producers at the penalty of 999 bird flocks on small family farms? If you've got the ability to pass on additional production volumes, as has been happening, why do you restrict them to the largest producers at the expense of the smallest producers? Why did you accede to that regulation change?

I ask the Minister if he would not consider it prudent to reverse it back to allow small family farms to get in on the 999 bird production and use of registered killing plants so that their local customers can avail themselves of what basically is custom killing services at a licensed killing plant? Those birds are taken in live and taken out processed and frozen for their customers, and they don't impact on the markets that those plants traditionally supply from the major producers.

Mr. Chairman, the case is clear. I'm urging the Minister on behalf of the smaller farms; that's who is affected by his change in regulation. He knows that. I ask him to reconsider it in an expanding market. I'm not making the same request for eggs, because the Minister made the point, and I have to agree that, okay, if you have a contracting market, you have to protect those people that have major investments, but here we've got a market that's expanding and the larger producers are growing with it at the expense of no new entrants even with 999 birds. That regulation could and should be changed to the benefit of the small producers. I'm asking the Minister to give it consideration for the benefit of those small family farms.

HON. B. URUSKI: Mr. Chairman, I do have sympathy in terms of new producers starting out, and the member makes a convincing argument in terms of why anyone who wants to get in can get in, in an expanding market.

Mr. Chairman, the board has a process by which new producers can enter the industry and receive quota, because that's really what the member is alluding to: can a producer receive quota to produce a product?

There is a list that the board maintains in terms of any additional quota that it receives from its national marketing share and, in fact, the bulk of the quota. The new quota that's been issued has been issued to new producers. Although, Mr. Chairman, it has not dealt with those producers who may have been unregistered producers whether they wanted quota, and that's an aspect that I think I should take under advisement and raise with the board as to the possibility of in fact allowing those producers who don't want to go beyond, say, the 1,000 or 2,000 birds, but have a custom service, be designated as registered producers. So when they go through a plant, the rest of the industry is not penalized by virtue of a penalty on the overproduction that does occur.

That's an aspect I think the member raises that I will take under advisement and consider. I think there may be some room for compromise in this area, and I appreciate the honourable member's comments.

MR. D. ORCHARD: To the Minister, I've always found it confusing in that we get caught at the licensed killing plant, even though it's only a custom killing operation because, as I say, the birds go in, they're killed and eviscerated and frozen and out again. They're not part of the supplies. Can these operators be accommodated by having — well, it's within the regulations — a non-accounting day custom killing service, and not even become part of the count because they are serving a local market?

I think the Minister understands the question well enough that I won't pursue it any further, and I look forward to his comments in the future on that.

Mr. Chairman, I want to move to another area with the Minister. There is a new cheese plant that is theoretically ready to go or will be ready to go in Arborg, a division of New Bothwell apparently.

There seems to be some confusion as to whether it will open, and latest indications according to — and I almost hate to use the Free Press as a source of information because members in the government have said they never get their facts right — (Interjection) — oh, you're not from the Free Press, okay.

Well, if you're listening, Free Press, I hate to use it, but I'm going to take my chance because members of the government absolutely hate the Free Press lately because they never get anything right.

A MEMBER: They don't release the facts either.

MR. D. ORCHARD: Well, that's the other problem; this government still doesn't release the facts even when the Free Press is wrong.

MR. CHAIRMAN: Irrelevant.

MR. D. ORCHARD: Absolutely, Mr. Chairman. — (Interjection) — Mr. Chairman, would you care to have

the Minister back there withdraw those derogatory comments that he put on the record from his seat? I don't expect him to because I don't take the Minister that seriously sometime.

But, Mr. Chairman, there seems to be a dispute in the Minister's riding in the Arborg cheese plant over the imposition of a new contract wherein the management are saying on the one hand that they can't afford to operate the plant because the labour costs on the new labour contract will not allow them to have a net profit at the end of the year. It seems to me that what we've got is a circumstance here of sort of a Mexican stand-off, if you will, where neither side seems to be willing to compromise or to even negotiate.

The obvious problem is that No. 1, there's 23 people that may not work; there's a renovated plant which may or may not be ready to produce cheese that is going to sit idle; and, more importantly, milk producers in the Arborg area are not able to avail themselves of a milk market which was local to them up until about a year ago or thereabouts.

Can the Minister indicate whether he has used the influence of his office — which is considerable in the Minister's estimation — to actively pursue the problem at Arborg to see whether that plant can get into production in an amicable way, satisfactory to both parties — management and labour — but, more importantly, Mr. Chairman, and I'm speaking more on behalf of the milk producers up there because they are bearing the brunt of this labour dispute in terms of increased costs that they have to bear, is the Minister aware — obviously, the Minister is aware of the problem because it's in his constituency — is there any method or any intervention or any discussion the Minister has undertaken on behalf of the Arborg cheese plant to attempt to get its opening and thereby securing jobs and market for milk for the local workers and the local producers?

HON. B. URUSKI: Mr. Chairman, we're very well aware of the situation. I want to advise my honourable friend that as there is no first contract impending, there has been no bargaining as to this point. I think the member paraphrased the situation quite well. It appears to be a bit of a Mexican stand-off, using his words, in the situation.

My colleague, the Minister of Labour, has appointed a mediator to try and get both parties talking. There was, as I understand it, initial inclination on behalf of management not to even discuss any issues and basically close the doors. We're hoping that some negotiating door can be opened up and that both parties do discuss and that plant ultimately be opened.

For the honourable member's information, as I understand it, all the equipment, and the type of equipment is not in the plant yet. The plant, I would say, is virtually complete from the construction point of view but the installation of the equipment has not yet taken place. There was a consideration, I understand, by the manager operating on behalf of the New Bothwell Co-op that they may in fact go to very, very modern equipment rather than utilize some of the older equipment that was there, which would, of course, have a financial impact on that cooperative as well as have an impact on the labour force in the plant.

If both parties could sit at the table and discuss these issues, there ultimately, I would think, could be some resolution to whatever difficulties there might be in this dispute. But there have been no sessions that I am aware of, of actual face-to-face meetings between either of the parties, and that's what makes this situation difficult.

MR. D. ORCHARD: Mr. Chairman, is the Minister's understanding of the present labour laws in Manitoba that — I pose this question as a theoretical question and I know that we're not in question period so I won't be ruled out of order — but, basically, do the labour laws in Manitoba allow the management of the new plant to simply open up with a brand-new staff, or is that prevented under current labour laws, and they must deal with the newly certified union?

The question I'm posing, is that the only people that the management can deal with is the newly certified union, or can they bring in a whole new work force should they decide to open the plant?

MR. CHAIRMAN: The Minister of Labour.

HON. A. MACKLING: The answer is no.

MR. D. ORCHARD: So the Minister of Labour is saying that under current provincial law the management cannot bring in any other workers than the newly certified union? That's what his answer "no" meant; is that correct? Well, Mr. Chairman, we've got a problem then, haven't we?

Here we have a newly certified union that's come in and now we've got those 23 newly unionized workers without a job in a plant — and I take the Minister's word — that may not be ready to go, but certainly the intent was there to have it up and producing, and the union contract that was newly imposed, well, it's a new contract that is in effect.

The labour union is now certified to represent those 23 employees and the management has no other alternative, is what the Minister of Labour is saying, than to deal with those 23 employees that are newly certified in their union. If he tries to bring in any other workers to staff the plant if he decides to open it, he would be in contravention of provincial labour law. That is a circumstance wherein everyone loses, including the milk producers, the town of Arborg, the community, the investor in the plant and the people that would be desirous of working there. Given the labour laws as I understand them, now that they're certified it's probably at least a year's process if they decide to decertify.

We've been through the fiasco at Eaton's in Brandon, where the Minister of Labour burned or tore up his Eaton's credit card at an NDP convention in solidarity with the union movement, but it didn't help those workers in Eaton's, and we may well be in the same circumstance in Arborg, in this Minister's home riding, where we've once again got overzealous union organizers organizing a plant and organizing those 23 individuals right out of a job.

I don't know what the Minister of Labour will do now, whether he'll burn a wrapper off New Bothwell cheese or something in solidarity with the labour union movement, I don't know; but it isn't helpful, as I say,

to either the investors in that plant, the workers, or the milk producers. You know, if we have too many more situations like this where industry in rural Manitoba is going to be thwarted because of union activities aided, abetted and supported by the New Democratic Government. We're going to have an economic wasteland in rural Manitoba where we will truly be hewers of wood and drawers of water, with no further processing of our agricultural production in rural Manitoba.

The cheese industry is an interesting industry because we've already faced the closing of the Rossburn cheese plant, and I've lost a cheese plant in Pilot Mound to an expansion at Winkler, the MANCO expansion in Winkler, and New Bothwell has been a — well, whenever I can, I very much like their product; it's an excellent product. If these people in Arborg are hooked up with the New Bothwell process and enjoy that kind of quality reputation, there is a market for their product.

This is not a good situation in Manitoba, and it's been brought on by this New Democratic Party over the past term, and over previous terms, making labour legislation for the union leaders and not for the workers. If this is what is happening here, once again, this party that believes and is supported both morally and with workers, and financially by the union movement, and its very existence depends on the union movement in Canada and in Manitoba, this New Democratic Party's existence depends on the union movement.

Here we have them paying off their debts to the union movement in legislation that's costing jobs in rural Manitoba. It almost cost jobs in Eaton's. Unless this dispute is resolved, it may well cost 23 jobs in Arborg. I don't know Arborg as well as the Minister does, because I don't represent it and I don't go there all that often, but I would suspect the loss of 23 jobs in Arborg would have as serious an impact on Arborg as the closing of the cheese plant in Pilot Mound had, or the cheese plant in Rossburn had. They're significant blows to those smaller rural communities.

The growth of rural communities doesn't have to be stymied by the kind of labour legislation that we see this New Democratic Party bring in to pay off election debts to the labour union organizers and bosses in Manitoba and in Canada. I hope the Minister takes this seriously and starts doing some serious discussion, undertaking some serious discussion, and doing some serious negotiation with both sides to come to an agreement so that that plant can open.

HON. B. URUSKI: Mr. Chairman, if I have heard inflammatory remarks, they come from members of the Conservative Party. It is they who would preach confrontation, just by the remarks of the Member for Pembina, in terms of preaching confrontation.

Mr. Chairman, I believe that the situation is serious in any labour dispute, where in fact two parties cannot agree, whether it's in Arborg, whether it's in Winnipeg, whether it's in Brandon, wherever it is. Any labour dispute where an operation cannot or does not open because there is some type of dispute, that there cannot be an agreement reached between two parties, I consider it serious and so do my colleagues.

Mr. Chairman, in this case, there was not even an opportunity to sit down and do any negotiating. There

were no discussions whatsoever. It is serious, I believe it is, when in fact there is no room to even sit down and discuss it. I believe that the services required, that have been recommended by my colleague, the Minister of Labour, to try and bring both parties together, is the right solution, recognizing, Mr. Chairman, that an option in the whole process was, and continues to be and is on the table, that there will not any longer be 23 jobs, or whatever the member says, reading from that article, in Arborg, but would be reduced to something like six or seven jobs if the new equipment comes in.

So I'm sure that is part of the discussion that would take place in any negotiating session, if in fact there would have been one. I can tell my honourable friend that we have attempted and will continue to attempt to get the two parties together to see whether or not whatever differences there are, or whether it's just a difference in fact of the owner saying that I don't want a union. If that's the difference of opinion and no discussions take place, then, Mr. Chairman, we do have a difficulty in terms of the rights of workers getting together and at least working together collectively. Because, if workers cannot, are not able to get together in union to form a bargaining group, regardless of whether they went with a union that was working out of offices in Winnipeg, or whether they formed their own bargaining agent, they still should have that right.

Really, I'm not sure that that's the issue. I hope it is not. I hope that what can occur is that mediation services can bring both parties together to attempt to have that plant operational and completed.

Mr. Chairman, the remarks that the Honourable Member for Pembina puts on the record are, to say the least, inflammatory in these kinds of situations.

MR. D. ORCHARD: Mr. Chairman, my remarks in no way were inflammatory; my remarks were a factual presentation of labour legislation in this province. If that's inflammatory, then the Minister should reconsider the kind of legislation he's been a party to passing. If my remarks are inflammatory, he's caused them.

Mr. Chairman, feature the situation here, and the Minister alluded to something that's very interesting. He said that under the newly-expanded plant, with the new equipment, there may only be six or seven jobs, and that's part of the problem, or could be with the Minister, and I'll give him credit, he said it could be part of the problem.

That makes the Minister of Labour's and this government's labour laws even more interesting, because here you have a circumstance where a plant employing 23 people undergoes a modernization process and employees know that the modernization of that plant will eliminate, let's say, half the jobs. Current labour laws in Manitoba would allow the 23-member staff to shut down any new expansion of that plant which would modernize it, and protect half the jobs in the future through a modern plant by simply certifying before the new plant opened, and then the management, under the labour laws, can't point out that jobs may be lost because that's unfair labour practice by management. They are caught in the circumstance where they cannot do anything within reason to prevent or to discuss the certification of that union.

Once the union is in place, you've got the bizarre situation where the union is certified with 23 members. The person must negotiate with all 23 when the new plant may only need the six or seven that the Minister alluded to.

That labour law has now said to any plant in rural Manitoba that the way to stop modernization of a plant is to certify and then you can virtually, if the new owners don't want to deal with all 23 when they only need six or seven, as the Minister says, you can shut the new plant down.

If that's what's happening out in Arborg, and the Minister really has to sit down with his Minister of Labour and discuss whether the labour laws are serving the working people of this province, or whether they're only serving, as I indicated earlier, the union bosses in this province. I suspect that the Minister, if he used some rational thought, he would find out that's exactly who is benefiting and, most often, the workers are the victims of this kind of labour legislation which benefits the bosses, who support the New Democratic Party, the labour union bosses who support the New Democratic Party in elections, in fund-raising, in morale and personnel support during elections — (Interjection) — Supplying candidates to the New Democratic Party, you bet.

We've got an interesting situation in the Minister's own backyard where industry and agriculture, in his own constituency, is being stymied, quite possibly by this Minister's own government's labour legislation, and that's a shame, Mr. Chairman, that is indeed a shame.

MR. CHAIRMAN: 6.(c)(1) — the Member for Virden.

MR. G. FINDLAY: Could the Minister give us the makeup of the Natural Products Marketing Council at this time, and has the membership changed since 1984?

HON. B. URUSKI: Mr. Chairman, the present makeup of the board is Mr. David Gislason, who was appointed chairperson, effective October 1, 1985; Mrs. Maude Lelond as vice-chair. She acted as chair in the interim between Dr. Art Wood's resignation July 1 till the new appointment of October 1; Arnold Edie is a member; Grace Spencer is a member and Mrs. Barbara Tapp is a member.

MR. G. FINDLAY: When I look at the appeals that have been going on from '83, '84, '85, I notice a number of appeals on beef. I ask the Minister if any of those members of the board that he just read have been employed by the Beef Commission at any time during this period?

HON. B. URUSKI: No, Mr. Chairman. We were cognizant of the fact that any members who might be beef farmers or be employed on that commission should in fact, if there are any dealings as part of an employee or in fact personal dealings, the areas of potential conflict, they should not take part in any of the discussions or the decision-making by council.

MR. G. FINDLAY: Has any member on the council been employed in any fashion by the Beef Commission? And I'm referring to cow-counting.

HON. B. URUSKI: Mr. Chairman, one member was employed, I think prior to his appointment to council, with the Beef Commission, but was not employed at the time of his appointment or since his appointment.

MR. G. FINDLAY: Would you give those two dates, the date that he was on council and the period of time which he was employed as a cow-counter.

HON. B. URUSKI: Mr. Chairman, we'll have to try and get that information. We may have the appointment date, but I don't have it in my records here. You're speaking of Mr. Spencer. I don't have the date in my records here when he was appointed and the period in which he worked for the Beef Commission. We'll get that information for my honourable friend.

MR. G. FINDLAY: The Minister's already acknowledged that in the event there was overlapping there certainly is a conflict of interest because you're hearing appeals against actions you may have initiated in the field and that's completely unacceptable.

HON. B. URUSKI: Mr. Chairman, precisely, if in fact the council would have heard any appeals from the work that a member may have done, in terms of the cattle counts, it's precisely in that area.

My advice to all council members, if there are any dealings in which they may have been a party to in another capacity, that they should not be part of the decision-making process whatsoever.

MR. G. FINDLAY: At this point in time, is there any problem with the amount of broiler product moving in and out of the Province of Manitoba in terms of maintaining a reasonable price for the producer? I'm thinking of the amount of product coming in from the U.S. and the amount of product moving out of the Province of Manitoba. Is there any problem presently, or on the horizon?

HON. B. URUSKI: Mr. Chairman, there is, there's always difficulty in various quarters that keep cropping up. The member reads in the paper, of course, the potato situation that is presently on the front pages. We have the whole chicken-broiler situation that revolves itself around increased production and certain import permits that are taken out by some of the large retail chains; so there are what I would call market manoeuvres taking place from time-to-time, usually by large retail chains to try and, in fact, put pressure on the price received by producers and processors in terms of how they use their ability to bring product in, either from other provinces but, primarily, in terms of pricing, both from other provinces and from south of the border.

MR. G. FINDLAY: Has there been any consultation with those large retailers to determine if they are planning to negatively impact on the Manitoba situation?

I understand you have roughly, I think your quota is 6 percent of Canadian production that come across the line, and is the amount coming into Manitoba unjustly high, compared to our population?

HON. B. URUSKI: Mr. Chairman, there are ongoing discussions with industry officials, both at the retail processing and producer levels, on an ongoing basis.

My office is involved; I've been involved at various occurrences and stages and so we're very sensitive and cognizant of situations that can occur and impact on the producers' incomes, as well as processing capacity in our own province.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I would ask the Minister whether he would have understanding or knowledge as to the length of lists being held by some of the supply manage boards, what lengths of lists of people who are endeavouring to become new entrants into those industries?

HON. B. URUSKI: I'm advised that those lists would be available. They're public and would be available. I have not seen the lists personally, but I would think they'd be made available, and if members wanted them they could be made available.

MR. C. MANNES: I would also ask the Minister what is happening with respect to quota value in the feather industry? Obviously the government a couple of years ago saw some things they disliked within the milk industry, particularly associated with the transfer of partial quotas. They saw quota value and they stepped in to prevent it.

What is happening within the feather industries, because quite obviously there are some values associated with those quotas also. Can the Minister update the House as to what degree it exists within eggs, broilers and turkeys?

HON. B. URUSKI: Mr. Chairman, we did discuss this matter last night and I think the honourable member heard me speaking to the Honourable Member for Emerson about unit transfers and entire farm sales.

The process that is in place presently is the same process that was in place when he was a member of council. Every unit transfer that occurs is approved by the board and is accompanied by an appraisal. As I indicated to my honourable friend last night, there's always room for argument in the case of appraisals of farm units, that there in fact can be a percentage of the amount that is appraised attributable to quota transfer. That argument will continue, I think, long after any one of us are in this Chamber, but that is the system that is in place and I think it's probably as close a reflection of value of the farm unit we could get, recognizing, and I've always said that an amount can in fact be attributable to quota. An argument can always be made in that respect.

MR. C. MANNES: Can the Minister tell me whether the appraisal system has changed at all over the last three or four years, or is it basically the same that always did exist in the late Seventies and early Eighties?

HON. B. URUSKI: Mr. Chairman, I'm advised that basically the standards are similar, what they are presently to what they were a number of years ago. What we have done and are concluding, with the cooperation of the three feather boards, is that there will be a standard procedure in how an appraisal will

be done and there's criteria being developed, a process being developed by a consultant, a registered appraiser, as to how the appraisals will, in fact, — (Interjection) — yes. The Egg Board actually initiated this process. The board strongly supported a proposal by council to obtain the services of a qualified appraiser on a short-term contract to develop acceptable standards and formats for use in appraising farm assets for the purpose of quota transfers. That work is being undertaken presently and those standards should be in place fairly soon.

MR. C. MANNES: I didn't realize that time is moving so slowly in this regard. It seemed to be at one time that there was talk about a government appraiser, somebody that can bring some consistency and some commonality to this whole process, I take it that never did occur. And given the Minister's answer and we're still trying to draft general criteria for anybody who may be engaged in doing appraising.

Mr. Chairman, some number of years ago, I believe it was the Egg Producers Marketing Board brought forward a new proposal and it was brought forward to council for the consideration of allowing those who — and I think the term was one that you retire in dignity — whereby the board might buy back from the producer \$1 a bird. I saw a variation in that, of course, in the Minister's proposal to the Milk Producers Marketing Board. I think the principle wasn't an awful lot of good.

I would just ask him whether or not that proposal in a general form, as brought forward by the Egg Producers Marketing Board some four or five years ago, whether or not that's still being considered and whether the Minister has any strong views in supporting it and endorsing it? I would have to think that he would. It seems to me the government has put it forward as something that the Milk Producers Marketing Board might contemplate and given that that would occur, would he still not see where he's contravening the legislation which says, there should be no value on quota.

HON. B. URUSKI: Mr. Chairman, I'm advised that this issue has not been on the table since '81. The Egg Board has taken the position that there should be no value for quota and have basically left the situation as it remains today. There are no discussions taking place at the present time on that variation.

Now, the honourable member wants some comments on that issue. I guess we can get engaged in some debate, but I'm not sure that it'll be productive at this time because that issue is not being discussed at all.

MR. C. MANNES: A different question, Mr. Chairman.

Some time ago, I think boards thought that when council acted in a quasi-judicial capacity that maybe it wasn't in the best objective position, seeing that in some cases it may have caused a ruling before, I would ask whether or not boards are still pushing for a two-tiered system or whether or not they have backed off on that, and what we have in place today which we've had in place for a number of years, will continue to be there? That is, of course, a council governing some of the activities of boards, but also sitting in a quasi-judicial sense prepared to hear appeals.

HON. B. URUSKI: Yes, Mr. Chairman, we did have discussions about three to four years ago on this issue, preliminary discussions with the boards about this function, about the concerns raised by some of the boards. It really hasn't become an issue at all and since that period of time, and I know of what the member speaks of trying to separate the functions of the supervisory body and then creating a separate appellant body in the whole process.

No, there appears not to be any move by the boards at all at the present time. In fact, it's been my desire and my wishes to build a very close relationship of information sharing and common commonality of approach between the boards and the government. I'm not sure that I have from time to time succeeded, but we continue to work in a cooperative spirit as best we can and that will be the approach we have taken. There will be times when there may be fundamental disagreement and on those issues we will not cooperate, but it's the general spirit and intent of my office to build a very close cooperative relationship with all the boards so that in our discussions with industry and national in terms of the agreements, that a common position can be taken so that we are on the same wavelength so to speak.

MR. CHAIRMAN: 6.(a)(1)—pass; 6.(a)(2) Other Expenditures—pass.

6.(d) Milk Prices Review Commission — the Member for Emerson.

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

I have a few questions I wanted to raise with the Minister here. It is my understanding since the implementation of the Milk Prices Review Commission that generally it has been accepted the way it's been working. I, at least, in discussion with the dairy people feel that the system of the Milk Prices Review Commission has been a much better system than the way we used to do it at one time. We used to come hat in hand to look for increases. Now with the formula in place, I understand that the Milk Prices Review Commission also sets the maximum and the minimum prices on the milk? Am I correct in that? To the consumers.

HON. B. URUSKI: Mr. Chairman, fluid milk to not only to the consumers but also to the wholesale trade and, of course, deals with the formula and regulates the formula on producer pricing. That is a separate activity from the regulation that it undertook since the passage of the legislation.

I hate to interrupt my honourable friend, but I should produce for members in the House the Chairperson of the Milk Prices Review Commission, Dr. Paul Phillips, who joined us here so that members know who the chairperson of the Commission is.

MR. A. DRIEDGER: To the Minister, I'd like to welcome his staff that are here, and as I indicated before, I think the system has been working relatively well to the satisfaction of the dairy industry.

By and large, the one concern I want to raise is the setting of a minimum. A maximum was established by the Milk Prices Review Commission. What is the

rationale for having a minimum on it? Because I think it is a deterrent in terms of consumer purchasing of milk. At the time when it was established the intent was not to have a minimum and to allow certain stores if they wanted to use the milk as a lost leader and the one thing that it did do in the view of the producers, at least, and I think the consumers certainly heralded it, was that it enhanced the purchase and the use of milk. Why the minimum on there?

HON. B. URUSKI: Mr. Chairman, there were two basic reasons why the minimum pricing was imposed. One of which was precisely the issue that the member raises dealing with lost leaders and basically trying to capture a greater market share.

There were processors who in fact were using discounting and a rebating system in sales of milk to very large customers, and giving very large rebates and allowing those consumers of those large retailers to benefit from a lower price and the rebating that they allowed.

On the other hand, residents who were not able to shop at those large retailers were not afforded those discounts and, in fact, paid the full price of milk. If the member recalls, when producers originally were granted a four-cent-a-litre increase in milk, retail prices jumped anywhere from eight to, I think, 16 cents a litre, somewhere in that area, primarily in the country. In fact, it was the rural consumers, or any consumers who were not able to shop at the major retailers, the Safeways and the SuperValus, where the basic war took place. Everyone else, including the small retailers in the city, were really being knuckled under by the rebating system that went on. The rest of the province, basically, was paying for the discounting that was occurring in the large retailers.

As well, Mr. Chairman, because of the squeeze, and I call it a squeeze play that was being put on by the large processors, you would have faced an industry where you would have seen massive closures in the processing industry in the province, primarily in the cooperative sector, who generally serve the hinterland and the rural area. That was part and parcel of the reasoning why minimum prices were installed.

We had no difficulty in allowing retailers a fair margin of return but, in fact, to use milk, because milk was basically being used to fight the grocery war, to gain market share in the sale of other products. Milk was just one avenue that was being used by large retail chains to gain a greater foothold in the entire grocery field, to the detriment of all small businesses, to the detriment of processors and, as well, to the detriment of consumers in areas where those large retailers were not in place.

I want to give a personal example to my honourable friend. I have family in the grocery business and they happened to deal with the wholesaler that was part and parcel of the war, the same parent chain. Their wholesale prices on grocery commodities, during the grocery war in the city, were going up by 10 percent to 15 percent a week, and they could see nothing but the end result that they were paying for the grocery war for the benefit of consumers in the city, that the rural consumers were, in fact, picking up the tab because their costs were going up for the very same products.

Quite frankly, Mr. Chairman, that's the reason we went into minimum pricing on milk, because of this loss leadering and the attempt to gain a greater market share.

MR. A. DRIEDGER: Mr. Chairman, I happen to disagree with the logic of the Minister, because first of all he indicated that it affected the rural area if you have a minimum on there. I can't see the rationale for that because you have a maximum that is set and nobody can sell for higher than that, so if everybody sold at whatever the price for milk is, how would that — can you see the logic, Mr. Chairman — how would that affect the people in the rural area? They're paying the maximum that is set right now . . .

MR. CHAIRMAN: The Chair is supposed to be neutral.

MR. A. DRIEDGER: . . . and if somebody wants to sell it for less money and use it as a loss leader, I fail to understand the rationale for that.

If the Minister is telling me that a certain store is using milk as a loss leader, that it's affecting a grocery store in the rural area and going up by 10 percent to 15 percent, or whatever example he used, that's stupid, that milk itself is going to make that kind of a difference, that's stupid.

Actually, my argument against this whole thing is if we're talking of a supply management aspect of limited quota, where we're trying to get more quota into the market for our producers, and this was one way of enhancing usage of milk so that we could have more quota available to people, and this Minister decides, just like he did with the transfer of past-due quotas, not allowing that, you know, decides that he will play the role and decide if there's going to be a minimum.

Part of the reason of bringing the whole system in at the time when our government brought it in, was the fact that people should be allowed to use — a maximum was set, but no minimum, so that if people wanted to use it as a loss leader, it would enhance the use of people using milk.

The Minister's argument — he always has arguments and explanations, but it doesn't hold any water. I would ask the Minister, would he consider removing the minimum again?

HON. B. URUSKI: Mr. Chairman, I want to tell my honourable friend that I will give him a direct answer: Absolutely not. There are good reasons . . .

MR. A. DRIEDGER: This goes to show how you listen to the dairy people.

HON. B. URUSKI: Mr. Chairman, I listened to my honourable friend and he called my explanations stupid and inconsiderate.

I want to tell him, Mr. Chairman, that he basically is putting all his rural constituents, and many of the small retailers, their whole businesses on the line with the comments that he's making. Mr. Chairman, there have been vast differences in price between the prices of milk that consumers paid in the city versus the rural. Yes, they could have sold for more but, Mr. Chairman, the actual sales will tell you that when milk started

fluctuating in price, people started waiting for the sales, waiting for the loss leaders, and they would only buy milk.

I want to give my honourable friend some direct evidence of that, because they don't have regulated prices in the Province of Ontario. Mr. Chairman, there is a difference in Ontario of some 60 cents a litre in the price of milk between some urban settings and some rural settings. Mr. Chairman, let the member loss leader all he wants in a rural area where there is nowhere else to go and they have to pay the wholesale price and, Mr. Chairman, what has been shown in Ontario is that when milk prices tended to be loss leadered and go on sale, consumers tended to wait for milk prices to be sold at lower prices.

As a result, in the Province of Ontario, it has affected not only the consumers and the small retailers, it has also affected the producers because milk consumption in Ontario has declined, and it has declined when the stability, Mr. Chairman, part of the stability is stability in terms of retail prices to our consumers. The stability is brought about in provinces such as Manitoba, Saskatchewan, Alberta; where regulation has been in place for a number of years, consumption of milk has, in fact, been increasing. It has not worked to the detriment of consumers because it has been a stable price and consumers knew that, and they knew they could purchase milk at a reasonable price, Mr. Chairman, rather than having price fluctuations of \$1.05 a litre, and maybe \$1.50 a litre in terms of the price of milk within one province. Having no account, except for only the difference in cost on transportation, Mr. Chairman, doesn't lead to any stability in the industry, and causes great instability to both consumers, to small retailers, small processors and, in fact, the producers of milk in that province.

MR. A. DRIEDGER: Mr. Chairman, I happen to disagree with it. What bothers me most is that this Minister has decided to pick on the dairy industry to impose his own personal views and wishes on them, both in regard to a transfer of quotas, as I indicated yesterday, and also with the minimum. This is one element in the agricultural society where he refuses to listen to the people, actually what they want to do. When it comes to anything else in the agricultural community, he runs around and asks everybody what they think and what their views are. In the dairy industry, he imposes his own will on it and I think it's most unfortunate that he treats the dairy people that way.

MR. CHAIRMAN: 6.(d)—pass; 6.(e)(1) Manitoba Farm Lands Ownership Board, Salaries — the Member for Virden.

MR. G. FINDLAY: We have talked in the question period about the dumping of farm land on the market when the three-year clause is up in this Act. I wonder if the Minister would give us some idea as to what the total grandfathered acreage was when the Act came into being in 1984, and if he can break it down by institution, and then we'd like to know where those institutions are in terms of acreage that they hold now, to determine how many are over that grandfather acreage and what's going to happen with the acres they hold over the next year-and-a-half.

HON. B. URUSKI: Mr. Chairman, Richard Loeb, who is the Director of our Farm Lands Ownership Board, will be here shortly.

From my notes here I have no information dealing with what would be known as acreages that were grandfathered in terms of acreage that the financial institutions were holding at the time the act was proclaimed.

We have had discussions with financial institutions on a number of occasions and we are prepared, for example, to allow for exemptions from the act based on conditions that the lending institution would be prepared to lease land with an option to purchase to perspective clients. In those circumstances, as we do allow the Manitoba Agricultural Credit Corporation to do likewise for its clients, we're prepared to allow an exemption to financial institutions in those cases. That has been communicated to them on more than one occasion and they are free to make application to the Board for exemptions.

Mr. Chairman, as I've indicated to honourable members, the gentleman joining us presently is the Director of the Farm Lands Ownership Board, Richard Loeb.

MR. G. FINDLAY: Now the Director is here can you get those figures?

HON. B. URUSKI: Mr. Chairman, we will attempt to get them. I'm not sure that we actually even have them in the office. We'd have to be speaking with financial institutions. They know how many acres they would have had on that date and we will endeavour to retrieve them. We will get that information for my honourable friend.

MR. G. FINDLAY: I find that very surprising that that sort of information isn't recorded and kept by this Board because that's a pretty serious clause when it comes up in September of '87. If you don't have the information at your fingertips, then I think there's something negligent going here. Either that, or you don't intend to ever exercise on that clause.

HON. B. URUSKI: Mr. Chairman, we'll get that information for him, as I've indicated.

MR. G. FINDLAY: Well I want to know if the Board has that information, that's what we're after now. If they've been negligent in not getting it recorded since September of '84 there's something amiss here.

HON. B. URUSKI: Mr. Chairman, we will get the information for my honourable friend and check exactly what records we have, what discussions we have had, but we'll provide that information for my honourable friend.

MR. G. FINDLAY: You mention dealing with the credit institutions in terms of having leases with options to purchase as being a method of pulling that land out of that portion that has to be sold. Have you had response from those institutions — I'm thinking not only of the banks but the credit unions — to see if that is an acceptable option that they can live with?

HON. B. URUSKI: Mr. Chairman, I've had a positive response directly to them. I should mention for my honourable friend that he makes the comment of the land that they held. Mr. Chairman, there is an acreage amount at the time the act was proclaimed so it can vary. The same parcels don't have to be the ones in the total, it's the acreages of similar-classed land that would be looked at by the Board. They could vary from year to year as long as the total acreage does not increase.

MR. G. FINDLAY: Yes, I'm aware of how it works. That's why I feel that that figure must be tabulated for each institution so that you know where you're working from.

Have you had any applications in that direction for the lease with option to purchase from the institutions, to this point in time?

HON. B. URUSKI: Mr. Chairman, I'm advised that we have not had applications specifically in the area for lease at the present time, as there are still a number of months to go before the limitation period comes into play. We have had applications for extension of time to dispose of property which the Board has reviewed and has granted.

MR. G. FINDLAY: These leases, with option to purchase — let's say an institution has 40 parcels of land — do they have to apply one-by-one for exemption in each case or can they do it as a lump, a number of signed leases to facilitate the paperwork? How is the Board going to handle those because they will be upcoming.

HON. B. URUSKI: Mr. Chairman, I'm sure that the Board would facilitate an application, whether it be on 1, 20 or 40 parcels, as the member suggests. They would have to view in each circumstance, but whether there's 1 application or 40 in one time, I don't think is a problem. The Board would deal with them on whatever basis they come in, but each one would be looked at on its own merits.

MR. G. FINDLAY: Where people own land and they pass on and it's passed in a will to somebody that lives outside the province that's directly in the family — father/son — how is that handled?

HON. B. URUSKI: Mr. Chairman, that is automatic, that is not included in the legislation. I believe Section 3, subclause 13 deals with the inheritance clause. Regardless of where they reside, they're eligible to hold land.

MR. G. FINDLAY: Have there been applications for extending that exemption further in the family in that context?

HON. B. URUSKI: Mr. Chairman, there is no definition of relative; it is a natural person, by virtue of inheritance, can hold the land regardless of their residence. If it's willed on the death of a resident — a retired farmer or the spouse of a retired farmer — it's who actually leaves the land is the criteria in which anyone residing, wherever, qualifies to hold the land.

MR. G. FINDLAY: Is there any time limitation on that or is it forever?

Tuesday, 24 June, 1986

HON. B. URUSKI: There is no time limitation on that.

MR. CHAIRMAN: 6.(e)(1)—pass; 6.(e)(2)—pass.

6.(f) Agricultural Research Grant - the Member for Virden.

MR. G. FINDLAY: I see that the amount of the grant hasn't changed from last year to this year. To what extent has that grant changed over the last 5 years?

HON. B. URUSKI: Mr. Chairman, I'll have to get those figures, but I would say that likely somewhere in the neighbourhood of 10 percent maybe in the last 4 to 5 years would have been the increase. It would be in that vicinity, it would not be any higher than that, maybe even slightly less. But in that vicinity would be what we have, in fact, increased in the annual budget. But where we have, as I've indicated, increased expenditures in the research area was through the Agri-Food Agreement in terms of our commitment to the federal-provincial agreement and our dollars, and we've pumped in over a million dollars into joint research work with the university in addition to the 875 that we have on an annual basis.

MR. G. FINDLAY: At various times in our discussions over the last three weeks, we've talked about motivating the agricultural industry through new crop development and finding markets for those crops.

Is there any earmarking of any of these funds in specific areas of this nature that the department feels research needs to be done in the Province of Manitoba?

HON. B. URUSKI: Mr. Chairman, we have a whole host of areas which we are undertaking in various areas. In animal science, dealing with livestock research, in entomology, farm management, agriculture engineering, plant food, soils and science research; and in terms of the plant science, we are doing some research in the area of cereal pastures for late season grazing. Some of the areas of research are biting flies affecting cattle, forage crop breeding and management.

In the area of agronomy and plant protection, this section indicates the control of perennial weeds has been a high priority and that biological control continues to be assessed as a component of integrated pest management. Work on perennial weeds is very limited at present; the department is not aware of any work being done by the university in the area of integrated weed management. Both these areas should be considered high priority and an increase in emphasis on these programs should be encouraged. We are doing some work with the university in these areas.

In the crop production and management, evaluation of horticulture crops is a priority, quality testing of vegetable and fruit varieties, bruising of potatoes, small fruit processing, those are a number of areas in the hort section that work is going on as well as the cereal and oil seed breeding program in canola, wheat and corn, as well in the agronomy and crop protection, zero tillage studies in major cereals and oil seed crops, crop rotation studies, search and resistance for resistance to sclerotinia and blackleg diseases, incorporation of ergot resistance into wheat varieties, research on cereal rot diseases, cereal, snow moulds and diseases of grain legumes.

There's also work in the soil and water management area: losses in crop production due to soil erosion, measurement of erosion losses by water, effective organic matter on soil properties and crop yields, studies of dinitrogen fixation by annual legumes, micro-nutrient requirements of crops grown in sandy soils. Those are some of the examples of research that will be undertaken by the university in conjunction with the granting that we provide in this section as well as, I'm certain, some of this would spill over into the Agri-Food Agreement that we're undertaking.

What we have done in the last number of years is attempted to, as well, build a fairly close liaison . . .

MR. CHAIRMAN: Order please.

HON. B. URUSKI: . . . to relate some of the priorities and work that we would like to see undertaken and also get a better understanding of where the university is going and to see whether the monies that we provide can in fact enhance the work that they are doing and in fact meet some of the objectives and research that we, as a department, feel should be done.

Quite frankly, it has worked rather well in the last number of years. Annually we meet on a number of occasions and we go through a number of proposals with the university as to what they would like to see happening and where we would like to see research dollars going, and there is generally a process of consultation and discussion and we arrive at a package that is mutually acceptable to all in terms of where the dollars go. That's the process we've undertaken in this department specifically with the dollars we've provided.

MR. G. FINDLAY: I guess you've partly answered my next question already with your recent comments. Am I to assume, though, that the \$875,500 which is in the budget is more of a block funding grant and that the Agri-Food is where you really do your negotiating on deciding on projects that you support or is that communication going on with all the money and are you directing the money to certain projects that are ongoing there and not to others?

Because when you read the list of projects ongoing, it almost sounds like the list that they would read if somebody asked them what are they doing. Are you just blanketly covering everything that they're doing or are you saying, I put my priority on these 5 projects and I don't want you spending money on those 15?

HON. B. URUSKI: Mr. Chairman, we don't go through a process in these areas of actually defining specific projects. What we do is discuss our priorities as a department and the university does attempt to — and it comes back to us in terms of the priorities that they have — and if we can basically have a compatible relationship in having their priorities meet our objectives and priorities, but it's an ongoing process, it's not just one little meeting, it's an ongoing process.

They also may receive partial funding for these projects from other sources which are open to them, and so we're not the only source of their funding, nor do we specifically categorize the actual project that we want to put money into. No, we do not. I guess it's generally a consultative and relationship with mutual

understanding as being the rule of thumb of agreeing on the program of research.

MR. G. FINDLAY: I guess at this point in time when there's certainly not sufficient research dollars to go around to do all the projects that you would like or the department would like to see done, I guess what I'm looking for is to determine if there's any real effort to get the maximum productivity out of the research dollars that are spent, and I'm thinking in terms of right now when in southern Manitoba I feel we have a declining position in terms of our crop diversity.

The acres sown to corn, sunflower, sugar beets have been declining and may decline more and those acres will then go into cereal production which competes with the other parts of the province. To maintain the diversity of crops we can grow and market would seem to be a very high priority, and I'm looking to see if the government believes that too, or whether we're just supporting these projects on the same basis we were two or three years ago. I think the logic for supporting certain research projects should have changed in recent years.

HON. B. URUSKI: Mr. Chairman, what we do see in terms of research and specifically in the area of crop development and crop production, one of the areas that historically has been done, what one would say centrally, is even in the areas of crop adaptation whereby recommendations were made as the result of tests done in plots, whether it be the Glenlea area and generally in southern Manitoba, and while they were promoted in all regions and maybe with some cautionary notes, there was never some actual on-site production testing that takes place in all regions of the province.

Part of our research and work through Agri-Food is this very area of doing those adaptation trials all over Manitoba.

In the area of specific crop production, yes, there is in fact crop production going on and research into those areas. Maybe I haven't detailed the specific areas that should be highlighted. However, there will always be a need for basic research and, of course, I guess we get into the area of funding and information that should be made available publicly to everyone in society. I guess that's where we could lead ourselves into the whole question of patenting rights on research and the like.

The member knows, our position has been very strong in this area of patenting rights. We have, in fact, opposed the granting of patents and the charging of royalties as we do oppose it in the area of drugs for person use, as we do oppose the kind of monopoly situation that's been created by the patent specific registrations in chemicals. We do make the same connection or similar connection as it relates to seeds and plant patent.

MR. CHAIRMAN: 6.(f) — the Member for Virden.

MR. G. FINDLAY: Your last comment certainly raised two or three questions, and I'll leave one of them until this evening.

The one I want to ask now is: there are a number of zonation plots around the province, and I want to

ask the Minister if there is any direction that the various staff members of the department utilize those plots to the best advantage in terms of organizing field days and trying to maximize the dissemination of information that grows there every year?

HON. B. URUSKI: Mr. Chairman, we certainly do in terms of — one of the major problem areas, of course, in the province is soil salinity, and our staff, we are continuing to build on the research that was in practical demonstrations through the Agro-Man Agreement. We're building on that, because we believe that this will be an ongoing problem, and we want to have an ongoing commitment to give producers some practical advice in how to deal with the question of soil salinity and our work is continuing.

Now, I'd have to check specifically as to the extent of which we disseminate information, but I know that there are field days and extensive public support by the media and by local papers to some of the documentation and practical advice that we get and can pass on to the farming community.

MR. CHAIRMAN: The hour is now 4:30 p.m. I am interrupting the proceedings for Private Members' Hour. The committee will return at 8:00 p.m.
Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' BUSINESS

MADAM SPEAKER: Debate on Second Reading, Public Bill No. 6, the Honourable Government House Leader.

HON. J. COWAN: Stand.

PROPOSED RESOLUTIONS

RES. NO. 11 — INPUT COST REVIEW COMMISSION

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 Gladstone, Resolution No. 11:

WHEREAS Manitoba farmers are facing a severe cost-price squeeze due to high input costs; and

WHEREAS the gross income of grain farmers will decline in 1986-87 due to lower export prices; and

WHEREAS projections indicate a dramatic decline in net farm income for 1986-87; and

WHEREAS farmers are unable to pass along their costs of production to the buyer.

THEREFORE BE IT RESOLVED that the Manitoba Government consider the advisability of establishing an Input Cost Review Commission to determine if the farm costs for fertilizers, chemicals and fuel reflect a competitive retail market situation.

MOTION presented.

MADAM SPEAKER: The Honourable Member for Virden.

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

At this point in time I'm on the fifth of five resolutions that I've brought forward, and so far we've talked about specific resolutions dealing with education taxes, MACC Young Farmer rebates, motive fuel tax rebates, and feed lot support programs.

Today's resolution deals in a more general way with the input costs that farmers face in this time of financial crisis. — (Interjection) — I hope you'll introduce that one. In the boom years of the mid-to-late Seventies farmers were doing fairly well; they had low costs of production relative to today. They had good returns from what they had sold and everybody prospered, not only a farmer but the rural businessman, the people who lived in our small towns, the people who lived in our cities and produced the products that the farmer bought.

But as we moved into the 1980's the whole scenario has changed. The farmer faced escalating costs of operation and at the same time, unfortunately, he has been faced with declining world grain prices for what he sells and, particularly, wheat is the example I will use today. For example, let's look at the cash operating costs that the farmers had to face, and I'd like to use the comparison between 1974 and 1986. I want to look at a few items, read a few items into the record, so that the figures are recorded.

If we look at fuel in 1984, a farmer was paying around \$2 an acre for fuel; and now an average figure has been put in around \$12 an acre. Therefore, over the 12-year period, the fuel costs for grain production in Manitoba have increased 500 percent.

Fertilizer costs, 1974, around \$7 an acre on the average; and now a conservative average would be \$25 an acre. Certainly many people still spend more. That would reflect a 250 percent increase in the cost of fertilizer over 12 years.

In herbicides, an average figure in '74 would be around \$3 an acre; and now a farmer can spend \$10 an acre on the average very easily. I know many spend a lot more than that. It would reflect a 230 percent increase in the cost of herbicides over 12 years.

If we look at interest costs, in 1974, around \$5 an acre was considered average; and now it's at least \$15 an acre. A 200 percent increase in the interest costs a farmer must pay. If we look at the interest rate from '74 to '86, certainly there was a period there from about '82 to '85 when interest rates were quite high. They're somewhat lower now than they were, but the fact that farmers are spending more interest on their operating expenses now is mainly due to the fact that the equipment they buy and the land they purchase does certainly have a much higher dollar value. So there's a greater portion of the average operating cost that goes to paying interest each year.

The total farm debt the farm economy is supporting right now in Manitoba is around \$1.8 billion, and certainly 12 years ago it was well below the billion dollars, so you can see the cost of buying equipment and land has escalated that total debt load.

Seed costs, between '74 and '86 are not much different, around \$7 an acre. Repair and maintenance, we had a figure of \$4 in '74 and around \$7 now. Taxes, around \$1 an acre in '74 and now \$4 an acre and we've addressed that in the education area in terms of the major increase there has been school taxes. Living costs

for the farm family, around \$5 an acre in '74 and around \$15 now; and that's simply the higher cost of living. Telephone and hydro, \$3 in '74; \$5 an acre now. Two items there I'd like to mention — the present administration in their last term lifted the hydro freeze, which certainly increased the cost of hydro to the farmers. Telephone costs have become a greater cost for the farm community because as our business area has become a larger area, in other words the small businesses closed and you have to travel further to do business, you're on the long distance phone calls time and again. I appreciate the First Minister mentioning here a week or 10 days ago that they're going to look at reducing the telephone costs for the rural community by increasing the size of the exchanges.

When I give those figures for total cost of operating a farm between '74 and '86, the figure I just gave you total around \$37 an acre in '74; and \$100 an acre in '86 for the cash operating costs; an overall average increase of cost of operating of \$170 an acre, Madam Speaker. In those figures, those are cash operating costs, there is no allowance for depreciation or equipment replacement or land purchase, so you see the cost of actually producing an acre crop is even more than I've given you already.

Let's look at the income side that the farmer is faced with which he has to offset those operating costs. A bushel of wheat in 1974, between initial and final payments, around \$4.32 for No. 2 Red Spring Wheat, which is generally an average grade for wheat produced in Manitoba. In 1986, we are looking at \$3.20 a bushel, that's a decline of 26 percent in what the farmer is going to receive at the end of the year. The Minister may say, well, you've mentioned previously that there may be 30 cents from grain stabilization payments that a guy can add on there, and maybe the two price wheat policy will add another 30 cents. I'll give him that, \$3.80 maybe is what we're looking at and we might get that. That still represents a 12 percent decline in the gross income for the farmer who has faced at the same time 170 percent increase in his operating costs.

The dilemma of the cost-price squeeze then is very evident; nobody can escape it. The farmer must make adjustments, he reduces his costs wherever and whenever possible. Certainly one area in which he's reduced costs is to buy less equipment and do less building replacement. That certainly affects the small local dealers who sell less equipment, less building supplies, and therefore it affects employment in our local communities.

Another area that has certainly been affected because of the lower purchasing power of the farmer is the number of amalgamations we've seen in the farm equipment area. I can think of five that have happened in the last three or four years: Massey-Ferguson buying White Combine out; Deutz-Allis merging; Case-International merging; Ford-New Holland; John Deere-Versatile. Certainly in the long term the farmer is going to pay for that amalgamation because there'll be less competition in the equipment sales market.

Now, you may say why is the farmer spending so much money in his input costs. It's not bad management; in fact it's a very necessary element of a farmer's operation if he's going to be good farmer and a good businessman. Most farmers know what has to be done in order to maximize production, in order

to maintain his production at levels that are satisfactory to run his business. He knows that if you don't use the proper inputs of chemical, fertilizer, tillage and seed, that you won't reap an adequate crop, then your financial situation will be even worse. He knows that he must spend money on those inputs to practice good soil management and to be a good steward of the land. Most farmers want to keep their land in good shape; therefore, they are spending the money and hoping that at some point in time they will have an adequate return to cover their costs. But many are being very financially hard pressed to follow through and make the commitments for annual expenditures on land.

I've noticed, as I drive through the country, some farmers have chosen to reduce their input costs. They say costs of chemical and seed fertilizer are too high, I won't spend the money. I'll reduce my tillage; I'll put in less fertilizer; I won't control the weeds. And we're starting to see the outcome of those management decisions.

I feel we have a very serious weed problem in Manitoba right now called twitch grass, and that's because of reduced tillage and the cost of the chemical Roundup which is used to control it. I think that that will be a more serious problem as time goes on if the cost of both the fuel to control it or the chemical to control it are not reduced in some measurable way.

I'd like to make specific comment on the three areas that are mentioned in the resolution, fuel, fertilizer and herbicides. Fuel costs are down a bit in '86 from '85 in Manitoba because of the Federal Government's actions in removing the federal sales tax.

The Province of Alberta has gone even further in reducing their cost of fuel by a rebate system, 14 cents a litre in Alberta or 63.6 cents a gallon. In Saskatchewan, a rebate system on fuel to the farm community of 4.6 cents a litre or 21 cents a gallon certainly reduces their cost more than what the Manitoba farmer is experiencing. In Alberta, he's saving \$3 an acre because of the fuel rebate system, Saskatchewan about a \$1 an acre.

The fertilizer costs that I mentioned increased to 250 percent. Many farmers are asking why the cost of fertilizer is so high relative to the product they're selling, and they're wanting to know if the price that they're paying reflects true costs of production, plus a reasonable margin of profit.

In the herbicide area, a product with specific registration, as the Minister alluded to at the end of Estimates here a few minutes ago, certainly allows the chemical companies to charge enough for their chemical to cover costs of research and development of new chemicals in the future.

A clear example of how competition in the chemical industry can reduce the cost of chemicals occurred here over the last two to three years when Tri-al Agro, a company that was formed by three residents of the prairie provinces, brought in a product called trifluralin which had, as an active ingredient, trifluralin. They priced it on the market at cost plus and have been selling it to the farm community at a cost of around \$8 an acre.

The specific registered product that was available to the farm community prior to that was treflan marketed by Elanco and was selling for around \$12 an acre. So when the competition was allowed to get into the

country at \$8 an acre, we now see Elanco has reduced their product cost to around the same amount. So competition there certainly saved the farm community a lot of money.

The second chemical that there's a lot of concern about the cost of is Roundup. As I mentioned earlier, it's a very good chemical for controlling twitch grass, a very serious weed problem. Roundup is also used extensively by those farmers who try to apply the principle of zero tillage. I know that the Zero Tillage Association as well as the Keystone Agriculture producers, both Manitoba organizations, have been lobbying long and hard to get the cost of Roundup down so that it could be used more extensively so that zero tillage can be a practice that's done more in the Province of Manitoba and the chemical can be more widely used for basically twitch grass control. It's an excellent chemical for that purpose, but the cost right now is \$50 an acre for the full rate which is extremely expensive and many farmers are backing away from it.

The Input Cost Review Commission that we're suggesting could certainly analyze the main aspects of fertilizer, fuel and chemical prices and make recommendations to both Provincial and Federal Governments that would reduce the operating costs for Manitoba farmers. A commission of this nature has just recently held hearings across rural Saskatchewan and identified the same problems of high cost of fuel, fertilizer and chemicals for their farmers.

I know the Minister will claim that many of these objectives I have mentioned here this afternoon have been attempted, but I must remind him that the job is not done and more must be done in this area. We must continue to pursue initiatives that reduce the cost price squeeze on the farm community.

Just to go back to Roundup for a minute, I would remind the Minister that the Zero Tillage Association has found that because Manitoba uses Roundup more than any other province, that trying to really get that chemical at a more cost competitive position for the farmer is a job for the Province of Manitoba.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Madam Speaker. I appreciate . . . we don't have a full agriculture day in Estimates, we certainly have rounded off very well, Madam Speaker, in Private Members' Hour dealing with issues which affect major cornerstones in terms of Manitoba's economy and what I believe the Canadian economy.

I, for one, Madam Speaker, appreciate the resolution that's been brought forward by the Member for Virden on behalf of all members on the government side. This issue is one that affects governments and all members of the House and, of course, a major contributor to the economy of Manitoba, and that is our entire farm family community and our whole rural infrastructure that is in place to support that farm community.

There's no doubt, Madam Speaker, that the high cost of farm input such as fertilizers, chemicals and fuel and, of course, interest rates are a contributing factor to

the present farm financial difficulties. Madam Speaker, for example, in 1984, Canadian farmers spent just about \$613 million on pesticides, an increase of 65 percent over the amount spent only four years earlier. Similarly, herbicide prices escalated rapidly over the past 15 years and, of course, as one example — and I want to deal with the example of herbicides because it really reflects the request put forward by the Honourable Member for Virten to establish an Input Cost Review Commission.

Madam Speaker, I will deal with the specific issues of herbicides but I want to make one clear point, and the point is, I guess, in terms of the farm community, the proof of the pudding is in the eating. It's not good enough — and you know we can go around and say, yes, here's what we believe we've overpaid in those areas — the question is what can we collectively do about it? Is there some influence that we, as a government and as legislators, can have on some of these inputs?

In dealing with herbicides, Madam Speaker, the pricing of herbicides is maintained at what I would consider high levels by patent protection. This situation is aggravated by our Federal Government's policy of product specific registration which effectively extends the patent life of a product and insulates the herbicides market from competitive influences.

Prior to 1980, a company wishing to formulate a chemical in which the patent had expired was only required to show a chemical equivalency of the original product. Now it is necessary to reproduce all of the tests required when the original chemical was registered. We basically have to repeat the entire process. This policy change has almost completely halted the registration of alternate generic sources of active ingredients because of the onerous costs involved.

Madam Speaker, we have the prime example right in this province. The issue related to a group of entrepreneurs and, of course, people who had experience in the chemical industry right in the Province of Manitoba, dealing with the chemical trifluralin. They, in fact, worked for the parent company and indicated that the costs to produce that chemical could be reduced substantially if some of the restrictions that were being imposed by Patent Specific Registration nationally in this country could have provided a substantial reduction to the farm community in this country.

So much so, even though they could not afford, for financial reasons, to go through that elaborate system of testing, they were able to convince other companies to produce that chemical because basically the acids — and I call it acids, it may be amines — but the whole compounds that are included in the base of the chemicals are such that really are used from one chemical to another in different formulations. In fact, it's for this reason that there is so much clamour and rightly so, for the removal of the product specific registration, and this company, Madam Speaker, did have an impact to some degree on prices of trifluralin, a fairly large degree on prices, even though they couldn't manufacture it because they couldn't afford to meet those costs; and sure, the parent company was able to, because of all these years of patent protection, provide that competition in the marketplace for however

long it took because they had the protection for all these years, and that's the difficulty of what we face in the chemical industry.

But the herbicide industry, Madam Speaker, argues that high profit margins are required to finance research and development of new herbicides, nearly all of which, of course, occurs not only outside of Manitoba but outside of Canada. Historical evidence does suggest that when a herbicide comes off patent and is subject to competition from generics, its retail price decreases anywhere between 25 and 40 percent; thus, from 25 to 40 percent of the price paid by farmers for herbicides, we believe, is in excess of the price required to profitably manufacture and market the product.

Additional returns on this scale from Canada alone, which represent only 4 percent of the worldwide herbicide market, really are sufficient to finance the research and development costs of 10 new active ingredients each year, yet typically only one or two appear on the market.

The cost of Canada's policies of patent protection and product registration for herbicides, Madam Speaker, is placing an excessive financial burden on Canadian farmers, which costs do not appear to be justified by research and development costs.

Last July I raised these issues at a national meeting of agriculture Ministers, as I've indicated before, in St. John's, Newfoundland. At that time I proposed the establishment of a parliamentary Commission of Inquiry to examine all aspects of agricultural chemical pricing in our country, with full powers to obtain information, conduct research and make recommendations with the objective of reducing chemical costs to farmers.

Madam Speaker, this action was prompted — and I want to give credit where credit is due, to two major organizations in our province — by the delegate body of Manitoba Pool Elevators in reviewing some of their resolutions and suggestions during their annual meeting in the fall of 1984, as well as recommendations and suggestions made by the Zero Till Association of Manitoba. Those two groups, I want to say, were the prompting bodies that made us and assisted us in focussing in this particular area, to deal with this question.

Colleagues of the mover of this motion, some of whom have since been displaced by the electoral process, deny that chemical pricing was a concern in their province which merited study.

Madam Speaker, I would be among the first to agree that the basic intent of this resolution is worthy of support. However, since the companies in question have had their head offices outside of Manitoba, any meaningful enquiry would have to be established at the national level.

My request for a parliamentary Commission of Inquiry has not, to date, been acted upon by the Federal Minister of Agriculture, despite growing support from other provincial ministers and from producer organizations across this country.

In February of this year, the Senate Standing Committee on Agriculture, Fisheries and Forestry issued its report on herbicide pricing; and despite the drawbacks associated with this type of an enquiry, the Federal Minister of Agriculture would be well advised to look seriously at its recommendations which were as follows:

No. 1. A system of compulsory licensing and royalties; 2. Shortening the period during which the originator of a farm chemical had exclusive use of data between four and 10 years; and 3. That Agriculture Canada — I still have time, Madam Speaker? — Agriculture Canada should monitor farm chemical prices on an ongoing basis and continually assess implications of policies and regulations on farm chemical prices.

Madam Speaker, the Senate Committee concluded that a system of compulsory licensing and royalties will go a long way to introducing competition into the market and be a boon to the development of a larger Canadian farm chemical industry.

The committee also made the point that an increase in competition and consequent decrease in herbicide prices is necessary, as farmers already suffering from poor cash flows are to take advantage of such conservation practices as reduced tillage methods, which require greater amounts of herbicides. As the Member for Virten indicated, the one major herbicide that is required for the control of couch grass in the province is Roundup, and it is — and I agree with the honourable member — an up and coming problem and will be of major proportions as wild oats has been in the previous decades.

On the question of timing, Madam Speaker, I quote from the Senate report as follows: "The committee urges the Minister of Agriculture to study these recommendations and to embark upon their implementation as quickly as possible. The committee believes that these recommendations could be implemented within 12 months."

This spring, Madam Speaker, I and such producer organizations as the Manitoba, North Dakota, Zero Till Association, Zero Till Farmers Association, were disappointed to learn that there would be no parliamentary enquiry into chemical pricing in our country. However, if no such inquiry is to take place, why is the Federal Minister not taking steps to implement the recommendations of the Senate Committee on this matter?

In conclusion, Madam Speaker, I and my government are alarmed at the direction in which we appear to be going at the federal level in this country, not only in the area of farm chemicals but also with pharmaceuticals, and as I indicated earlier most recently with respect to plant patenting. Excessive concern for the profit margins of multinational producers of these products can only be at the expense of ordinary Manitoba consumers, including our farmers.

Madam Speaker, for those reasons that I have just articulated, I would urge all members of this House to support the amended version of this resolution.

I move, Madam Speaker, seconded by my colleague the Minister of Highways and Transportation, the Member for Dauphin, that the proposed resolution be amended as follows:

In the first WHEREAS clause, the words "and low commodity prices" be added the following words "high input costs";

And the proposed resolution be further amended by striking all words following THEREFORE BE IT RESOLVED and substituting therefor the words "that this House requests that the Government of Canada in cooperation with concerned provincial governments consider the advisability of establishing an Input Cost

Review Commission to determine if the farm costs for fertilizers, chemicals and fuel reflect the competitive retail market situation."

MOTION presented.

MADAM SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: I'm pleased to speak on the resolution this afternoon, a resolution initially brought forward, amongst several others, the last of a group of resolutions by my colleague, the Member for Virten.

He's to be congratulated for bringing forth such timely and vital concerns to this Private Members' Hour concerning the agricultural sector of our economy, a sector which many of us on this side of the House, of course, represent.

The recent speech just now by the Minister of Agriculture of course once more defined their answer to pretty well everything in the agricultural sector and many other sectors of the province, which would be a good idea if the Federal Government does it. Inactivity on their part is not to be blamed, of course. We must get the Federal Government to do it, is always their song, so I wonder if it such a good idea to have this Input Cost Review, why the Provincial Minister doesn't just get on with it.

The cost price squeeze in agriculture is one of the real problems facing all of us, and by all of us I mean every sector of society, because the problem has ramifications in most areas because of the fact that agriculture impacts on every sector. Besides just the people who till the soil, many jobs in this province depend on a strong agricultural industry.

All of us, Madam Speaker, are consumers, so we have a vital interest in the production of food and the production of low cost food of course, in this province and in this country.

With regard to the returns to grain growers, we're not in a very good position to affect a great deal of change. We must compete in the world markets for grain sales and the market is highly competitive. Countries who formerly imported grain from us have become more efficient and now they're able to export grain and compete with us for the market.

Other countries have become more efficient and are able to improve their production and are now self-sustaining so they don't need our grain. Exports of grain make up 80 percent of the sales of wheat. Only about 20 percent is used domestically, so the problem is quite evident.

We cannot decide what we'll get for 80 percent of what we grow. We must rely on what the buyers will pay for it, so this leaves us 20 percent of the wheat crop to sell domestically, 20 percent to generate enough income and revenue to cover the farmers' costs of producing wheat.

So as I say, it's evident that there's no real solution at the end of revenue. Therefore, we must turn our attention to the cost of growing grain.

During the recent election campaign, the Conservative Party put forward a plan to study the input costs of growing grain and to determine whether or not farm costs for fertilizer, chemicals and fuel reflect a

reasonable and competitive market situation. We still stand by that suggestion.

Let us sit down with the suppliers of these commodities which are vital to farming and have them justify their prices, have them outline their costs, their expenses and their returns. Also, Madam Speaker, their input costs, which may not directly be involved with the actual planting and harvesting of crops, but nevertheless, important, and definite costs which impact on the income of farmers.

After the NDP Government lifted the rate freeze on hydro a year early, the hydro rates went up 22 percent in 25 months. This is a definite addition to the cost of farming, to say nothing of the cost and the impact on other businesses and individual consumers. The NDP have increased every tax and licence fee under their control since they took office in 1981. Again, an impact on the cost of farming. They have increased taxes in all these areas and all these licences, but they still run a deficit.

Property taxes have gone up, in some cases, almost 50 percent since the NDP Government was elected in 1981. In that connection, Madam Speaker, we on this side of the House have suggested, both during the election and in a recent resolution in this House by the same colleague who put in this resolution, that they decrease the tax on farm land by 50 percent.

I'm sure we'd all agree that we'd like to remove it 100 percent, but 50 percent is a small start and a step in the right direction until some major changes take place in the assessment, much needed and long, long awaited changes to assessment.

Again, land taxes are part of the cost of farming. So, Madam Speaker, there is a need for an immediate report on the whole aspect of input costs. Enumerate all the costs of growing grain and come up with a suggestion of how these costs can be reduced.

Madam Speaker, not only does the farm community face a rather unusual circumstance in that they cannot charge for their product a price to cover their costs, plus a margin of profit, but there are also other outside forces which can affect the industry at a moment's notice. The weather is of course one factor and we cannot control it. In fact, we can't even on many occasions, predict it accurately.

It was interesting to read in the Neepawa Press of January 30, 1986, an article announcing that the Minister of Agriculture would be in Neepawa to discuss his discussion paper on the farm financial crisis.

The Minister is quoted in that article as having said that more than anything, farmers need, and I quote, "higher prices, improved weather conditions and a limitation on cost increases for their major inputs."

I wonder, Madam Speaker, since the Minister mentioned in this discussion paper the weather, was it his intention to lead the people to believe that he could do something about the weather and he could change the weather so that it would help the farm crisis? We think not; we don't really believe that the Minister of Agriculture has that type of capability.

Since that time of the article, the Federal Government has proposed to raise the domestic price of wheat. Let us mention at this time the impact of a raise in the domestic price of wheat and what effect it would have on consumers.

Grain farmers are usually blamed when the price of bread goes up, so let's have a look at what the wheat

component of bread contributes to the cost. Over the past five years, the average price of a loaf of bread in Canada has increased by about 50 percent. The price of wheat meanwhile has fluctuated up and down until the wheat prices — in fact, they've decreased from \$5.95 per bushel in September of 1980 to \$5.83 in September of 1985.

A 60-pound bushel of wheat produces enough flour for 50-24 ounce loaves of bread. At current wheat prices, the value of the wheat in each loaf of bread is 11.5 cents. Even if the price of wheat increased by 27 cents per bushel, or \$10 per tonne, it would only raise the cost of wheat in a loaf of bread by less than half a cent. Normally however, the price of bread would rise anyway so, in other words, the farmers' share of a 24 ounce loaf of bread is barely enough to make a sandwich.

Obviously, any increase in the price of wheat does not have a great deal of effect on the price of bread. I think sometimes farmers, producers are maybe negligent in getting that message across clearly to consumers because, as I said, every time there's an increase in the price of bread, it's immediately thought, oh, oh, the farmers must be getting more money for the wheat, and of course that is not the case. In fact, in most cases, the price has gone down.

So this leaves us with suggestion No. 3 in the trio suggested by the Minister, "a limitation on cost increases for the major inputs."

Madam Speaker, we won't know if the input costs are justified if we don't have the evidence to prove it. We can go around saying all we like that input costs are too high, and the Minister says they are and he agrees with us, but we must be able to prove they are too high by having the justification from the companies, the chemical companies, fertilizer companies, come and lay it before us and tell us why these costs are as they are.

Therefore, Madam Speaker, I am supporting my colleague's resolution. I will have to look once more, of course, to see if we will be supporting the resolution as it is written since we just got it now.

I also would like to add that when I was going through my files yesterday afternoon in looking for some material, which by the way I didn't find, my files being what they are, I found an interesting article called "What Is A Farmer", and I thought perhaps I would share some of it with the members this afternoon. I won't read it all. It's a bit long.

It says in part, "A farmer is a paradox. He is an overall executive with his office in his home; a scientist using fertilizer attachments; a purchasing agent in an old straw hat; a personnel director with grease under his fingernails; a dietician with a passion for alfalfa, amino acids and antibiotics; a production expert faced with a surplus; a manager battling a price-cost squeeze. He manages more capital than most of the businesses in town. He likes sunshine, good food, fall fairs, dinner at noon or later, auctions, and above all, a good soaking rain in August."

Further, it goes on to say that, "A farmer is both faith and fatalist. He must have faith to continually meet the changes of his capacities, and may an ever present possibility that an act of God, a late spring, an early frost, a tornado, flood, drought can bring his business and that of his community to a standstill. You can reduce

his acreage but you can't restrain his ambition. Might as well put up with him. He is your friend, your competitor, your customer, your source of food, fiber, and self-reliant young citizens to help replenish your cities. He is your countryman, a denim-dressed, businesswise, fast-growing statesman of dreams. He can be recharged anew with the magic words, the markets are up."

Thank you, Madam Speaker.

INTRODUCTION OF GUESTS

MADAM SPEAKER: May I interject briefly to direct attention of honourable members to the gallery where we have a group of Grade 6 students from the Morris Elementary School under the direction of Mr. Terry Serediuk and the school is located in the constituency of the Honourable Member for Morris.

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

The Honourable Minister of Highways and Transportation.

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

I have to say that the Member for Gladstone really brought tears to my eyes as I listened to her talk about farmers. Of course, she probably realizes as well as anyone in this House that perhaps the leisurely life that she was describing almost there, and well it seemed like that, and I don't think it represents the kind of farm life that farmers today have to look forward to because of precisely the kinds of problems that are identified in the resolution that was brought forward by the Member for Virden.

I believe that the amendment that was presented by the Minister of Agriculture is certainly very appropriate. Even insofar as the first WHEREAS where he identifies that the problems of the cost-price squeeze are not high input costs alone but, of course, the drop in the low commodity prices, and the statement in itself was not correct. I'm pleased that he has added those words to the first WHEREAS.

In addition to that, he has appropriately indicated where the responsibility lies and the most effective jurisdictions that deal with the problem is at the federal level and he has indicated that in the THEREFORE BE IT RESOLVED. So I don't think there should be any difficulty on the opposite side of the House in supporting the amendments that were made because indeed if they are interested in finding solutions to these severe problems in terms of the input costs faced by farmers, they will want to see it done expeditiously and all encompassing by the Federal Government.

I could say that I'm very encouraged that the Opposition has indicated interest in this area and would be prepared hopefully to join with us in making — well interested in agriculture, they have always expressed an interest in agriculture, Madam Speaker — but I'm talking specifically about this particular area.

There seems to be an inconsistency between the Provincial Conservatives and the Federal Conservatives that are now in government where they have decided federally to wash their hands of it, not to deal with this because they seem to feel that perhaps it's not a real problem facing farmers. It is, we know, significant and,

yet, they are not taking the action that our Minister of Agriculture has called on them even last year already. Yet, the Conservative Opposition here at the provincial level suddenly finds this of great concern to them and they want the province to do what their brothers in government at the federal level refuse to do. That's what's so ironic in this particular resolution, and very appropriate fed bashing at that.

I notice, Madam Speaker, they talk about fed bashing. You might as well call a spade a spade and the problem lies at the federal level. I know they're frustrated with their elected colleagues in Ottawa in not dealing with this, so they're attempting to find other ways to alleviate the frustration into other outlets. They have to keep their sanity all along to realize that the real thrust has to be at the federal level when it is a federal problem in a federal jurisdiction.

I think if we always remember that, we can work together very effectively in sending strong messages to Ottawa and ensuring that they do indeed deal with the problems facing the producers.

I thought it was rather ironic that they mentioned some of the rather minor input costs in the discussions. They're not mentioned in the resolution per se, so they really were off topic, Madam Speaker, dealing with Hydro costs and telephone costs and also the property taxes. Obviously, those are not the major input problems. The major input problems are identified in the Member for Virden's resolution, those dealing with fuel, those dealing with fertilizer, and those dealing with chemicals. Obviously, they have brought forward the major areas of concern and they are to be commended for that and that is why we are prepared to support those particular areas.

I think it is important as well that they should understand that the federal jurisdiction has to provide some leadership insofar as the other side of the coin, and that is the actual commodity prices. Of course, we realize that our Canadian producers are faced with competition from the United States where subsidies are much greater than they are in Canada and in the European economic community where they're even greater on a per bushel basis than they are in the United States.

An average bushel of wheat in Canada would be subsidized to the tune of about 85 cents according to a recent Wheat Board study. The American wheat would be subsidized about \$2.65; and a bushel in the European economic community would be subsidized about \$3.13 per bushel. So you see the difference in the kind of competition we're facing.

We certainly cannot tolerate the kinds of moves that the Federal Government is considering in transportation and the kinds of costs that they are allowing to continue insofar as input costs that are being faced by farmers. When they do have the power and the control to take some action, particularly in the area of chemical prices which are so exorbitantly high — and I think there's a general agreement on that — and the unreasonable patents that are allowed for I believe, a 17-year period for new chemicals that are developed.

I want to just point out why I believe that the prices are exorbitant. I mean, one can just go out and buy the chemicals and know that they are exorbitant. On the other hand, if the comparison is done, it is found that non-patent herbicides, a Senate Agriculture

Committee did a comparison — actually the Manitoba Institute of Agrolgists, in making a presentation to the Senate Agriculture Committee — made the point that a sample of non-patented herbicide averaged 296 per pound while a sample of patented herbicides showed a price of 29.67 per pound, an average of 10 times as high. That's the kind of thing that I don't have to emphasize to the members opposite that the farmers are facing across our province and across Canada, and that is the reality that the Federal Government seems to be ignoring, even despite the protests of the Minister of Agriculture who is taking a very responsible position because he knows this is a serious problem faced by producers in our province and in our country.

If we look at the chemical Roundup, in Australia priced \$16 to \$18 per litre, while in Canada \$23 to \$25 per litre, according to Merrill Lynch. This is about 40 percent higher in Canada, despite being 9,000 miles closer to the source. So if you consider the transportation costs involved there, it's just unbelievable that they would be selling it for marketing reasons at lower prices in Australia, where Monsanto distributes and sells.

The understanding that we have from the information given is that Roundup's development costs of \$40 million are recovered every four days. They recover their development costs. But that is an unbelievable fact that has to be recognized.

In the area of drugs where generic drugs have been introduced, Madam Speaker, we have found that there has been a substantial drop in drug prices in Canada as compared to the United States. Before 1969, drugs in Canada, where the samples were taken, were 9 percent higher than the U.S., and after the legislation was in place they were 21 percent lower than in the U.S. by 1976. So you can see a substantial change because of the introduction of generic drugs. I think that speaks well for the kind of position put forward by the Member for Yorkton-Melville, the New Democrat MP Lorne Nystrom, when he put forward a bill in February of this year calling for generic farm chemicals. He was trying to deal precisely with the problem that we have identified here with the exorbitant profits that are being made on these patented farm chemicals where no one can compete precisely with those patented chemicals for a 17-year period. What he proposed, Madam Speaker, is that instead of allowing those exorbitant profits with no opportunity for competition during that period of time, that there should be allowed only a four-year period of time where the developers of a particular chemical would be allowed to have exclusive rights and after that there would be royalties paid to other manufacturers who would then be allowed to compete. I think that's a reasonable proposal and one that should be followed up in the next while by the Federal Government.

I think it's interesting that Mr. Wise, who was quoted in the Brandon Sun, the federal Minister of Agriculture, would say that he doesn't favour widespread registration of generic farm chemicals because it would prevent, he says, research into new products. Mr. Wise said it would not be constructive to revert to a system of generic registration that is being called for by farmers. Failure to recognize the cost of extensive testing will prevent new and innovative agricultural production tools from being developed in Canada. So he's ignoring the fact that in the case of, as an example I just gave,

Roundup, that the development costs are recovered every 24 days. — (Interjection) — This is the Brandon Sun. He's ignoring the fact — well, I have to use reliable sources, Madam Speaker. He's also ignoring the fact that Canada only consumes 4 percent of the chemicals in agriculture that are produced and that is enough to provide for the development costs of 10 new chemicals every year alone, just from the amount of money recovered from the chemicals sold in Canada. So how can the federal Minister of Agriculture be saying that he's concerned that there wouldn't be enough money to go around to develop new kinds of chemicals, safer chemicals, those that are safer to our environment, when there's that kind of exorbitant profit being taken by these companies as it stands right now?

Now, I don't know whether the members opposite agree that there is this exorbitant price there, exorbitant profit. They don't seem to want to put it on the record, they constantly question and heckle, but I would think that from the preliminary information available that is precisely why the Federal Government should be stepping in. But let's start with the review, and that's why we've taken the responsible position of saying, okay, we're not going to prejudice this, let's get the Federal Government to undertake this, to determine if their market forces are properly at work, if they're competitive prices. Then obviously the next step, which is inferred from this resolution, is that they then take action to intercede and regulate those prices in some way, shape or form, Madam Speaker.

I think that that's the outcome, precisely the outcome, that the Member for Virden wants with his resolution. That's why we have determined on this side that it should be targeted to the right source that the action can be taken once the results have been confirmed, the results confirmed along the lines that I've been identifying here today, that they are indeed exorbitant prices that are being charged for chemicals and profits that are not in any relation to the development costs whatsoever as is the case in a number of these situations.

I believe that the Member for Yorkton-Melville, introducing the generic farm chemical bill was on the right track, and it should be supported by the Federal Government immediately and they should immediately pass this legislation federally so that generic farm chemicals will be allowed immediately.

I think the same holds true in the fertilizer area. There has to be a review, an in-depth study to determine there, whether there is an exorbitant amount of charges and profits being made, and the other area of course is the fuel costs. We can't blame the province for that, as the members opposite tried to blame farm fuel costs. The members opposite attempted to do that with hydro and telephone, and minor little charges that are incurred by farmers overall in relation to the major input costs. They are speaking of them in the same breath, even though there is no relationship insofar as the major costs that farmers are facing.

The fuel costs, of course, the members opposite know very well that the province isn't responsible for the increased costs of fuels because we don't tax farm fuels, but the Federal Government since 1984 has introduced a tremendous number of increased farm fuel taxes, Madam Speaker.

Thank you, Madam Speaker.

Tuesday, 24 June, 1986

MADAM SPEAKER: Order please. The hour being 5:30, I am leaving the Chair with the understanding that the

House will reconvene at 8:00 p.m. in Committee of Supply.