

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 6, 1979

Time: 2:30 p.m.

SUPPLY — AGRICULTURE

MR. CHAIRMAN: Committee come to order. Page 8, Resolution 8, Item 3. The Honourable Minister.

MR. DOWNEY: Mr. Chairman, for a matter of clarification on the decision of government to sell the land has been indicated . . . I don't want to mislead the Committee or leave a false impression that the fact that the government decision to sell the land, the reserve bid was established by the cost that the corporation has — the cost to the corporation to the date. And the figures I've been giving, I want to make that clear to the Committee.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. The minister indicates now that the reserve bid was established by what the cost was to the corporation to date.

MR. DOWNEY: As far as the government decision to sell, the Cabinet Order-in-Council, that's correct.

MR. URUSKI: Well, Mr. Chairman, I don't quite understand it. I want to know that Cabinet set down the order as to what the cost of the reserve bid would be, or did the corporation?

MR. DOWNEY: Mr. Chairman, the cost to the corporation was known by the Cabinet, and the decision was made to sell, whether it be above that cost to the corporation or if it wasn't, it wasn't sold.

MR. URUSKI: What the minister now is saying, and I just want to make sure that I understand him, is that the government made the decision as to what the reserve bid would be. Is that correct?

MR. DOWNEY: Mr. Chairman, I've clarified that as far as the government decision to sell was based on the amount of money and the reserve bid that I'm giving them, as far as the government is concerned, has been the cost to the corporation. Above that, it was sold, as long as we recouped the money for the province.

MR. URUSKI: Well, Mr. Chairman, it appears that this tendering process that the minister now is speaking about, and indicating that there wasn't a decision about arriving at the higher of the prices as to the cost to the corporation and/or the appraised value of the assets. We now have the government making the decision that they will sell off an asset, irrespective of what the value of it may be at today's costs. Whether they received that asset for zero or for \$10.00, the government is prepared to allow that asset to go at what it cost them rather than evaluate it at what the asset would be worth today. The minister, just before we broke, indicated to this committee, that the basis for the reserve bid was either the cost of the land plus the accrued interest or the estimated or the appraised value, whichever was the higher. Now we have the minister coming back, and indicating that the reserve bid was only the cost to the corporation to date, and that decision was made by the government. Am I understanding that correctly?

MR. DOWNEY: Well, Mr. Chairman, for matters of clarification for the Committee, I believe some of the information that I was given that there was the appraised value included. My understanding is that is totally within the management of the MACC, and the information that has been provided to me, and I want to make it very clear that as is stated in the figures that I am giving, that the reserve bid we are working with as a government, to make the decision is to sell it above the cost

of which the corporation has in the property. And again, I am doing it for the clarification of the Committee. I do not want to mislead them that the government decision was on the evaluation. As far as we're concerned, it was on the cost to the corporation.

Now, the information on the other point that I brought out, Mr. Chairman, I understood there was a misunderstanding, from talking to staff. Well, Mr. Chairman, I am clarifying it for the Committee that whatever the policy of the Board was I was trying to transfer that over, the information I had, and at this point want to clarify it for the Committee.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, is the Minister now telling us that he would be prepared to have given that land or sold that land at exactly what the corporation paid for it; is he telling us that?

MR. DOWNEY: No, Mr. Chairman, I am not. I am saying that the cost to the corporation, the total money invested and all the costs with interest included, is the figure that is used. Now in reference to the appraisal value, I am sure that the members opposite are quite well aware of the fact that there is an appraisal system within the management of MACC and I don't want to confuse the Committee and want it clarified at this time.

MR. URUSKI: Could the Minister then tell us, since there is an appraised value on that property, what the appraised value at the time of tendering, what the appraised value of the market value of that property would be?

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

MR. URUSKI: Can the Minister provide that information? He said that that reserve, that appraisal certainly would have been available to the corporation. Is that appraisal available to the members of this Committee?

MR. DOWNEY: Mr. Chairman, it is internal documents of MACC and I really have not had access to them, and the point I am making is that the decision that was made was to recover the costs to the corporation and I want to make that very plain.

MR. URUSKI: Is the Minister then telling this Committee that if the land was valued at today's cost or the time of the O.C. was valued at \$600,000 or \$700,000 that the Minister would have been prepared to sell that land at what the corporation paid for it, which was, I believe, \$303,000.00? Is he telling us that?

MR. DOWNEY: Mr. Chairman, for the betterment of the agriculture of the community, it would have to be I'm sure — and this is of course Board policy — would have to be one of the considerations that they would have to make, in recommending to the government.

MR. URUSKI: Mr. Chairman, now either I am confused or the Minister is confused. I want to know who is setting the policy. First we have the Minister telling us that it was government policy to MACC that all the government was interested in was recouping the funds that they had paid for the land. That was all that was intended. Now we have the Minister telling us, well if it was MACC Board policy they could do with it whatever they wanted. I would like to know who is setting policy and who is doing what in this case Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: I clarified for the Committee the fact that the decision was made to sell as far as Government were concerned with the recovery of costs to the corporation and the open public tender system establishing the fair and equitable price.

MR. URUSKI: Well, Mr. Chairman, I find it highly irregular, I would think, and disgusting that the Government of the day in terms of dealing with its land sales and allowing single tenders to go through, that they would allow the land to be sold for strictly the cost that the Crown paid for it, irrespective of what the market value of the land was at the date of sale. We have the Minister saying that there was an appraisal in the corporation at the time of sale but he didn't bother to check. The Government didn't care what the appraisal of the land was. All they were interested

in was to accept the tender even if there was only one bidder, not what the value of the asset would be or what it would cost. They were prepared to give a gift to one tenderer. Could it be that the value of the land was double to what they sold? Could it have been that the value in today's marketplace was not \$300,000 or \$500,000 that they got? Could it have been \$600 or \$700 thousand? Can the Minister tell us? Is he prepared to tell us and I believe he should tell us what the appraisal value of that land was at today's costs?

MR. DOWNEY: Mr. Chairman, I am sure that in the decision of the Board of Directors that there was consideration given to the appraisal value that they had within their system.

MR. URUSKI: Is the Minister prepared to tell us that he has in effect lost or wasted \$100 or \$200 or \$300 thousand in terms of sale, of the land that he had tendered, by allowing it to go for any value as long as it met the cost to the Corporation? At what value was he prepared to allow that land to go?

MR. DOWNEY: Very much to the contrary, Mr. Chairman, because I can refer to the amount of land that was not sold and one that he referred to was a part of it earlier in the day, that in fact there were six parcels of land that were not sold because they would have lost the Province of Manitoba over \$75,000.00.

MR. URUSKI: Mr. Chairman, what I wanted to know even though I raised that matter, the matter was the delay in notifying the prospective tenderers as to what the position of the Government was. They didn't know what the position of the Government was. What I want to know is whether this Minister has in effect lost — I don't know how much he has lost because we don't know what the appraisal value of that land is or what the government policy is. He told us now, after telling us this morning, that the government policy was to allow the sale of the land by reclaiming the cost of the asset plus the accrued interest, or the appraised value, whichever was higher. Now we have come back after lunch and he says, no, that is not what the case is. The government was prepared to allow the corporation to sell the land as long as it exceeded the corporation's cost in the land. Am I correct?

MR. DOWNEY: No, Mr. Chairman, for the matters of the committee, I want to very clearly state that the decision was made to sell the property by the government, with the recovery of the cost to the province. There were several parcels, as I have indicated, that were refused sale because of the loss that would have incurred to the province and as far as the appraised value, that was considered in the policy, I am sure, of the Board of Directors which, Mr. Chairman, I want to clarify for the committee, that is the reference I was making it to and that was passed to me by management last night. I want that very clear on the record.

MR. URUSKI: So then I am correct, Mr. Chairman, in indicating that the government set the policy insofar as the way the corporation would handle the tendering system?

MR. DOWNEY: Mr. Chairman, that is not correct. The way in which the final decision was made was the recovery of the cost to the corporation.

MR. URUSKI: Then is the Minister prepared to tell us the reason why they would not check out or re-issue tenders if there was only one bid? Did they check what the appraised value of the land was when only one tender was received, in the number of bids that he has made? Was that ever cross-referenced as to what the appraised value of the land would be at the time of sale versus what the Corporation paid?

MR. DOWNEY: No, Mr. Chairman.

MR. URUSKI: Could the Minister tell us why?

MR. DOWNEY: Mr. Chairman, the decision was made to recover the cost for the Corporation. The Board of Directors has the responsibility of running the Corporation, as I have indicated, and that is the reason.

MR. URUSKI: So the Minister is telling us that irrespective of what the land is worth, as long as they received the funds that the Corporation paid, the government was satisfied, regardless of the value of the asset.

MR. DOWNEY: What was the question?

MR. URUSKI: I am asking the Minister again — I'll ask him again, Mr. Chairman — that the Minister is satisfied that irrespective of the price and the number of tenders in the process, they did not check the appraised value of the land at the time of sale and they would have been satisfied with the amount of money of the tender, regardless whether there was only one tender, on the basis that they receive the funds plus accrued interest of the original investment by the Corporation? Am I correct?

MR. DOWNEY: Mr. Chairman, I have indicated that, that the province was getting its return on investment plus the costs that had incurred, so yes, I am saying that I would be satisfied with that. Because the true tender system, actually it is open and public and everyone has an opportunity to bid and if there is only one bid and it is above the actual cost then, Mr. Chairman, the information that I had provided to me was grounds on which to proceed on.

MR. URUSKI: Thank you, Mr. Chairman. Well, here we have an example of the true tender system, Mr. Chairman. The fact of the matter is it really depends on what you value the asset as, whether you want to give it away or whether you want to actually recoup what the value of the asset is at the time of sale.

In Conservative business philosophy, the time that you recoup the money that you get is as long as you get what you put into it, and maybe if it's a loss, that's okay if there's one tender, but if the value of the property should be even twice as much as what you originally paid, that's okay, we don't need to get that amount of money as long as we get the money back for what we paid.

If the minister is saying that that's not the case, if that's not the case, then let him tell us what the appraised value of that land was at the time of sale.

MR. DOWNEY: Mr. Chairman, I do not have the appraised value at time of sale. As I say, it's a document that the Board of Directors, I'm sure, used to base their decisions on and decision was based to sell the land on the recommendation of the corporation plus the cost to the corporation plus all the other accrued costs.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. We have once again as seems to happen each year in Agriculture Estimates got into the realm of political and party philosophies in terms of how best to help the segment of agriculture that we would all like to help, and once again the former Minister for Agriculture, the Member for Lac du Bonnet has managed to attempt to distort, you know, the facts that are in front of the people of this committee —(Interjection)— by giving us his Socialist

MR. CHAIRMAN: Order. What is the Point of Privilege, the Member for Lac du Bonnet.

MR. USKIW: My point of privilege is, Sir, that the Member for Pembina has alleged that I distorted certain facts before this committee and I would like to tell you, Sir, that I read from the minister's material, so I distorted nothing. I read it verbatim.

MR. CHAIRMAN: Order, please. The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. If the Member for Lac du Bonnet used the same patience in listening to members of the government side as we have shown him in listening to him this morning, last night, etcetera, etcetera, he might find out what I meant when I said that he is distorting what is the intent of his program versus our program.

Now, Mr. Chairman, the Member for Lac du Bonnet is making a traditional NDP comparison of apples to oranges. He is saying that their program which was the greatest program ever devised by a government to get young people and new people into the business of farming has been cast aside by our government and replaced with a program which is ineffectual, which won't work, etcetera, etcetera.

Now, the Member for Lac du Bonnet in backing up these exorbitant and wild statements is saying via an Order-in-Council of 8 sales of land which apparently have taken place that their program was a prime example in that the new farmer had the opportunity to pick up the capital gains, and

if I read one of his statements correctly, get the land for nothing, he said, because the capital gains would pay for the cost of the land. Well, you know, I've never seen anybody yet pay for anything with capital gains until he has sold the property. If he has sold the property, he is no longer in the farming business, so that is a distortion of the fact. It's a complete distortion of the fact. The man still has to pay the original purchase price to the land, so he didn't get anything for nothing, it cost him.

And, money Mr. Chairman, the Member for Lac du Bonnet would furthermore like to say that their program is the only one which allows young farmers to capitalize on an increased and inflated land value through the exercise of the marketplace. I might point out, Mr. Chairman, that in 1973, late 1973, I personally took part in the MACC Land Mortgage Program. I was the type of client who had no assets to start farming, I was turned down by the banks, I was turned down by FCC. Manitoba Agricultural Credit Corporation did take me on and I thought that that was a very good program because it targeted exactly the type of people that we are currently targeting. I received a Land Mortgage, I received an interest discount for the first 5 years of that mortgage, the interest rate is now higher, it's at market, but I've now got my feet under me and, Mr. Chairman, I personally am going to own my land, I personally have enjoyed the capital gains which have accrued to me. That program of direct loans of lands, which we have now reinstated, provided that ability for me to establish myself in a farming operation.

He is totally and utterly out of order when he says that his is the only program, the land lease, the State Farm Program which would provide that option to people. The program that was in place worked very, very effectively. It didn't have any ulterior motives, Mr. Chairman, which the farming community rightfully or wrongfully suspected the previous administration of having. The program of direct loans by Manitoba Agriculture Credit Corporation to the various small farmers, the start up farmers, give them the opportunity to own the asset which they so desired to do and, Mr. Chairman, there was no question whatsoever that the State had any interest in ownership of land. That was not the case under the NDP Party, under the Member for Lac du Bonnet's guidance and his colorful Deputy Minister's guidance, that was not the intention of their program.

Their intention, first and foremost, was for the government, the Crown, to obtain ownership of the agricultural production base in Manitoba and, incidentally I hear from various statements made in the House, that were were a number of times when the former government, the NDP Party indicated that all farm lands should well be, what is that term they use, an asset of the public purse, or a public utility, a public utility. Now if that is not a direct reflection, Mr. Chairman, that the former administration had that great desire of owning the farm land of Manitoba, then I don't know what other statement could be made.

Our program of providing direct loans at a subsidized cost to start up farmers in the Province of Manitoba is the one which will provide each and every young farmer in Manitoba with the opportunity to own the productive base that he so desires, not the State — not the State to own it, but the individual to own it.

Now, there's a number of areas — and that's why I say when the Member for Lac du Bonnet has tried to use that broad brush and say that only their program provided the young start-up farmer with the opportunity to capitalize on capital gains and increase in the value of land, is totally out of order and distorting his program beyond all truth. Beyond all truth. Because it doesn't exist. I just demonstrated how I, under a direct loan program, have personally picked up that with no inconvenience of going back and going through the purchase orders, etcetera, etcetera without two sets of legal documents, the first one to set up a land lease, the second one to purchase that land lease. I went through one Court, legal fees etcetera, etcetera, and I own the land and I gained the capital gains out of it. So, he's completely out of order. He's comparing apples and oranges. And if the State Farm Program was still in place, Mr. Chairman, we would not see the land being provided at the \$100 an acre, the \$200 an acre, whatever. They would be out paying market value for that land — (Interjection) —. Well, if they wouldn't — the Member for Lac du Bonnet in his usual naivety says "No, they wouldn't pay market value today for land."

Any new land they would purchase he would buy at less than market price, is he trying to tell me? He's ridiculous. If he's going out to purchase land today, he's going to pay the market value or higher, and that will mean that the tenant, whomever he may be, is equally going to pay a higher rental rate to the Crown for that land and if there are any Capital gains, our system that is presently in place of direct mortgage money to the farmer, the farmer is going to pick that up directly.

There is one truth that the Member for Lac du Bonnet indicated today, one truth and one truth only, and that is that properly exercised, properly followed through in the purchase by the lessee of their land lease program, the government, the state, would not have put in any subsidized dollars to the individual farmer. That is where he is correct and that is where the present program that we have does give a small subsidy to start up farmers.

Now, if the Member for Lac du Bonnet thinks that that is a dastardly thing to do, then fine,

let him go on the record and say that. We happen to think that our young people entering agriculture are worth that type of a monetary subsidy by the state, if it has to be, to get them into farming.

Now, Mr. Chairman, there are a number of areas under the Land Lease Program that our Socialist friends opposite just don't like to quite mention.

Now the first thing is, you know, they have this great harangue right now about appraised value and being sold at whatever values, and they are greatly concerned over this, that the government may be giving up untold hordes of money in land speculation values and moneys that we're going to make through acting as a speculator in land.

Well, Mr. Chairman, we all know, and I think there are numerous examples of this, that upon occasion — and it may not by any means be a universal situation under the Land Lease Program — but there are cases where the individual leasing that land was not your classic start-up farmer. He had a land base. He took on that land lease land knowing full well that it was guaranteed for a minimum of five years. He could not be shook from that land in five years. And in five years, using a 5 percent lease back or a 6 percent in the latter couple of years or 7 percent or whatever it went up to . . . —(Interjection)— Right. But it was guaranteed a minimum of five years. —(Interjection)— Okay, it was guaranteed for a lifetime. I will accept the Member for Lac du Bonnet it was guaranteed for a lifetime. But some of these individuals took on that land for a five-year term to rape the land, with no long-run care of the land. They ploughed because they could save on chemicals in the spring. And I have seen this happen in rolling land, where they have gone out in rolling land subject to erosion and have used improper cultural practices because they did not own the land. It was a state asset and they were there to derive the profit from that land as quickly as possible.

Now, if anybody around this table would say that that is the best care of a most limited and valuable resource that we have in the world, namely productive land, then I think that person is burying his head in the sand. The only true caretaker of the land is the individual, the man who is going to pass it on from generation to generation.

Which brings me to the next statement that our honourable friends opposite brought out earlier on this morning. They said that our land policies and our direction in agriculture is to the established farmer, that great evil capitalist that they so much would like to destroy. And the same thread follows through throughout our all of our socialist friends and their business endeavours, etc., etc. The person who has worked hard to establish his farming base or his business operation is viewed as an enemy of the N.D. Party and an enemy of the Socialist state, and they prove it every time they turn around, Mr. Chairman.

Now, Mr. Chairman, they applauded their program of the state farm, the lease back of farm land to young people, as being the best method to get young people started.

Well, Mr. Chairman, that particular program did not always go to the young start-up farmers. I believe there was a case in, I think it was the Neepawa area or whatever, where brothers who were farming 19 quarters of land got preference on a piece of five-year lease-back land from that particular government.

Now, if the person with 19 quarter sections of land is one who is just starting farming then I will eat my hat. But the point is, Mr. Chairman, they would like to destroy the established farm. Their policies . . . —(Interjection)— Well, I think the Member for Gladstone probably has a very legitimate point, that possibly the Land Lease Program was reflective of who they wanted to help and who they didn't want to help — very much so.

But, Mr. Chairman, the Member for Lac du Bonnet proved it, as did all members of the N.D. Party in their terms, they dogmatically held on to gift taxes, to succession duties, and for what purpose? For what purpose, Mr. Chairman, but to prevent the orderly transfer of family farms from generation to generation. That is why they held on to that. That is why they had the State Farm Program, so that they, as the all-powerful government, could step in in times of troubled exchange of a death in the family where the owner of the land had died and the estate was passing on and the younger generation could not afford to pick up the tab because of succession duties and gift taxes, then they would move in with their State Farm Program and buy the land and become the owner of it. And that was their purpose, it was not to help the established farmers pass a viable farming unit in a community from father to son. It was to destroy that unit, that was their purpose. And now that we have reinstated as a government who is concerned about the long-term viability of the farming community, now that we have established a Loans Program in which we encourage young people to own the land from Day One, naturally our Socialist friends are very much aghast at that kind of move because it doesn't fit into their overall plan for agriculture, turning land into a public utility.

So once again I can only say, Mr. Chairman, that this whole discussion is the same one we went through last year; it proved the same thing: That our Socialist friends will dogmatically hold

on to the public utility concept of land ownership in this province and 95 percent of the farmers will agree with our program, where the farmer should be the owner and the operator of the land.

Mr. Chairman, I have only to say one thing in proving that point once and for all, that is the very splendid representation of the agricultural community that our Socialist friends enjoy. The farmers vote for the government, for the Party with the policies that they can identify with and which they see in the best long-run interests of the farming community, hence the Province of Manitoba. And that, Mr. Chairman, I submit, is why the Conservative Party represents agricultural Manitoba.

MR. URUSKI: Well, Mr. Chairman, if one wanted to indulge in fairy tales, of course one would be very interested in the commentary of the Member for Pembina. If what he said were true, he would have my vote, Mr. Chairman, but what he has just given this Committee, the verbiage that he has just given this Committee, has no basis of truth in it, and he knows it and we know it. But he is hoping that somehow down the road that masses out in the communities don't know the difference and that he can get away with that kind of nonsense, and that's fine; that's all right, that's his cup of tea.

I happen to think that one should be constructive, rather than negative, in presenting a point of view, and, Mr. Chairman, the fact that the Member for Pembina wants to distort every fact of the operation of land lease fits in with the pattern of the ideology of the Conservative Party, and that is that there should be no options with respect to land ownership. That's right. Yes, they accept a lease program, Mr. Chairman. They do ideologically, providing it's leased from a private owner. Their hangup is that it should never be leased from the public, and that's where his problem is, Mr. Chairman. They believe that if their friends like Alexander Kasser would come in with a billion dollars and buy up a couple of townships, or three or four, whatever amount, that he would be a good landlord rather than the people of Manitoba through the instrument of their government. That's what he is saying, Mr. Chairman. Well, we happen to take the opposite viewpoint and we take the opposite viewpoint, Mr. Chairman, because history is full of experience of that kind, Mr. Chairman.

Most of the people that settled Canada, Mr. Chairman, ran away from the very system that this member is promoting, the system where only the wealthy own all the land, Mr. Chairman. Oh yes, oh yes, Mr. Chairman, the Member for Minnedosa, I'm sure he will tell you that even the banking community now is saying, you know, it may be the time when we must start dividing up the ownership of land from the operation of it and we have to set up new credit arrangements to take that into account because most people can't afford land any more. Yes, you will find that in brochures, in articles circulated by the banking community today.

So they are saying it is quite all right. We can separate the ownership of land from the operation of land. That is going to be the thing of tomorrow. In fact, it is happening every day. And, Mr. Chairman, the only difference when we were the government was that we gave the public an opportunity to do that vis-a-vis their own government, not vis-a-vis some huge capitalist from some far off land who would want to buy up three-quarters of this province. That is the essential difference that we are talking about.

Mr. Chairman, three or four years ago, and I don't recall which year it was, the statistic was that some 26 percent of the land that is cultivated in this province was not cultivated by the people who owned that land. I will venture to say, Mr. Chairman, that that figure is more today; it will be more next year than it is today, and each year it will be more that way because of the inflationary costs of land and the costs of machinery. The overall costs of agriculture are such that it is true that it is impossible for many many people to capitalize machinery, land and buildings. So more and more are falling into the category of being tenant farmers and more and more are falling into the category of being landlords of those tenant farmers.

So this Member for Pembina would like us to believe that there is something better in the idea that some investor from somewhere should buy up our lands that are available, Mr. Chairman. —(Interjection)— yes, then to have that option available within our own community through the instrument of government. And that's what we are talking about. —(Interjection)— Mr. Chairman, the Member for Pembina keeps insisting that our policy would deny the young farmer the right of ownership, when he knows that that is not true.

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

MR. USKIW: Mr. Chairman, we have had ample evidence this morning, through the Minister's Order-in-Council to prove that since land lease was established in Manitoba, it has given huge windfall benefits to the lessee, if the lessee exercises option to purchase. Windfall benefits, Mr.

Chairman, that would result in many instances, of the lessee not having to pay a penny for the land that he bought. Yes. Now, the Member for Pembina would say, but he will have to pay for it. Well of course he would have to pay for it. But his value is two times or better than what he is paying, in terms of today's market of land, Mr. Chairman. —(Interjection)— Well, the Member for Pembina will argue with us that he has to sell it to realize it. Of course that is true and it is not beyond anyone to sell it, to realize his gain, and to buy back. Yes, not beyond anyone, Mr. Chairman, not beyond anyone, and the Member for Pembina knows it.

Now, Mr. Chairman, we have had a very interesting revelation here this afternoon on the part of our Minister. Again, a demonstration of irresponsible and wasteful government is what we are looking at when we look at our Minister of Agriculture in the administration of the land program, or the disposal of our land resources, the disposal of public assets.

Mr. Chairman, I would have never believed that the Crown would dispose of an asset below its market value, until this afternoon. I would have never believed that, especially, Mr. Chairman, from a government who profess to be so businesslike, with all sorts of management skills, Mr. Chairman, that they came into office on the pretext that they were going to manage the affairs of the people of Manitoba more efficiently and in the public interest, and that the previous government didn't know how to manage efficiently. Well, Mr. Chairman, we have ample example of their efficiency. When this Minister, Mr. Chairman, tells us, without batting an eyelash, that he did not appraise his assets before he put them up for sale and I want to ask the Member for Pembina whether that's the way the banks would operate, Mr. Chairman? He would know whether the banking community would do that. —(Interjection)— The Member for Minnedosa, yes. I would ask the Attorney-General whether that is the norm in sound business practice, that one would not appraise an asset before one puts the asset up for sale.

I ask you, Mr. Chairman, this is a most incredible story. Public assets being disposed of without knowing of their value, without knowing of their value. Well, Mr. Chairman, it has been suggested that they know the value, they have some friends that they would like to look after. Well, maybe that's it. Let them say so, Mr. Chairman, but don't let them preach to the people of Manitoba that they are good managers of the public asset because that is a contradiction, Mr. Chairman.

I want to now ask, Mr. Chairman, whether the Minister will provide for this Committee, since he has hedged on it since yesterday, Mr. Chairman, and I can now fully understand why, whether he is willing to provide for this Committee, every detail of every transaction of land sale by the Manitoba Agriculture Credit Corporation. I ask this Minister for that information now.

MR. DOWNEY: Mr. Chairman, the member is referring to the information that I have been providing

MR. USKIW: I want it in written form.

MR. DOWNEY: He wants it in written form. Mr. Chairman, I think there is a proper procedure for the member to request that and, if he feels that he has to move in that way, that's fine.

MR. USKIW: Mr. Chairman, is the Minister telling us that he is unprepared to bring forward that information to this committee?

MR. DOWNEY: Mr. Chairman, I have been providing that information to him all morning.

MR. USKIW: No, Mr. Chairman, the Minister has not been providing that information. I have asked for documented information. The Minister has been giving us verbal information. I no longer know, Mr. Chairman, what the credibility of the Minister is, having had this morning's experience and again the revelation of this afternoon. We now believe, Mr. Chairman, that it is incumbent on the Minister that he submit to this committee all the details in written form as to each transaction on all the sales of lands that were formerly owned by the MACC. This committee would like to deal with those, one by one. —(Interjection)—

Mr. Chairman, the Member for Minnedosa wants to know when we can do that. I am ready to spend a lot of time here because I think it is worth doing. We have just found out that this government has wasted hundreds of thousands of dollars in land sales because they didn't do appraisals to determine their value. We have also found out, Mr. Chairman, that they are allowing these transactions to go through on the basis of a single bid received without having done an appraisal. That's the position we are in, Mr. Chairman.

The Minister has a responsibility to this committee and to the Assembly and to the people of Manitoba to give us the information on every one of these transactions.

MR. DOWNEY: Mr. Chairman, here again the Member for Lac du Bonnet is referring to the government not being responsible to the sale. I've made it very clear, the position we are in as a government, that in fact the Board of Directors have an appraisal system which they have been using, an in-House appraisal system. The property has been offered for sale on an open-tender basis, totally advertised in the public. I've given them the information that he has asked for in that regard, but we go back, Mr. Chairman, to the allocation of that Crown, that publicly-owned land of some five years ago.

Mr. Chairman, it was of no concern at all to the minister of the day to totally allocate the land as he, the minister, had the power to do. And, Mr. Chairman, I think that when we're looking at the consistency of the operation of the Credit Corporation, I can see no reason for the detailed documentation. I have no hang-up as I've said last night, about providing him with information. I've done it in a very general manner today, pretty much specific as far as some of the numbers are concerned, and again, I can provide him with some of the detailed information on what I've done as far as the numbers of people who have tendered the advertising, the open public tender, totally in the open, and as I say I can't understand him all at once feeling that it is now being handled irresponsibly. And, in fact, Mr. Chairman, the total question is how he handled it on a closed and very close to the chest type of operation?

MR. USKIW: The minister would want to substantiate that kind of comment. That was not the mode of operation of the Government of Manitoba. Prior to 1977 it was becoming obvious that that is the rule of thumb since then, Mr. Chairman, since October of 1977. I know the Conservative Party has a lot of friends, and a lot of debts to pay, Mr. Chairman. I just didn't believe they would be so blatant about paying those debts . . .

A MEMBER: To whom?

MR. USKIW: . . . to their friends. Mr. Chairman, when you accept single tenders without having an appraisal done, that tells you an awful lot — when you have single tenders and no appraisals it tells you that something is wrong with the system, Mr. Chairman.

Mr. Chairman, I ask the minister whether or not there was an appraisal done on the land that was bought by the brother of the Minister of Mines and Resources.

MR. DOWNEY: The member asked if there was an appraisal. I would probably assume that there would be an internal appraisal done by the board, Mr. Chairman.

MR. USKIW: Mr. Chairman, the minister has his staff with him. I'm asking him whether or not an appraisal of that property was carried out before a tender was accepted from a brother of the minister of the Crown, and surely the minister knows the implications of what I'm getting at.

MR. DOWNEY: Mr. Chairman, I think that in asking for the information as far as the government is concerned — and he's asked me time and time again — I've given him the information. I'm quite prepared to give him the information that . . . in which the government based its decision on, to sell this land. I have no . . .

MR. USKIW: I want to know whether an appraisal was done on the property that was purchased by a one Mr. C. W. Ransom in Boissevain, Manitoba for \$37,500. I want to know whether that tender was accepted on the basis of an appraisal having been done first on the value of that land.

MR. DOWNEY: Well, Mr. Chairman, the member refers to an appraisal. I've indicated to him that it's in-house workings of the corporation, and as far as that particular land is concerned, it wouldn't be treated any differently than any other of the parcels of land.

MR. USKIW: Mr. Chairman, the in-house appraisal would then reveal to us a figure. Could the minister now give us that figure? What was the in-house appraisal of the land that was bought by C. W. Ransom of Boissevain for \$37,500?

MR. DOWNEY: Mr. Chairman, I don't have that figure with me, if there is one on the . . .

MR. USKIW: Well, Mr. Chairman, we are now in a position that the minister doesn't know if there is a figure, and if there is one he doesn't have it with him, Mr. Chairman. And yet he refuses, Mr. Chairman, to table for the members of this committee, the documentations relating to all of these

transactions. Mr. Chairman, this doesn't require a request — it's leading to a demand for an inquiry, that's where we're heading — unless the minister is prepared to deliver the documents.

Mr. Chairman, the member is making accusations here that there were some irregularities and all this. I can assure him, as I did last night, and I will continue to do so, to provide him with the information, the documentation which is provided by government after it's gone through the Board of Directors of a corporation that is totally responsible for the actions of the corporation.

MR. USKIW: The minister keeps skating around the issue. I am asking the minister whether he is prepared to table, for the perusal of this committee, all of the land transactions that have taken place by the Manitoba Agriculture Credit Corporation with respect to the sale of their assets, since this minister has been responsible.

MR. DOWNEY: Mr. Chairman, I again go back to the way I've answered him, and will continue to answer, that I would give consideration to it. I have been giving him information on the terms of the sale, that it's been completely on a public open tender basis, and handled by a competent board, and I have no qualms whatsoever in giving him information that I feel it is his right to know, and the public's, and I'm sure that is totally the position in which we will stay.

MR. USKIW: The minister is on the record having refused to supply this committee with the specific details of the transactions of land sales by the Manitoba Agriculture Credit Corporation since he has had the responsibility of office. I leave that for the record for whatever it's worth. I assure him we will pursue the matter further if we are unable to extract the information from him during the course of the committees' hearings. I now want to take him to the point where we left off earlier this morning, Mr. Chairman.

A question of a piece of property bought by a Winnipeg resident for \$92,122.99. The gentleman's name is Neil Froese. I want to know — and in this case, there's a profit of some \$52,000, I understand — I want to know, Mr. Chairman, whether there was an appraisal done of this asset before it was offered for sale.

MR. DOWNEY: Mr. Chairman, what piece of property was the member referring to?

MR. USKIW: The purchaser's name is Neil Froese from Winnipeg.

MR. DOWNEY: And how much was it?

MR. USKIW: The purchase price was \$92,122.99.

MR. DOWNEY: Mr. Chairman, the information that the member is asking for is — the advertising of the properties was in the Winnipeg Free Press, Winnipeg Tribune, Manitoba Co-operator, a local newspaper, MACC offices, Municipal offices, Ag. Rep. Offices. There were nine, Mr. Chairman, there were nine tenders received on the property, and I would have to again assume that there was, as I'm sure there always is with the in-house workings of MACC, an appraisal done on it, which I can further . . .

MR. USKIW: Mr. Chairman . . . tell this committee whether there was an appraisal done of that property before it was offered for sale?

MR. DOWNEY: Mr. Chairman, there is no appraisal requested, an outside appraisal. Within the management of the Manitoba Agricultural Corporation, there are in-house appraisals done, which are estimates. The actual true value of the property is accomplished by the open public tender system which I am truly indicating to the public of Manitoba and it is very open and available.

MR. USKIW: Mr. Chairman, the Minister knows that the traditional way of selling of any assets, whether it is a public corporation or a private one, or an individual, that you usually have an appraisal done to determine the value of the asset, after which you advertise the asset and after which you consider the bids that come in, relative to your considered value of the asset. You may choose to accept any of the bids, or none at all. That is the normal procedure.

But that isn't the procedure that has been followed here, Mr. Chairman. The Minister tells us that the Corporation may have done an appraisal in-house. Who is in-house, Mr. Chairman? In-house is the Minister, that's in-house; who appoints the Board of Directors and that's in-house. So the Minister cannot escape the responsibility of this decision. He cannot say it is somebody else. He

is the person who is in-house. And I want to know whether there was an appraisal done.

MR. DOWNEY: Mr. Chairman, I believe I have indicated that the MACC has an appraisal system that they use for their own use and I again go back to pointing out the responsibility of government, that there were six parcels of land that were not sold, Mr. Chairman, because of the fact it would have caused a loss to the Corporation of \$75,000.00. Well, Mr. Chairman, that points out very clearly the responsibility to the people of the Province of Manitoba that the position that we have taken as a government to sell the properties that were over and above the cost which was incurred by the province and all the input costs by the province, is totally responsible and the picture that the Member for Lac du Bonnet is trying to point out is totally misleading the people.

Again, I go back to the tender system which was open, publicly advertised, and everyone in the community who was interested had an opportunity. All sales were over and above the cost to the Corporation, which was a reserve bid by the government, and is being handled in a totally responsible manner.

MR. USKIW: Mr. Chairman, we are learning of how responsible this government is and this Minister is. We have an example currently before this committee of a parcel of land sold for \$92,122.99 and the reserve bid, Mr. Chairman, was \$50,000.00. That's how we learn how responsible this Minister is and this government is, a difference of \$42,000 between reserve and actual price received. That is responsibility in the definition of my friend, the Minister of Agriculture, \$42,000 apart, between the real value and their reserve bid value. This Minister calls that responsible.

MR. DOWNEY: Mr. Chairman, it was handled in a totally open public method of selling and buying, which I'm sure the member does not understand. It is totally responsible. It is a totally responsible way in which the land was offered for sale and the people had the freedom in which to go and purchase that property, the reserve bid being the bid which recovered the province's money, the people of the province's money, plus all inputs, and in all cases it has exceeded that figure.

So, Mr. Chairman, we have taken a totally responsible position and let me tell you that I have indicated that the sales that we did not, Mr. Chairman, approve, were some six for an amount of money of some \$75,000-odd. So, Mr. Chairman, when the member tries to say that we have acted irresponsibly, it is totally unfounded.

MR. USKIW: Yes, Mr. Chairman, I would like to now ask the Minister whether he has asked the Land Appraisal Commission of this province, housed within the Land Acquisition Branch, whether they have given this Minister an appraisal on each of these parcels before they were advertised?

MR. DOWNEY: Mr. Chairman, I am informed by the management of the MACC that they have a contact, an internal contact with the Land Appraisal people within the province and it is to keep in touch with the actual values of the properties.

MR. USKIW: Mr. Chairman, the question is, did the Land Value Appraisal Commission give an appraisal or an evaluation of the properties that were sold to one, Mr. C. W. Ransom?

MR. DOWNEY: The information provided to me, Mr. Chairman, is no.

MR. USKIW: No. Would the Minister explain to the committee why they did not seek the opinions of the Land Value Appraisal Commission, whose job it is to value properties in the public interest of Manitoba?

MR. DOWNEY: Again, Mr. Chairman, I would have to look at what has the precedent been as far as the purchasing of land over the past few years under the Land Lease Program. If in fact the practice was for the Land Appraisal Commission to assess and appraise the land which was purchased by MACC, then I guess that we could look at the same kind of a type of approach for the sale of it. But I do not believe, Mr. Chairman, that that was the case. In fact, I can assure you, by some of the purchases that were made, that if it was, then I would want to further look into it.

MR. USKIW: Mr. Chairman, for the benefit of the Minister who doesn't know apparently, or rather doesn't want to, the lands that were purchased for the Land Lease Program, the values that were attached to the Orders-in-Council were supported by a statement from the Land Appraisal Commission at the time that the O.C. was presented to Cabinet. I want to know whether that

was followed through on the disposal of assets.

MR. DOWNEY: Mr. Chairman, let me clarify it for the Member for Lac du Bonnett. One of the staff of MACC is a member of the Appraisal Institute of Canada and is an individual who is . . .

MR. USKIW: We know that, a nice fellow.

MR. DOWNEY: Well, Mr. Chairman, he is a qualified individual who is capable of doing the work that has been done within MACC.

MR. USKIW: Mr. Chairman, we are not dealing here with the question of whether or not we have on staff people who are accredited appraisers. I am saying that the practice that was used in determining the value of the land that was bought by the Manitoba Agricultural Credit Corporation for five years was that that particular appraisal had to clear through the Land Appraisal Commission or the Land Acquisition Branch and subsequently it went to Cabinet with an Order-in-Council and a recommendation. I want to know whether that is the procedure that was followed in the disposition of these assets?

MR. DOWNEY: Mr. Chairman, I said that the land appraisal people within the department of the MACC are in total contact with the Land Acquisition and Appraisal Branch.

MR. USKIW: Okay, good, I'm glad they are, Mr. Chairman. Since the Manitoba Agricultural Credit Corporation staff is in current and total contact with the Land Acquisition Branch and the Appraisal Commission, I want the Minister to tell me what contact was made with respect to the purchase of one, C. W. Ransom, of a piece of property for \$37,500, specifically?

MR. DOWNEY: Mr. Chairman, that will have to be checked with the department.

MR. USKIW: Mr. Chairman, would the Minister now agree that he will check the same question with respect to all of the transactions and report back?

MR. DOWNEY: Yes, Mr. Chairman.

MR. USKIW: Okay, thank you. I would want to know now, Mr. Chairman, whether the properties bought by Neil Froese of Winnipeg, whether that was the highest price that was offered?

MR. DOWNEY: Yes, Mr. Chairman.

MR. USKIW: The next property that I wish to deal with, Mr. Chairman, is the purchase of a piece of property in Birch River for \$76,500 by one James Nelson Rusk. I would like to know whether there was an appraisal done before that property was offered.

MR. DOWNEY: Again, Mr. Chairman, as I have indicated prior, within the MACC, within the department there was an appraisal, it has been indicated to me by the manager, an in-house appraisal done.

MR. USKIW: Could the Minister tell me what the amount of that appraisal was?

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

MR. USKIW: Mr. Chairman, we don't have very much information from this Minister. Could this Minister tell me whether this particular transaction was concurred in, or the value concurred in, by the Land Appraisal Commission or the Land Acquisition Branch?

MR. DOWNEY: Mr. Chairman, I would have to check on that specific item.

MR. USKIW: Could the Minister tell me how many bids there were for this particular property?

MR. DOWNEY: Mr. Chairman, there were five tenders and again advertised in the Winnipeg Free Press, the Winnipeg Tribune, the Manitoba Co-operator, the Swan River Star and Times, the

offices, all agricultural offices, and all MACC offices.

MR. USKIW: Yes, Mr. Chairman. Was the lowest tender accepted — or the highest?

MR. DOWNEY: As the Member for Lac du Bonnet would maybe want people to believe, the lowest tender was not accepted. The highest tender was accepted.

MR. USKIW: Could the Minister tell me what the capital gain was on this piece of property?

MR. DOWNEY: Mr. Chairman, the difference between the actual cost to the Corporation and the sale price was approximately \$13,000.00. This is an estimated figure.

MR. USKIW: Mr. Chairman, I would have thought it was \$23,725, but perhaps I am wrong.

MR. DOWNEY: An estimated \$13,000, Mr. Chairman.

MR. USKIW: Mr. Chairman, would the Minister agree that with respect to all of these transactions, that we receive from him the capital gain on each transaction, over and above the actual purchase price?

MR. DOWNEY: Mr. Chairman, would the member clarify his question?

MR. USKIW: Yes, Mr. Chairman, would the Minister agree to furnishing this committee with a summary of all of these transactions as to the capital gain per each transaction, realized by the Crown?

MR. DOWNEY: Yes, Mr. Chairman.

MR. USKIW: Mr. Chairman, the next particular parcel of land. . .

MR. DOWNEY: Mr. Chairman, I have been giving that figure to the member on the difference between the reserve bid and the. . .

MR. USKIW: That's not what I'm asking, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, that's what I've been giving him. I don't know what figure he is after if he's not . . .

MR. USKIW: I have asked the Minister whether he would furnish to this committee with the actual purchase price and the sale price so that we could determine the capital gain. I did not ask him to furnish the reserve price. We have been asking him that question here and getting the answers verbally. I want to know what the capital gain is and that is quite different as between the reserve price and the final price and the actual price and the final price.

MR. DOWNEY: Well, Mr. Chairman, as the member well knows that it is a public document. When that land was purchased, it was by Order-in-Council during the time of his government . . .

MR. USKIW: That is correct.

MR. DOWNEY: That's public information and it is public information when it is sold, so if he wants to avail himself of that, I would feel he would be quite free to do so.

MR. USKIW: Mr. Chairman, I would have thought that this Minister would want to be most co-operative in giving us that kind of information. I suppose that there is some logic to him in not providing it during the course of the discussion of his Estimates, whatever that logic is, I can't imagine, Mr. Chairman. But there must be some logic in his mind to denying us that information for debate now, Mr. Chairman, or Monday. We will be here on Monday, I hope.

A MEMBER: The good Lord permitting.

MR. USKIW: Yes. Surely we can have that information furnished by Monday.

MR. DOWNEY: What was that information again, I was getting some other information.

MR. USKIW: I asked the Minister if he would be willing to furnish to this committee the capital gain on each transaction, that is, the difference between the purchase price and incidental costs of course, and the sale price.

MR. DOWNEY: Again, Mr. Chairman, I am indicating to the member that that information is public. It is available to him. He was involved in the purchase of the land that he has now in his possession ; an Order-in-Council to sell the land and it would be quite a reasonable request, I would think, for him to carry that out himself. You know, it isn't as if that information isn't available; it is, in fact, quite available to him.

MR. USKIW: Mr. Chairman, I am asking this Minister whether it would be reasonable to expect him to furnish that information for us when are back in Committee next week. He has a lot of time to do that, and it would be convenient for the discussions of this Committee if he would do that, Mr. Chairman, along with all the other information that he took notice of but hasn't been able to furnish to date. Along with all the other information that he agreed to bring forward, would he include that with it?

MR. DOWNEY: Mr. Chairman, I will certainly review what information is requested and what hasn't been given. There certainly isn't any intent to keep information from any members of the Committee.

I might also say that in regard to the . . . Again, I go back. He says that we have nothing to do in that particular period of time. It is available to him, and I would really wonder at his request being reasonable. —(Interjection)—

Well, Mr. Chairman, the purchase of the land, if you're talking Capital gain — the purchase of the land by his government and the sale of it by the documents that he has is very open and public to him, and that's the question which he is asking me. I can't understand what he is referring to, then.

MR. USKIW: Mr. Chairman, the Minister knows that we are in Committee and unable to go over to the other part of this building where that information may be stored and housed, at this point in time. He knows that. He also knows that at 4:30 the staff will leave and therefore there will be no access to it until next week. He also knows that his staff have this information in their possession, readily available, and they will be back here next week. But he wants to inconvenience members of the Opposition, through asking them to peruse the files over on the other side of this building and to pull out, one by one, those old transactions, dating back for five or six years. That's nonsense, Mr. Chairman.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I have a good suggestion here from the Honourable Member for St. Vital. To facilitate the work of the Committee, we would be willing to move that the Committee rise, and that would give us time to peruse the files and be prepared for the next meeting, since there is less than an hour left to get the information.

MR. CHAIRMAN: To the Members of the Committee, I have a few speakers on the list. What is the wish of the Committee? The Honourable Minister.

MR. DOWNEY: Mr. Chairman, I have some more information. I was asked by the Member for Lac du Bonnet if, in fact, one particular land sale had been looked at by the Land Acquisition Branch, and I can inform him that that land that was sold to Mr. Ransom was in fact put before the Land Acquisition Branch.

MR. USKIW: Mr. Chairman, I am very pleased to hear that. I would now ask the Minister to furnish me with a copy of their report, and all of their reports with respect to all other transactions.

MR. DOWNEY: Well, Mr. Chairman, I would say that, again, I will make an attempt to get that information available to him.

MR. USKIW: Make an attempt?

MR. DOWNEY: I will make it available.

MR. CHAIRMAN: The Member for Gladstone.

MR. USKIW: Mr. Chairman, I am not through yet.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Yes.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Well, again, Mr. Chairman, I cannot assure him that all the land is before the Land Acquisition Branch.

MR. USKIW: Mr. Chairman, it's beginning to look like we're not sure about very many things. Yes, we don't know what the value of the properties are; we don't know whether the Land Appraisal Commission, who is charged with the responsibility of determining for the government departments what the value of land is, whether they have had an opportunity to express an opinion; we don't know that. In fact, the Minister tends to think they haven't been involved, other than the odd communication between his staff and their staff, but he can't give us a commitment.

MR. DOWNEY: Mr. Chairman, let me go back again and really clarify it for the member that we do have a Board of Directors that are running the MACC, the recommendations from the Board of Directors to the government, and I have explained very clearly how we have proceeded. I have said many times that the use of appraisals by the Board is certainly an in-house appraisal, or however they do it is their business.

MR. USKIW: Mr. Chairman, the Minister keeps talking about Board of Directors and that how they function is their business. Well, it's our business how the government in Manitoba functions, Mr. Chairman. That is what we are here for. We are here to examine the method of operation of all government departments and agencies. This Minister is supposed to answer for that Board of Directors, who is appointed by himself, Mr. Chairman. The Board of Directors is the Minister, and he can't escape that reality, Mr. Chairman. He has to answer for every action of that Board of Directors. And this is a good clear example of his responsibility. We want the answers. We are not satisfied with the idea that the Board of Directors makes these decisions and they must be okay, because we don't think they're okay. Even if the Board of Directors made these decisions, we think they're rotten decisions, Mr. Chairman, because anybody that puts up a public asset for \$50,000 below its true value isn't doing his job for this government and for the people of Manitoba, Mr. Chairman. So there is something drastically wrong with the Minister's decision with respect to the appointment of the Board, who has made this decision; there is something drastically wrong beyond even that, Mr. Chairman. Perhaps it is the whole intent of the government or the government's policy to unload public assets at disaster prices, because they are somehow hung up about owning property.

That's really what we're up against, Mr. Chairman. And they are willing to forsake the public interest for a stupid ideology that they can't change, Mr. Chairman, and that's what we're talking about.

Mr. Chairman, I want to ask the Minister whether he can give me information with respect to another transaction on this same Order-in-Council, namely a transaction involving \$51,116.70, the purchaser being one William and Theresa Michalczuk of Winnipeg. I want to know whether there was an appraisal done by anyone before that property was offered for sale.

MR. DOWNEY: Mr. Chairman, what was the property you referred to?

MR. USKIW: Yes, the Michalczuk property; the purchase price was \$51,116.70.

MR. DOWNEY: Mr. Chairman, it was advertised in the Winnipeg Free Press, the Winnipeg Tribune, The Manitoba Co-operator, the Rossburn Review and it was advertised in all municipal offices, all agricultural offices and all MACC offices. The highest tender was accepted and there were four tenders received.

MR. USKIW: Mr. Chairman, my question was, was there an appraisal done of that property before

it was offered to the public?

MR. DOWNEY: Yes, Mr. Chairman, there was an in-house appraisal done by the MACC.

MR. USKIW: Could the Minister indicate to me whether that appraisal was concurred in by the Land Value Appraisal Commission?

MR. DOWNEY: I would have to check with that, Mr. Chairman. I will check on that.

MR. USKIW: Well, Mr. Chairman, the Minister's Deputy shakes his head that it wasn't done and the Minister says he is going to check. Now, I want to know what the procedure is going to be.

MR. DOWNEY: Mr. Chairman, the member can watch whatever he likes. The indication that I have is that in fact I will get that information.

Mr. Chairman, he says he has to check it; he doesn't have that information available.

MR. USKIW: Mr. Chairman, I would like to know what the reserve bid was on this piece of property.

MR. DOWNEY: Mr. Chairman, the cost to the corporation with all costs incurred, Mr. Chairman, was over \$28,000.00.

MR. USKIW: What was the reserve bid, Mr. Chairman? I didn't ask for the cost; I wanted to know what the reserve bid was on that property.

MR. DOWNEY: Mr. Chairman, the decision which was made, as I have stated clearly many times, the cost to the corporation, all-inclusive costs, was \$28,000.00.

MR. USKIW: Mr. Chairman, what was the reserve bid? I am not interested at the moment in the costs. I want to know what the reserve bid was when that property was offered.

MR. DOWNEY: Mr. Chairman, again I will make the statement that the cost to the corporation, which was used as a reserve bid, was \$28,000.00.

MR. USKIW: The Minister confirms that the reserve bid was then \$28,000.00.

MR. DOWNEY: That's right, for the government's decision.

MR. USKIW: Can the Minister tell me when that property was purchased?

MR. DOWNEY: Mr. Chairman, I don't have that information with me at this time.

MR. USKIW: Well, Mr. Chairman, we have another example of the government offering a piece of property without due consideration for market value, and that's the thing that we have been dealing with all day today, the fact that we have seen each transaction entered into without receiving the fair market value from the people who have purchased this property, or at least we don't know that we have received the fair market value.

We know, Mr. Chairman, that the government didn't know the value before they put the property up for sale; that's what we have established here today. And if they knew the value they didn't use the proper value in their reserve bid. That's what we have established, Mr. Chairman, because the reserve bids, Mr. Chairman, are far below what the purchase of this property ended up being — or the value.

We have a reserve bid of \$28,000 in this example but the actual value, as established by the bid, was \$51,000.00. Mr. Chairman, that's a terrible spread. Now, either the Minister has to assume responsibility for dictating that he is going to sell this property below value, or he has to fire an awful lot of appraisers in his department, who don't know land values. Mr. Chairman, which is it?

MR. DOWNEY: Mr. Chairman, again we are down to the position where the property, as far as the public of Manitoba were concerned, was totally offered. It was offered in a free and open basis, which in fact the tender system established the price in which that land would be purchased at,

which was over and above the cost to the corporation with all costs incurred, which is a responsible position to take, Mr. Chairman.

MR. USKIW: Mr. Chairman, the Minister is using the word "responsible" and it's everything but responsible. All the examples that we have gone through today is everything but responsible. We have a reserve bid of \$28,000; we have a sale price of \$51,000.00. The Minister is saying that the reserve bid was a responsible act on his part and on the part of this government. We could have had a sale price of \$28,001 and that is responsible in the eyes of this Minister, because that would have been above the reserve price. —(Interjection)— But that isn't an assumption; it's a reality that we're dealing with. We could have sold that property for \$28,001.00. —(Interjection)— Because we are fortunate in the fact that there were people that were interested. Yes, yes, interested in offering more. But the Minister was prepared to accept \$28,000 on a property that was worth \$50,000.00.

Mr. Chairman, we have another one yet to deal with, and that has to do with a property in Teulon, Manitoba. The tender was submitted by one Terrance Thomas W. King and, as I understand this one, it's a partial transaction of a total. And this is for \$52,000.00. Could the Minister tell me if there was an appraisal and what the value was before it was offered?

MR. DOWNEY: Mr. Chairman, there was an MACC appraisal done on the property. That's one of the questions?

MR. USKIW: Yes. Was that appraisal concurred in by the Land Value Appraisal Commission?

MR. DOWNEY: It'll have to be checked, Mr. Chairman.

MR. USKIW: How many bids were received?

MR. DOWNEY: Mr. Chairman, there were four tenders received.

MR. USKIW: Did we accept the highest?

MR. DOWNEY: Yes, Mr. Chairman, the highest was accepted. Again, the advertising was the same — including the local newspapers.

MR. USKIW: Mr. Chairman, that essentially completes a review of eight, I believe, transactions in this Order-in-Council. I believe it's eight. I may be wrong. Seven — no, there's more than that — nine.

Now, we have discovered, Mr. Chairman, that this Minister doesn't know the value of property, or doesn't want to know the value of property, or Mr. Chairman, wants to make donations to private citizens of Manitoba with taxpayers' assets. That's what we have discovered in the course of our examination of his Estimates this afternoon. He hasn't consulted with the Land Value Appraisal Commission. He doesn't know, or doesn't want to know, the real value of all of these assets, and he's got another 400 and some odd to go yet. This province is in for an awful shakedown, Mr. Chairman, if the balance of these properties are sold along the criteria that he has used on these first nine transactions.

MR. DOWNEY: Mr. Chairman. Mr. Chairman.

MR. USKIW: Mr. Chairman, I am not through. I want to ask this Minister whether he has consulted with the Provincial Auditor on procedures of disposing of Crown assets. Perhaps he might have given him some advice.

MR. DOWNEY: Mr. Chairman, I think that when we start to ask those kinds of questions we have to again go back to some of the ways in which some of this property was acquired, and again the member is talking about all the ones that are being sold, and in fact we are selling it in a most responsible manner on an open public tender basis, recovering the province's money plus all the input, Mr. Chairman, a totally responsible position. Mr. Chairman, I go back to six properties which I will again say were not sold by the Province of Manitoba because of an indication of a loss of some \$75,000 of which, Mr. Chairman, one of those properties was purchased by the former Minister of Agriculture at over twice its value. The only tender received on that particular piece of property was an offer of \$50,000 on a cost that we have in that property of well in excess of \$100,000 and, Mr. Chairman, here is the Member for Lac du Bonnet trying to say, "Here we are.

We're an irresponsible government." Mr. Chairman, we are selling property on open tender basis, recovering the moneys plus all the cost to the province at a profit and not selling the property that is not generating any money so the money would be lost.

So Mr. Chairman, it is a total responsible position. It is an action that the people of Manitoba support, the selling of government land back to the people of the province. —(Interjection)— Well, Mr. Chairman, I'm sure they're all quite aware of the fact that when there is land for sale that they all want an opportunity to put in a tender on it, better than the way that the land lease program was handled where the then Minister of Agriculture could hand pick the people he wanted to put on his his state farms. So, Mr. Chairman, I think that's again the position that we — we've acted in a responsible manner. We will continue to do so, and we have no problem in answering to the public of Manitoba in the way in which these transactions have been handled.

MR. USKIW: Mr. Chairman, this Minister is . . . because we haven't finished yet. This is going to take him right through to Public Accounts before it's through, and he knows it, because this is a completely irresponsible method of disposing of Crown assets, Mr. Chairman, and we're not going to let this go very lightly.

Mr. Chairman, I want to ask the Minister whether he is aware, and perhaps his staff can advise him — they're here handy for him — that a member of the Credit Corporation Board, his appointed person, received some \$90 odd thousand dollars in a transaction involving a loan through that Corporation. Is he aware of that?

MR. DOWNEY: No, I'm not, Mr. Chairman.

MR. USKIW: Well, I'm wondering whether he would consult, Mr. Chairman, with his staff because I am aware of it.

A MEMBER: Is that true?

MR. USKIW: Yes. I am aware of it.

MR. DOWNEY: I'm totally unaware of it.

MR. USKIW: Will the Minister undertake to investigate and report back to this Committee whether that occurred?

MR. DOWNEY: Well, Mr. Chairman, I don't know what the member's getting at as far as the actions of what has taken place. If he's indicating some wrongdoing, then he should indicate so at this time.

MR. USKIW: Mr. Chairman, I asked this Minister whether it is a fact that a member of the Board of Directors received money from the Manitoba Agricultural Credit Corporation as a result of the sale of his own farm assets, and as a result of a mortgage being drawn up on the part of the purchaser with the Manitoba Agricultural Credit Corporation.

MR. DOWNEY: Mr. Chairman, I can investigate that.

MR. USKIW: Well, that's fine. He's going to take it up.

MR. CHAIRMAN: The Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Chairman. I think just about everything's been said on both sides that can be said. We've had a very enjoyable afternoon, I guess, and a bit of last night. It would appear to me that the former Minister of Agriculture has a reasonably short memory also. When he was engaged in his business of land purchasing and leasing back and the statement that he'd made that the Member for Gladstone didn't know what he was talking about, I was reasonably wellinformed on many of his doings, and all I can say, it's a very good thing for the farmers of Manitoba and for the people of Manitoba that his government didn't stay in office for another four years.

What we're talking about is a free and open tender which anyone had the option of taking advantage of, even some of his friends, and that there was so much money to be made in them, why didn't they do it? The statements are there, what the costs were, what the profit was, etc. I'd also like to draw to his attention at this time that during the course of his operations when

the deal was made with the Japanese over a pork price, we fought in this Chamber for hours and hours and hours trying to get a figure on what that particular deal was, what the cost per pound was, what the formula was. We couldn't find out one iota of anything. We had to wait until we came into government to find out that the people of Manitoba lost between 2 and \$3 million on his contracts. —(Interjection)— Yes, you bet we'll tell you all. Now, what I would like to point out to this Committee and to this former Minister is that this has been a free and open tender. The facts are before you where your deals weren't.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. I think this afternoon's discussion has drawn one very clear fact to the attention of the citizens of Manitoba, and that's the fact that the NDP Party under the tutorship of the former Agriculture Minister, the Member for Lac du Bonnet, don't understand how the free market works, and that is basically a problem that the Socialists have, in that they seldom, if ever, sell anything. They want to glom everything under the government ownership.

Now, in a system, Mr. Chairman, where a piece of land which is owned by MACC is deemed to be in the best interests of the province to be sold, put into private ownership — the method that is chosen is the advertised sale by tender. Now, I realize that our Socialist friends have difficulty grasping how the market system and the bidding system works. Well, what happens in the bidding system when it's openly advertised, people know it's for sale, they come up with what they think is a fair price for that property.

Now, we've had as many as seven bidders on a parcel of land, and the Member for Lac du Bonnet and the Member for St. George have the audacity to waste the time in this Committee complaining that there hasn't been an appraisal. The appraisal was done when the tenders were open. The highest tender, obviously, was at least the market value, and if I know anything about land sales in the past year — if I know anything about the land sales in the last year, Mr. Chairman, there has been a considerable amount of optimism amongst the producers in that they tend to pay more than the productive value of the land by a multiple of sometimes two, three and four.

Now, I realize that our Socialist friends don't appreciate how the free market system works, but I don't find anything particularly at fault with an open tender system which is well advertised not only in the community in which the property is to be sold so that the local residents have a chance, but throughout the province, and when we get four, seven, bidders, that surely is a very excellent indicator of the market value of the land.

When we have only one bidder, I will admit that that — they may have a question mark there, but if, in the case where we've had one bidder and it is above the recoverable dollars needed by MACC — if there was only one bidder, that to me would mean not that there was an inside deal as our Socialist friends would like to have us believe, but rather that the land was not a very, very useful commodity to anybody in the district, because if it was a give-away, as our Socialists would like to tell us, then I'm sure that they'd be lined up at the trough putting in bids because there's nobody that likes to grab money better than a Socialist, at the same time protecting the poor, mind you.

So I can see nothing particularly wrong with the bidding system, the advertising and the bidding system that was used to get rid of an asset which was deemed more useful to be in private ownership land. And I think we get back to the bottom line, Mr. Chairman, where Socialists believe in State ownership and they abhor any method by which any government would deem to dispose of an asset owned by the Crown. They want the Crown to own all the assets and that's their problem. That's their problem. They couldn't dispose of it any way that would make them happy.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Well, I certainly was glad to hear the remarks of the Member for Pembina. Even the Member for Pembina doesn't like the process. He's finally admitted that he doesn't like the tendering process that was brought in by his Minister. Even he is embarrassed by what has transpired here and as delicately as he wishes to tread, he is indicating his embarrassment.

Now, here we had a story from the Member for Pembina telling us how the free market system works, the open tender system. Here we have the Member for Pembina, who as an example, built his house. It cost him \$20,000. Under the tendering system employed by his Minister of Agriculture, provided that he got his \$20,000 back, if he built his house four or five years ago, because that's when this land was bought on the same basis, he would be happy if he received that amount of money back even if the house may be — and in today's cost probably doubled in four or five

years — that is the tendering system that he is — the free and open market system that he is agreeing with that he wants to prop up.

MR. ORCHARD: It's a good thing you don't make any sense, you know. You'd be dangerous.

MR. URUSKI: Mr. Chairman, it is the Member for Pembina who doesn't make any sense. The sale by tender was advertised. That's what they tender. But really, the crux of it is, what is the value of that property? The Minister, to this Committee, has indicated and has admitted that in most instances he believes, and he's not sure yet, that there was an appraised value by MACC, that the land was appraised, but would they use that? No. The government of the day, although he contradicted himself in the morning — he said it was Board policy, that the Board made the decisions — then he came back this afternoon and he told us, no, it was government policy, that the government wanted to recoup the moneys that it had put in with interest into the land in question, so that it was clear that no matter what the procedure would be, what sound business practice that the Corporation might entail, the government was not interested in it.

The minister was not interested in it. They wanted, I believe, because he indicated that that it was the government policy, to sell off the property in a similar manner as they did with Morden Fine Foods, Mr. Chairman, very similar. They had a \$2 million asset, which they did what? They sold it for a \$1 million. Isn't that good business practice? —(Interjection)— Well, of course, the inventory alone was a \$1 million, but they gave it away for \$1 million, the assets went for nothing.

Mr. Chairman, the minister today to us admitted that this was the system they were using. All they wanted to do was get back what they had in it. Is that not giving a windfall profit to whoever wants to purchase it, not even, Mr. Chairman, not even accepting or at least asking your officials, look, tell me, what is that property worth today in the marketplace? He has the audacity to come to this Committee and say that his tendering system is free and open. Mr. Chairman, how can he stand before the people and Members of this Committee and tell us that this is an open tendering system? This is as if you walked along the highway and waited for a robbery to take place with your money hanging out of your pocket, that's the Minister of Agriculture walking down Portage Avenue with dollar bills hanging out of his pocket, and just looking for somebody to pick his pocket.

That's the same way he is selling this property that belongs to the Province of Manitoba. He told us that he made a very good price on it over and above what the corporation paid, but he didn't tell us what the property was worth on today's marketplace, and we would hope that he, even today if those files are here, that he brings this information forward.

Now, Mr. Chairman, I don't want to stop there because the process that appears to be taking place in the handling of funds in the lending agency, I would want the minister now to indicate whether he is prepared to bring all the files of the corporation to this committee, all the applications and loans that have been made, have been tendered to the MACC by individuals. We have had that spectacle, Mr. Chairman, over the last number of years in the MDC when this open Conservative government would not allow any of the facts about loans to be made public. Are we going to have the same spectacle here in this round of openness in this government? Are they prepared to bring MACC files and publish on a quarterly basis as the MDC did? —(Interjection)—

MR. BLAKE: Mr. Chairman, on a Point of Order. We heard this identical speech last night on . . .

MR. URUSKI: Who cares? —(Interjection)—

MR. CHAIRMAN: On a point of order. The Member for Minnedosa.

MR. URUSKI: I don't care.

MR. BLAKE: . . . on two different occasions.

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

MR. BLAKE: I would just like to tell the member that we can all understand his remarks, and we understood them last night. He made his point very well, so fine, let's not subject the committee to the same thing again today.

MR. USKIW: If the Member for Minnedosa would be able to come here and tell us that the Royal Bank would operate as this minister is, then I'd be prepared to listen to him.
—(Interjection)—

MR. BLAKE: I don't think that's a point of order, Mr. Chairman.

MR. USKIW: . . . but he doesn't want to do that, because he knows, he knows that the Royal Bank wouldn't operate that way, Mr. Chairman.

MR. BLAKE: I don't think that's a point of order. . . want to go out and buy farmland and have them sell the farmland, they operate on a businesslike basis and that's the way the minister's I just want to make the point . . . operating.

MR. CHAIRMAN: order. I'm not sure if either member has a point of order. —(Interjection)—. The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I'm pleased that the Member for Minnedosa doesn't like to hear the comments. —(Interjection)—. because they do embarrass him. —(Interjection)—.

A MEMBER: He's getting you back on track, that's all.

MR. URUSKI: Even he, as a bank manager, would have asked for an appraisal as to what his assets would be worth. He certainly wouldn't put his house on the marketplace without knowing what his house would be worth and it's certainly —(Interjection)—.

MR. BLAKE: I already know what it's worth. I don't need an appraisal if I know.

MR. URUSKI: Mr. Chairman, if the member doesn't know, he certainly would not put it up for sale.

MR. BLAKE: But if I knew, I wouldn't bother with an appraisal.

MR. URUSKI: Well, this is exactly. . .

MR. CHAIRMAN: Order. One speaker at a time in committee. . . —(Interjection)—.

MR. URUSKI: Mr. Chairman, I appreciate your comments. I'm pleased that members on that side are finally realizing, and I hope they put pressure on the Minister of Agriculture to actually examine and look at those appraisals before he makes another tender. . . Certainly he has the obligation to bring all those figures to this committee, what the appraised value of those assets were, because even the Member for Minnedosa doesn't know what those assets are worth. He doesn't even know what those assets are worth. He knows what the public paid for them four or five years ago, but he certainly doesn't know what they're worth today. We do know that we made money, according to what we paid for them, but we certainly don't know what they are worth.

Mr. Chairman, I would hope that this Minister of Agriculture, certainly being as open as he has been in the last little while today that I've been here, that he would be prepared, since he has indicated that he is operating on a very open government, ' unlike his predecessors prior to 1969 when they didn't want to and release any information about the lending habits and lending portfolios of their administration, that they would not release that information to the public. It took an election, it took an election, Mr. Chairman, it took an election to bring that information open to the public and to have those loans published quarterly, Mr. Chairman. —(Interjection)—.

MR. CHAIRMAN: Order please. The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman, I'm glad that I touched on a very fine nerve, Mr. Chairman, on the other side, and I'm hoping that this Minister of Agriculture will not fall into the trap that his predecessors prior to 1969 did, that he doesn't want to become as secretive into not publishing or not making available the loaning information of MACC. Certainly it should be made public, Mr. Chairman, if our government did not bring forward MACC to the committee, I believe we should have done it. I believe that our government, our minister should have brought forward those files and made them public in the same manner as we made MDC. —(Interjection)—. Yes, it certainly is, Mr. Chairman, I'm glad that the Member for Minnedosa indicates that hindsight is great stuff. I would concur that I would hope that the minister certainly sees the folly of hiding information and not making it available to members of this committee, what it can get him into. What kind of problems hiding information can get him into, especially when you don't want to even look at information that is on the file of your lending agency.

When you have already predetermined prior to allowing the tendering process, if you have predetermined what the value of the asset is without even having an appraisal made. I would also hope, Mr. Chairman, that the minister would be prepared to indicate the nature of the loans that he is making and all the facts behind the loan when he brings all the files to the committee or at least, is prepared to publish a quarterly report, or at least, a half yearly report on the loans that MACC is making.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I'm sure that the Minister of Agriculture is somewhat taken aback and perhaps even bewildered at what is taking place here today this afternoon. And I want to say that that is really not our fault, it is his, because he has put himself in that unfavorable position. But he may wonder, Mr. Chairman, why we are so insistent on information of public transactions being made public. I want to tell him why, I think he knows, but it's worthwhile reminding him.

That during the election campaign of 1977, before this minister was even heard about, or hardly heard of, his colleague that is the candidates for the Conservative Party throughout s, this province were promising, promising Mr. Chairman, to their friends if they would only get some electoral support, that this land that is owned by the Crown and which is leased, leased to these farmers, that this land would become available for their friends to bid on. —(Interjection)— Oh yes, oh yes, Mr. Chairman, yes, Mr. Chairman, this is what happened, —(Interjection)— this is what took place, —(Interjection)—this is what took place . . .

MR. CHAIRMAN: Order.

MR. USKIW: In rural Manitoba, Mr. Chairman, during the election campaign.

A MEMBER: Just like you had people going around to personal care homes stating that the Conservative government would throw them out of their beds, that's the kind of coercion that you guss put on.

MR. USKIW: Mr. Chairman, Mr. Chairman, the Conservative candidates were promising their friends that if they were electorally successful —(Interjection)—.

A MEMBER: Prove it. We would take it away from your friends.

MR. USKIW: That they would make Crown lands and MACC lands available to their friends, Mr. Chairman. And so, Mr. Chairman, it follows from that, it follows from that Mr. Chairman, that we should want all of these transactions made public. Yes, that is one reason why I would like this minister to put the information before this committee so that we can identify who these friends are of the Conservative party, Mr. Chairman, —(Interjection)— that are now being rewarded for having delivered well to the benefit of my friend, (Interjection)—the Minister of Agriculture . . . and to the benefit of the Conservative Party.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, we now recognize the rewarding process. We recognize the rewarding process with the sale of Crown assets in a number of areas in the province, Mr. Chairman; we recognize the rewarding that took place with respect to the sale of Morden Fine Foods at a giveaway price; yes, we recognize Mr. Chairman, the giving away of a ship that's worth a \$1.5 million, —(Interjection)—Yes, yes, for a pittance, Mr. Chairman, for a pittance. —(Interjection)—.

MR. CHAIRMAN: Order. Order. Order please. Could I ask the members of the committee to please refrain from interrupting and that we have one speaker at a time, and I would like to caution the speaker that you stick to the item before us here. The Member for Lac du Bonnet.

MR. USKIW: The disposal of Crown assets, and we have had a good example of how this government is bent on giving away the properties of the people of Manitoba, and I'm merely using the examples to illustrate the pattern of government asset disposal since October of 1977.

Mr. Chairman, the members were screaming at me when I talked about the boat that was given away. Yes, Mr. Chairman, and I will tell my honourable friends that they are going to subsidize it this summer, Mr. Chairman. This government will subsidize the operation of that boat this summer if it is going to run on Lake Winnipeg this year. Yes, Mr. Chairman, they will subsidize it and I will tell you how, Mr. Chairman. Because the boat was part of a package, the golf course at Gull Harbour at Hecla Island —(Interjection)—.

MR. CHAIRMAN: Order please. Could I ask the member to stick with the item before us? The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I am dealing with the question of the government's policy of disposing of public assets, and all I am doing here —(Interjection)— is . . .

MR. CHAIRMAN: Order, please. That is not the question before us. We're dealing with the Manitoba Agriculture Credit Corporation.

MR. USKIW: Mr. Chairman, we are dealing with the disposition of public assets all day today. —(Interjection)—.

A MEMBER: Farmland assets, not boats.

MR. USKIW: Mr. Chairman, this government is subsidizing and will subsidize the assets that they have given away through the operation of Hecla Island, through the lodge, through the golf course, and through all the other facilities that they will put at the disposal of the new owners of that ship. So when they try to tell the people of Manitoba that it is now not going to cost them any money, Mr. Chairman, that is nonsense. —(Interjection)—.

MR. CHAIRMAN: Could we refer the Member for Lac du Bonnet to the disposal of Crown lands?

MR. USKIW: I want to ask this minister how many more debts are yet to be paid to the Conservative Party friends throughout Manitoba, because at the rate that we are going, Mr. Chairman, this province can't afford to pay them, this province can't afford to pay these debts, Mr. Chairman. —(Interjection)—.

Mr. Chairman, we have seen today the minister's Order-in-Council. Yes, the Premier is here, I want him to know what took place today, because I'm not sure that he does know, although yes, he should know, he signed it, Mr. Chairman. Mr. Chairman, the Premier would like to know that —(Interjection)—. Yes, at the end of my remarks, Sir. The Premier would like to know that he signed an Order-in-Council selling an asset worth \$141 thousand on which there was no appraisal done before the asset was sold . . .

A MEMBER: Oh yes, there was. . . . Yes, there was.

MR. USKIW: No. No. The Land Appraisal Commission whose responsibility it is to appraise the assets of the Crown was not involved, Mr. Chairman.

The reserve bid price, in this one example, was \$105,000, the true value as established by the bidding process was \$141,000. Mr. Chairman, either the minister is wrong or his appraisers are wrong. Now the minister told us it was the government's policy, not to make any money here. —(Interjection)— Mr. Chairman, the First Minister says that's the market. It is not the market, because this minister, Mr. Chairman, under cross-examination, whether he knows it or not, told this committee today that market values weren't important, that all they were interested in is recovering the costs to the corporation.

And, Mr. Chairman, Hansard will bear that statement, Mr. Chairman — that they were not interested in appraisals. They were interested in disposing of Crown Assets, namely some eight or nine parcels of land, of property, that were owned by the people of Manitoba, Mr. Chairman. And if the First Minister thinks that that first example is not a good one, or if it's only one, I will illustrate to him the rest, Mr. Chairman.

We have here, Mr. Chairman, we have here another transaction where the asset, Mr. Chairman, the asset was sold for \$80,000 and the appraised value was \$54,000. Now who is wrong Mr. First Minister? Who is running the affairs of this province that doesn't know the value of farmland in Manitoba? Especially backed up by all of the farm members that he has — they don't know the value of agricultural land, Mr. Chairman. Mr. Chairman, we have another example here, where the reserve was \$20,000 and the realized price is \$26,000. At least that one is close. That's one of the few, Mr. Chairman. And then we have the example of a reserve bid of \$27,000, which was sold for \$37,000, Mr. Chairman. But, Mr. Chairman, we have another tiddling example, Mr. Chairman — yes, an asset that was sold for \$92,122.99. What does the First Minister think the reserve bid was? I'll tell him what it was. It was \$50,000. And, Mr. Chairman, when I asked the Minister of Agriculture . . .

MR. CHAIRMAN: Could I suggest to the Member for Lac du Bonnet that he's repetitious, that we've covered this area.

MR. USKIW: Mr. Chairman, I want to tell the First Minister that when I asked the . . .

MR. CHAIRMAN: Order please. Could I ask the Member for Lac du Bonnet to address his remarks to the Chair?

MR. USKIW: Mr. Chairman, I did address you, but I would also like to convey a message through you to the First Minister — that when I asked this . . .

MR. LYON: Would you answer a question? Would you answer a question, Mr. Chairman?

MR. USKIW: I'll be through in a minute and then you will have your opportunity.

MR. LYON: I'd like to know the system of tendering that your government used for leasing agricultural credit land that you bought under your state farm system. —(Interjection)— I'd like to know what kind of tendering system you had for leasing the land after you bought it, to get into your communal style of farming?

MR. USKIW: Mr. Chairman, the First Minister is now trying a diversion, very much the same as that of the Minister of Agriculture because he knows the purpose of the lease program, and that that purpose could never be served, Mr. Chairman, under a tender system. Now, Mr. Chairman, the First Minister should know that this minister was unable to confirm for this committee that there was an appraisal done of this property; he was unable to confirm for this committee that the Land Appraisal Commission had established a value on it, and we know that the reserve bid, when they offered this property to the public, was \$50,000 and it sold for \$92,000. Mr. Chairman, it could have sold, it could have —(Interjection)— it could have sold for \$51,000, Mr. Chairman, and the minister . . .

MR. CHAIRMAN: Order please, order please. Would the member direct his remarks to the Chair and could we have one speaker at a time. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I know you are having some difficulty because we are getting through some of the thick hides on the other side.

MR. CHAIRMAN: Order please, order please. Gentlemen, in accordance with Rule 19(2) the hour of 4:30 having arrived, committee rise.

SUPPLY — HEALTH AND COMMUNITY SERVICES

MR. CHAIRMAN: I would draw the honourable members' attention to Page 51 of the Main Estimates, Resolution No. 65, Health and Community Services. We are on Item (b)(2) Other Expenditures. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, would the Minister give us a breakdown of what is covered under that and the amount as compared to last year?

MR. SHERMAN: Yes, Mr. Chairman, Other Expenditures are those expenditures that are supportive to the following operations: the Adult Forensic Services and the Children's Forensic Services; referrals through courts and probation services; referrals for emergency and brief consultation; referrals under The Juvenile Delinquents Act; referrals under The Child Welfare Act. I can give the honourable member numerical breakdowns of the number of referrals and the number of outpatients and inpatients seen, if he wishes those.

The increase in Forensic Services, the \$5,000 increase, is to cover the new sessional fee rates that have been authorized by the government. —(Interjection)— That's all forensic.

MR. DESJARDINS: Isn't there something here under the Eden Mental Health Centre?

MR. SHERMAN: It's just the civil service staff for Eden that is here. Support for Eden comes under (c), Mr. Chairman.

MR. DESJARDINS: Mr. Chairman, where does the Minister want to discuss Eden, here or under the next area?

MR. SHERMAN: I think we should take it under the next one, logically, Mr. Chairman.

MR. DESJARDINS: Fair enough.

MR. CHAIRMAN: (2)—pass; (b)—pass; (c) Institutional Mental Health Services (1) Salaries—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, could the Minister first of all tell us if this amount was all spent, and I'm talking about the one amount under (c) now, was all spent last year or if it was underspent and by what and where? Could the Minister give us the population of the inpatients at Brandon, Selkirk and at Winkler as compared to last year and if there are any day patients also and what the population is? I guess we can start with that and then we'll go into other areas.

MR. SHERMAN: Basically, Mr. Chairman, the amount voted for last year was all spent. There was a slight underexpenditure of approximately \$200,000 or something slightly less than \$200,000 in the Other Expenditures category. The Agency's category was all spent. The salaries category was all spent. As far as the patient population is concerned, the Brandon Mental Health Centre, Mr. Chairman, stood at December, 1978, at 561.

A MEMBER: Was that the Brandon Institute?

MR. SHERMAN: Yes, the Brandon Mental Health Centre, December, 1978, was 561. The previous year, December, 1977, it was 571.

The Selkirk Mental Health Centre, December, 1978, 354 and the previous year, December, 1977, 326.

For Eden, an average daily population of 40 for 1978. That has been constant for the last three years.

MR. DESJARDINS: Mr. Chairman, if it is 40, I think it is rather an increase of at least an average of five. It used to be between 30 and 35 and it was increasing. Now, what about the day patients in any of these areas where they have such a thing as day patients?

MR. SHERMAN: The honourable member is asking me about the outpatient caseloads for these

particular institutions?

MR. DESJARDINS: Right.

MR. SHERMAN: For Brandon, the active cases at the beginning of the year were 1,252.

MR. DESJARDINS: What does "active" mean?

MR. SHERMAN: Cases that were actually being seen. In the outpatient department, it was 633; the Child Guidance Clinic, 204; the Travelling Clinic, 415, for a total of 1,252.

Does that make it clear? The total at Brandon, we're looking at active cases at the beginning of the year, was 1,252. These are in a table on Page 167 of the Annual Report, Mr. Chairman. That 1,252 breaks down in 633 in the Outpatient Department, 204 in the Child Guidance Clinic, 415 in the Travelling Clinic.

Then of course there are registrations during the year shown and terminations during the year and active cases listed for the end of the year, which would be December, 1978. I don't know whether the honourable member wants me to read those into the record.

MR. DESJARDINS: No.

MR. SHERMAN: There is a total shown for the Selkirk Mental Health Centre and a total shown for the Eden Mental Health Centre.

MR. DESJARDINS: Mr. Chairman, all I wanted at this time is the actual outpatient, day patient, and I think the total that I have is the work that might be served by staff in Brandon, but not necessarily in the Brandon Hospital. I think I've got that for Brandon, it's 633, right? That's the outpatients. What about Selkirk and Eden then, just the outpatients, the day patients?

MR. SHERMAN: Well those are all active cases, but what we are looking for is outpatients here, Mental Health Centre, this is the out-patient case load that is listed here in these tables Mr. Chairman. If I am reading my tables correctly this is Mental Health Centre's outpatient case load and movement and for Selkirk Mental Health Centre it shows the active cases for the beginning of the year at 1925 and at the end of the year 1763. For Eden the active cases at the beginning of the year are 964, and at the end of the year 1139. But that is the outpatient case load that I am talking about. Those are the outpatient case loads of those institutions.

MR. DESJARDINS: Well, Mr. Chairman, it seems that there is not that much a change between last year and this year and in fact between even the year before that, the year previously. There is a bit of a reduction, total in three years, there is about 30 in Brandon and about 20 in Selkirk. Mr. Chairman, could the Minister explain then why there is such a high reduction of staff and in an area where the Minister said that he would guarantee, and he said that to the former Leader of the Opposition that he would guarantee the same ratio of staff to patients. Now there doesn't seem to be that much of a decline in the population of these institutions and we went from 1977-78 of 1195 staff man years. Last year there was a reduction of 16 and this year there is a further reduction of 90. So that means in two years a reduction of 106. Would the Minister explain why this has been done?

MR. SHERMAN: Well Mr. Chairman, in fact the 90 that the Honourable Member refers to, who were eliminated and whose elimination is reflected this year as against last year do not really represent a reduction in the current staffing patterns of those institutions, they reflect an abolition of positions that had been held vacant in the preceding year and then they were simply abolished after being held vacant for that year. There were actually 37 at Brandon and 53 at Selkirk. The attempt to rationalize the staffing patterns in the mental institutions produced a consensus originally that a hundred positions could be eliminated at Brandon and Selkirk between them. Portage is treated entirely differently and, in fact, there is a full unchanged complement staffing pattern permitted at Portage, but it was felt that Brandon and Selkirk could be reduced. At the outset, the exercise considered a 100 as a reasonable number to be distributed between the two mental health centres on the basis of demonstrable need and programs. It could have been split in any proportion. That staffing floor, or vacancy ceiling whichever way you want to look at it, was reduced by 10 positions to 90 and those positions were simply not filled, they remain vacant and have been abolished.

Now, all I can assure my honourable friend is my Chief Provincial Psychiatrist and the Directors

of the particular institutions involved know, have been assured unconditionally that they are to keep the closest possible watch on the situation to advise my office, to advise me if there are difficulties in performing the services there on that staffing pattern, and that I would respond in any way that I could to legitimate requirements. So far, except for the change of the ceiling from 100 vacancies to 90 vacancies, we haven't experienced any difficulties and the staff has been able to perform those services at that staffing level. 37 positions abolished at Brandon and 53 at Selkirk, but I want to say, Mr. Chairman, that that commitment to the Division and to the ADM still stands, because we started by looking at the globe of 100, found that that was perhaps a bigger vacancy level than what would be desirable, and reduced it to 90, or examining that 90 in the same terms thus far, it seems to be all right.

MR. DESJARDINS: Well, Mr. Chairman, it's not quite as simple as the honourable minister makes it to be. There has been actually 106 if you're looking at the last two years, in fact, yes, there were 16 last year and 90 so that makes 106, not 90. Then the minister said that they were vacant, they were vacant after a few months that they'd been in office because that is an area where you have to recruit continually, and the vacancies were 75, not 106, so that would give you much more than the . . . there was 106 and there were 75 so that gives you an extra 30 positions that have not been filled that became vacant or will become vacant and that haven't been filled.

Now, Mr. Chairman, I know that just two years ago, it was felt that we didn't have enough staff at these institutions. There were a lot of complaints because we had cut down on the staff to go in the community and we realized that this was done a little too fast.

The morale in the institutions wasn't too good. It was felt that they couldn't cope with the problems that they had, the work that they had, and so therefore we tried to change that. And furthermore, we didn't have the facilities in the community — I don't see that this has been improved — to send these other people to work in the community. It seems to me that there has been a reverse. We're still staying with approximately the same total population in these institutions and we have cut down. Not 75, we have cut down 106, Mr. Chairman. And it was felt that we certainly didn't have enough people at the time and my source for that was exactly the same staff that the Minister is referring to. You know, you would have to be better naive to think that . . . Well, first of all, to let this snow-job come in and say, well, you know, they have to guarantee that whatever they need they're going to have it. The same people that were saying that they didn't have enough and all of a sudden there has been a change of government and they have discovered that they can do the same work with away less people.

I don't really believe that, Mr. Chairman. After all, the Minister must accept the responsibility. He is the one that's saying, "Staff, this is what you're going to have", and they're doing the best that they can with the staff that they have. But this is a reduction in an area that the Minister himself criticized us for cutting down and, as I say, the population remained pretty well the same and I think there has been an increase in outpatient count.

So, Mr. Chairman, there is not much point in prolonging that, but we're certainly not satisfied with the explanation of the Minister and we think this is another area where it's going to be cost first and need second.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (c)—pass; (d) Institutional . . .

MR. MILLER: Hold it, hold it, hold it. I have been standing here for . . .

MR. CHAIRMAN: I beg your pardon?

MR. MILLER: Mr. Chairman, I got up when you hit (2). When you hit (c)(2) I rose to my feet.

MR. CHAIRMAN: I'm sorry. I don't like to differ but I will acknowledge the Honourable Member for St. Seven Oaks.

MR. MILLER: Mr. Chairman, on (c)(2) Other Expenditures, the Minister noted that there was a \$200,000 underexpenditure there. Could he give us details of what Other Expenditures cover?

MR. SHERMAN: We were underspent about \$200,000 on that Other Expenditure side. It was approximately evenly divided between Selkirk and Brandon. It would have been largely related to the reduced staffing patterns and the food, clothing and attendant services that would relate to those change in patterns, plus some reduction in population of patients at Brandon.

MR. CHAIRMAN: (2)—pass; (3)—pass — the Honourable Member . for SEVEN Oaks.

MR. MILLER: Mr. Chairman, in this area as well, External Agencies, would the Minister inform us, firstly, is there an underexpenditure; if not, what are the nature of the grants and who do they go to?

MR. SHERMAN: No, there is no under-expenditure in this area, Mr. Chairman. With respect to the last point that the Honourable Member for Seven Oaks had raised, just let me say that I want to assure him there were no program cuts, no programmatic cuts in that underexpenditure that we referred to.

Here the Other Expenditures, or the External Agencies expenditures relate to the Canadian Mental Health Association and to the Eden Mental Health Centre at Winkler. The Canadian Mental Health Association has a general purpose grant of \$33,000, which is the same amount that was voted last year. The equivalent amount of \$33,000 being asked of the Legislature this year. \$785,900 for the Eden Mental Health Centre, as against last year's budget of \$750,700.00.

MR. MILLER: Mr. Chairman, so the increase here is about 4-½ percent in total but I notice that the Canadian Mental Health Association, Manitoba Branch, I assume it's the Manitoba Branch he is talking about, is receiving \$33,000 which is the same as it was, I believe, in 1977 and 1978. Is that the amount they asked for, or is that the amount that the Minister has arbitrarily decided they would get?

MR. SHERMAN: Well, Mr. Chairman, it's the amount that was agreed upon between the Canadian Mental Health Association, Manitoba Branch, and my department and it is the same amount that they have received, I believe, for the last 10 years. The Association's acceptance of that kind of grant range seems, at least up to this point in time, to have been established. I can't confirm or deny or verify whether or not they pressed for more than that but that was the sum that was agreed upon between the two parties and it has been that way throughout this decade.

MR. CHAIRMAN: (3)—pass; (c)—pass; (d) Institutional Mental Retardation Services (1) Salaries—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, again I would like to know if there was anything underspent in this area? Again, I would like to know the populations that these different institutions covered, comparable to last year and if there are any day services or day patients. I wonder if we could have that?

MR. SHERMAN: Mr. Chairman, there will probably be an underexpenditure of about \$125,000 at the Manitoba School but that doesn't reflect any program changes. There are no program changes whatsoever but it is an underexpenditure on the operations side.

St. Amant will probably get an additional \$200,000-plus, between \$200,000 and \$250,000 due to transfer of a sub-appropriation. In general, the answer is that there isn't any significant underexpenditure in this particular appropriation. St. Amant and Pelican Lake . . .

MR. DESJARDINS: You mean, salary expenditure, 1, 2, 3, in other words.

MR. SHERMAN: Salaries, Other Expenditures, External Agencies — no changes other than those that I've referred to.

MR. CHAIRMAN: (1)—pass. The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, also wanted to know the population of these institutions.

MR. SHERMAN: The population breakdown for the Manitoba School, Mr. Chairman, December 31, 1978 — 855; I'll give you the categories in a minute, but let me give you the totals — 855; December 31, 1977 had been 892 and December 31, 1976 had been 934. The breakdown of that 855 as of December 31, 1978 is as follows: profoundly retarded — 193; severely — 351; moderately — 178; mildly retarded — 101 and borderline — 32; total male population was 472; female — 383. St. Amant, it serves 275 children and adults; 249 children and 26 adults. And they're all either severely or profoundly retarded, Mr. Chairman.

MR. DESJARDINS: That was for 1978?

MR. SHERMAN: Well, yes. That is this year and last year?

The Admissions Tables on 164 for these mental retardation centres show, Mr. Chairman, that for Pelican Lake . . .

MR. DESJARDINS: Excuse me, Mr. Chairman, for St. Amant the minister has given us only the one year, and I don't even know what year that is. I wonder if he can give us the same comparison as he did with Portage.

MR. SHERMAN: That's Brandon-Selkirk. I beg your pardon, Mr. Chairman, I'm sorry.

MR. DESJARDINS: I was saying, Mr. Chairman, to the minister that as far as St. Amant was concerned, the minister give us only the one year, and I'm not too sure, I think it's 1978, I wonder if he can give us the same comparison as he did for Portage, and I hope that he'll give us for the Pelican Lake.

MR. SHERMAN: Yes, yes, Mr. Chairman. For St. Amant — I'm going to give you the three-year totals — inpatients as of December 31, end of 1976, 1977 and 1978: For 1976 it was 269; for 1977 it was 271 and for 1978 it was 271. —(Interjection)— I just gave you 275 from my House Book; 249 children and 26 adults. The Annual Report tabled for December 31, 1978 shows 271; the discrepancy in four cases may be the difference between the time the Annual Report was prepared and the time the House Book was prepared. For the Manitoba School, I gave the honourable member those figures, 934, then 892, then 855. For Pelican Lake same dates, 1976, the total was 66; for 1977, the total was 69; and for December 31, 1978, the total was 70. That's inpatients for those three mental retardation centres.

MR. CHAIRMAN: The Honourable Member for Elmwood. The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I'm wondering whether the minister could advise whether the movement out of these institutions is continuing on a satisfactory basis? The thrust in the last number of years has been to try to get people out of the institutions and into community-based facilities, and I'm wondering whether he's satisfied that that pattern is still in place, whether that sort of movement is still going on, and that what we left in the institutions are there for hard core, which cannot be moved, or new patients, which are coming in, but that in fact those that after a period of training, whether it be six months or a year or what have you, can be moved out of an institution, whether they become institutionalized into the community into some group home or centre of some kind so they can be part of their community rather than locked up in institutions? So, can he assure us that, in fact, that program is still in place and that the outflow from the institutions is satisfactory to him, and that it hasn't slowed down in the last couple of years?

MR. SHERMAN: Mr. Chairman, the trend and the thrust is still in place. It remains my intention and my hope, as I have stated earlier, to move as many of those of our citizens, who are capable of being moved, out of institutions of this kind, and into the community. We have just announced a new community residence for the mentally retarded in Thompson, and our program for this year includes the addition of two more community residences. I would very much like to achieve in the foreseeable future, a significant further reduction in the resident population at the Manitoba School at Portage, and that is a goal which I wish to reconfirm to the Honourable Member for Seven Oaks.

As far as the trend is concerned, I don't think there could be said to be any measurable or significant change. In some cases, there has been a slight increase in the number of residents of institutions of this kind, being moved out of the institution and into the community in the past year. In some cases, there has been a slight decrease, for example, in the case of the Brandon Mental Health Centre, the separations in 1976 were 471, and in 1978, taking that two-year span — I won't complicate it by adding in another table calculation — in 1978 there were 465.

In the case of St. Amant, for example, in 1976 there were 139; in 1978 there were 184. But then if you look at the Manitoba School for the Retardates, there were 144 in 1976 and only 128 in 1978.

So there has been some variance up and down relative to the different institutions. I don't think that one could say that there is a measurable or a significant difference in pattern. That remains the goal of this government, as it was of the previous government.

MR. MILLER: Is the Minister satisfied that there are sufficient community residences available to

meet the needs of those who could be discharged to the institutions? In other words, are some still being held in institutions because there is no community residence to which they can go? They are ready for it — they have in a sense graduated, if you want to call it that — and if there was room, they could be moved out of the institutions. Is the Minister satisfied that in fact that situation is not creating a bottleneck?

MR. SHERMAN: No, Sir, I am not satisfied that there are sufficient resources in the community to accommodate those whom we would like to move. Yes, Sir, there are people still in institutions because we don't have the residences in the community to put them into.

MR. MILLER: Mr. Chairman, I'm wondering whether the Minister could advise whether it is because of the problem of, in his opinion, insufficient funding for community residences, or what the problem is at this point in time? I know there was a problem a few years ago with regard to community residences. Is it the difficulty of getting the proper approval from the municipality for this kind of housing or from a neighbourhood, or what is the problem at this point in time?

MR. SHERMAN: That certainly remains a problem, approvals from municipalities and neighbourhoods, from the public generally. Also, Mr. Chairman, I think that in the course of my ministry or administration, that there needs to be more funding provided to produce more community residences, to find them and have them located and have them put in place regardless of — well, I can't say regardless of objections, but to do what needs to be done to overcome the objections. Thus far, Sir, I have not been able to expand the program to the degree that I would like to expand it.

MR. MILLER: Mr. Chairman, in 1977, to meet this particular problem, and it was a problem because unfortunately society isn't yet ready to open its arms to people with mental health or mental retardation illnesses, and there have been, as the Minister knows and as I am well aware, there was resistance on the part of communities to accept community residences within their boundaries. I want to remind the Minister that in 1977, The City of Winnipeg Act was changed whereby the problem of road blocking by a community committee or by the city council could be overcome where a provincial program was being inhibited and could not operate effectively as a health program. There was a provision in the Act whereby the provincial government could take what steps are necessary, whether hearings and everything else that goes with it, to assure that a vital program, which the Minister approves of obviously and everyone I think does approve of in government, would not be inhibited by the lack of understanding or the shortsightedness or perhaps biases of the general public, that this was too important to just leave to the whims of councillors who can be under great pressure locally and tend to knuckle under to parochial concerns. I can't fault them because they are right under the gun.

The change in the Act made it possible for the province to launch its programs without the necessity — with only recognizing the need and not being inhibited, as I say, or barred from doing what had to be done for this element of sick people and could take the necessary steps through the mechanisms expressed in The City of Winnipeg Act whereby they could then make sure that there is provision, not just in one part of the city or one neighbourhood of the city, but that these homes could be spread properly and adequately throughout Winnipeg so that they wouldn't all end up in one constituency but that at the same time there would be sufficient group homes, community residences launched annually to be able to get that movement out of the institutions at a good flow rather than, as the Minister now indicates, he has the problem where they could move more out if there were more community residences.

So I'm wondering whether the Minister has used those sections of the Act which put him in a position where he could, if he so desired, take the necessary actions under The City of Winnipeg Act to open new community residences or arrange for them to be opened?

MR. SHERMAN: Well, we haven't had to use it yet, Mr. Chairman, but I'm aware that it is there. I recognize what the Honourable Member for Seven Oaks is saying. Up until this point in time, the two cases that occurred during our administration were resolved at the Community Committee level but I know that the legislative avenue is available if that kind of resistance proves to be difficult in the future. We are certainly not contemplating any change in that.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: Did I hear the Minister correctly that his last words were, "We are not contemplating any change," that is, that the Act will remain there if it is needed? Or is he saying

that he is not going to change the Act because I don't know if it has been proclaimed yet — it was proclaimed but it was never used by the Minister.

MR. SHERMAN: Well, I can't guarantee my honourable friend that there won't ever be any changes in The City of Winnipeg Act but I'm talking about this particular provision in the Act.

MR. DESJARDINS: In other words, the Minister is saying that he would hope not to have to use that but if the need be, he won't hesitate to use it? Well, I'm glad of this change. I think that when we brought this change in the Act, we were opposed by the members of the opposition: in those days and even last year, I think the Minister felt that, you know, this was something that wasn't his responsibility. I'm very pleased to know that after being exposed to those people, he has seen how difficult it is and he has recognized that today and he feels that if need be — in other words, his position has not changed, it is not any different from ours because we had stated very clearly that we would leave it to the City Council, and it was only if we were forced to, and if something couldn't be done that we would resort to that, so I'm pleased to see that the Minister understands that now and now realizes why we made this change, and I suppose that he's pleased that that possibility, that the means are there if need be, Mr. Chairman.

Now, I wonder if we could have a list — I don't know if we could have it today or if it's published somewhere — the list of all community residences in Manitoba for mentally retarded and, you know, what help they're getting from us — the latest state, because there's been some changes no doubt, and if at all possible, the population or the spaces or beds in each community.

MR. SHERMAN: Mr. Chairman, I believe I supplied the honourable member with a list of the workshops in the province the other day, but perhaps he does not have the list of community residences. I'll have to get that for him. I thought I perhaps had that with me, but I just have a list of the workshops, Mr. Chairman, so I'll have to get that for him.

MR. CHAIRMAN: The Honourable Member for Elmwood. The Member for St. Boniface.

MR. DESJARDINS: Excuse me, Mr. Chairman. Is there any possibility — we don't want to delay this — but I'd certainly like to have that in front of us before we pass this Item. I wonder if there's any way that somebody that's listening to the Minister could get that list sent down for him at this time while there's some other discussion going on. I think it might prove very helpful, Mr. Chairman.

MR. SHERMAN: Mr. Chairman, we can certainly get the list, but I don't think that that has any bearing on the passing of this Item because, you know, we're dealing with Institutional Mental Retardation Services here and we did cover the Community Mental Retardation Services in an earlier Item, and I can certainly get that information but under the office of Community Mental Health and Mental Retardation Services which is, what, (3)(e) we did deal with this particular feature. Obviously the member has not been supplied with a list of those residences but it really doesn't relate to the passage of this particular Institutional Item.

MR. DESJARDINS: Technically, Mr. Chairman, the Minister is right. We've dealt with this already. Now, I ask the indulgence of the Minister because there has been some reorganization and it's very, very difficult when you're looking at something new for the first time and you don't know exactly where it is. There has been some change and some Items that have been added to certain branches and so on, and it's been quite difficult, especially when you're trying to look at the staff man years for the last few years, whether there's been vacancies and, as you know, sometimes you / mention two or three at a time and I'm caught short. I say technically, because I think that definitely — I don't agree with the Minister that this has nothing to do with passing this Item because we are now talking about the policy and the Minister, himself, in the times that he's been up, said that very frankly the same thing that we said a few years ago, we're not satisfied, and I'm not quarreling with the Minister. We're not satisfied with the way things are done and in a direct answer to the direct question of my honourable colleague here, he said, "Yes, there's not enough community residences. I'd like to see less people in Portage. Yes, there are some people in Portage that are there because we're not ready with community residences." So I say that it has an awful lot to do with this, Mr. Chairman and, you know, I don't want to start an argument on this if at all possible. I would hope that we can discuss it at this time. Maybe next year we'll know better, but it's practically impossible to talk about just one part of it when they're so closely related.

You have staff that are working together and I think that you have some of the people in the communities who will still receive their services based with the — maybe the staff of the Institution,

and I think that Dr. Lowther, for instance, has a different role also. I think there's been some changes in the administration of these Homes. The Minister had announced that. We're going to talk about this some more, but I think that as far as the Chief Medical Officer is Dr. Lowther, and then he has certain responsibility also in the community work. So I think, Mr. Chairman, it is very germane, very important to what we're discussing now and I would hope that we can get that list and then we could study with the Minister to see if there's any improvement being made, and in which direction we'll be going, because the Minister stated that both Parties are very concerned. It doesn't seem to me that there's a big battle here. They are trying to do what we were trying to do. We weren't happy and they're not happy, but we'd like to study it together, Mr. Chairman.

MR. SHERMAN: Well, I've sent for that information, Mr. Chairman.

MR. DESJARDINS: In the meantime, Mr. Chairman, maybe the Minister could take a few minutes and explain the change in the administration of this Institution and we didn't ask that for Brandon and Selkirk because I think it's the same thing and maybe he can give us the names of the directors. I think he announced earlier that there would be directors, the Medical Chief Officer is no longer the Director of these Institutions, that he was going to have, or either he was contemplating doing that, and I think at the time I told him I felt that that was probably going in the right direction and I'd like to hear a little more about those three Institutions.

MR. SHERMAN: Mr. Chairman, the directors at these three Institutions, Brandon, Portage and Selkirk, have not up to this point in time been changed. The directors are the medical directors. In the case of Portage it's Dr. Lowther; in the case of Brandon, it's Dr. Moyes, and in the case of Selkirk, it's Dr. Kovacs, but it's our intention to initiate the concept of having a Chief Executive Officer as the director of each of those Institutions, and there would be a Medical Director and a Director of Administration, Services, Finance, the various functions of that nature functioning under the Chief Executive Officer.

In the case of Dr. Lowther, as members know, he already functions, in fact, in two capacities, because he's the Director of Retardation Programming for the province, and it's our intention that he should continue in that role, which is a major role, and demands the kinds of expertise in retardation work and the field generally that he possesses. So what is contemplated is for Dr. Lowther to be the continuing Director of Retardation Programming and that a new Medical Director would be put into place at Portage and the three Institutions would each have Chief Executive Officers installed so that they would operate in much the same way as a Public General Hospital. That is our intention in terms of the reorganization of this side of the institutional component of the department. A number of names are being considered, but no appointments have been made yet. I think that is what the Honourable Member for St. Boniface is referring to and I did discuss it, or make reference to it, in my opening remarks on my Estimates. That is a firm intention. One or two people have been interviewed with respect to Chief Executive Officer's position at either Selkirk or Portage, but at this point in time no appointments have been made.

MR. DESJARDINS: Yes, Mr. Chairman, this is what I was referring to and, as I said, I think it was a good idea to relieve the Medical Directors because I think they have so much to do and this is an area that there is so much to do. And so in principle, as I said, I certainly wouldn't object to that. But I am surprised. I thought that Dr. Lowther, and I hope I misunderstood, but I thought Dr. Lowther would remain the Chief of Medical Staff at the Portage Home. I think that there is an advantage to having that because I don't think that you could work independently and there is always the danger — and we saw that when we were in office the last few years — that there seemed to be a bit of a running battle between those people busy in the community and those in the institution.

Did I hear correctly that Dr. Lowther would then be released to do only the work with the communities but he would no longer have any connection with Portage, not even as the Chief Medical Officer?

MR. SHERMAN: Dr. Lowther would retain a very close connection with Portage in our concept, as it has developed thus far. That is that he would certainly have program control at Portage, but Director of Programming in mental retardation is a broad and a demanding field, as the honourable member knows. It's difficult to do two jobs at the same time, even for people with exceptional talent and energy, and we do feel that his expertise could be best put to use as Director of Programming in total, which would certainly involve continuing liaison with Portage. He is not living

in the Portage facility now, as the member knows. He would continue to maintain close liaison and contact with Portage, because he would be Director of Programming for Portage, but there would be a Chief Executive Officer to run the institution and probably a Medical Director, unless it proves practical for Dr. Lowther in directing and administering programming at Portage also to function as Medical Director but I think that that would be nullifying the effects of the move that we want to make, which is designed in part to utilize his programming skills for the whole province.

MR. DESJARDINS: Mr. Chairman, actually Dr. Lowther had three hats. He was in charge of the school, and he is going to be replaced there and I am for that 100 percent. Now, the suggestion was that he will be in charge of programs in the community, and I feel much relieved that he will also be in charge of programs in the institution. At first I misunderstood; I thought that he would leave Portage altogether. And he certainly will have something to do with the transfer of the people leaving the institution to go into the communities and so on. I guess his voice would be the important one. So I feel a little better.

But I wonder, has the Minister and staff discussed this with Dr. Lowther; does he feel that he could do as good a job staying with the programs but also — because I see a final decision hasn't been made — as the Medical Director at Portage? The Minister says that there is a possibility that he might remain as such. Did the Minister discuss that himself with Dr. Lowther? What are Dr. Lowther's feelings on this?

MR. SHERMAN: Mr. Chairman, that has been discussed with Dr. Lowther. In all candor I must say that I have not discussed it personally in detail with him but my ADM on the Institutional Operations side, Dr. Roy Tavener, has, and Dr. Lowther agrees with the proposal to be Program Director and to maintain programming control but he also agrees with the proposal for a Medical Director other than himself at Portage, when one can be found. There have been, certainly, very close discussions of that whole topic between Dr. Tavener and Dr. Lowther and Dr. Lowther apparently agrees with the contemplated plan.

Mr. Chairman, I now have the information that the Honourable the Member for St. Boniface asked me for on the community residences in the mental retardation field in Manitoba. These are residences providing supervision only and residences providing both supervision and up to five hours of training per client per week. I have two lists. I'm happy to send one over, which would perhaps negate the need for reading it into the record, Mr. Chairman. Thank you.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, two years ago about this time there was a tragic fire and a number of deaths in Portage la Prairie, as a result of some arson on the part of the one of the residents. There was, at that time, a great deal made out of the fact that there was a fire commissioner's report that had been released a year or so before, and there was some talk on the part of the government, present government, to make improvements and changes and compliances, and so on, with those earlier reports, and possibly additions to them. Could the Minister bring us up to date as to whether those contemplated renovations and compliances with the fire commissioner's report have been accomplished?

MR. SHERMAN: Yes, Mr. Chairman, fire upgrading and renovation at the School is proceeding on schedule. Installation of smoke detectors and fire alarms is being carried out throughout the complex. There is something in excess of \$1 million appropriated in Government Services this year for continuing fire upgrading at the School and work of a thorough-going renovation nature is underway in the East Grove Building and one other building, but work at East Grove is in process at the present time.

MR. DOERN: Did I understand the Minister to say that it was \$1 million for compliance with the fire commissioner's requirements or was that total renovations, including fire commissioner's report?

MR. SHERMAN: No, that's \$1 million for fire and safety upgrading, relative to fire and safety requirements at the School in this year's budget for 1979-80.

MR. DOERN: So that earlier guesstimates and talk about \$50,000 obviously were inaccurate, and when this is completed will that then meet all those requirements? You say there is \$1 million for this fiscal year. I wonder if we could go back to a year and a half ago and if the Minister could indicate how much money has been spent so far on fire safety, etc., plus the \$1 million now, and

whether there are any future requirements for the succeeding years.

MR. SHERMAN: Well, I don't know where the figure of \$50,000 came from, Mr. Chairman, it didn't come from me. No, the \$1 million plus that is scheduled to be expended this year will not complete the job of fire and safety upgrading at the school. There's approximately \$1.8 million scheduled to be expended in the future, the next year, after the current amount is expended and that doesn't include the amount of money going into the renovation of the East Grove building. What was the other question that the Honourable Member for Elmwood asked me — how much had we spent up to this time?

MR. DOERN: Yes, how much have we spent up to now?

MR. SHERMAN: Would have to get that information from Government Services, Mr. Chairman, I'm sorry.

MR. DOERN: So the minister has possibly spent some money a year ago, in the last year or so, is planning to spend \$1 million now and will have to spend \$1.8 million thereafter, so we're talking obviously about a figure of \$3 million or better and again, as I say, there was some loose talk a few years ago about how it would only require \$50 thousand to meet all of these requirements and this, obviously, is completely out of whack with the present Estimates.

The building in which the fire occurred was at Eastgate? —(Interjection)— East Grove. Has that complex been sprinklered; have all the other requirements in that building been met? Is it now being used and, if not, for what purpose does the minister intend to utilize that building?

MR. SHERMAN: It's not being used right now, Mr. Chairman, but it will be when the renovation is completed and the renovation and safety upgrading will include sprinkler installation, sprinkler installation and fire walls, but essentially what's happening with East Grove is that it is being reconverted so that all the residents can be on the ground floor for easy access and easy exit rather than having them stacked on succeeding floors, so there's a major renovation going on on the East Grove Building. Mr. Chairman, maybe I should just, perhaps, modify that statement a little as it comes back to me, maybe they won't all be on the main floor, but there will be a considerable, additional number that'll be on the main floor rather than up on the second or third floor. We're trying to get as many down on the ground floor as possible, but it might not be correct to say they'll all be on the main floor.

MR. DOERN: Well, I'm sort of confused by the minister's answer. He's talking now about the main building which has three floors, because the one that burned I believe was all on one floor. So I don't know if the minister's mixing them, or I'm misunderstanding him, but the main building I believe was three stories' and I assume that he's talking about that. I'm asking him about the one in which there was a fire. He's obviously not talking. . . that is a main floor building, so I'm just wondering if he could comment again on whether all the requirements have been met there.

MR. SHERMAN: Well, Mr. Chairman, the East Grove Building is a one-story building, but it's attached to a building that has three stories and one of the purposes of the renovations of East Grove is to provide that ground floor accommodation for a greater number of people so that they don't have to be up on the second or third floor of the attached. . .

MR. DOERN: Mr. Chairman, I'd just make one general observation here, and that is this that in spite of the efforts of the minister to comply with the Fire Commissioner's report and the various requirements of fire and safety, many of which were considerably tightened by our government, many of which were for the first time applied through our government because of new Acts, etcetera, I admit that we were not in compliance with all Fire Commissioner's reports and it is equally obvious, Mr. Chairman, that this government isn't either. That, not only in the case of this particular aspect of the Health Department but probably through the width and breadth of the entire Civil Service, it would be a simple matter to requisition all of the Fire Commissioner reports, compare them to what has been accomplished and what is being planned, and point out that the government is in violation in numerous buildings on numerous requirements. This seems to be partly because you're playing a catch-up game that the few things accomplished over the last few decades and then more stringent requirements, and then the vast amounts of money and time and energy and planning that are required to comply with what are undoubtedly necessary and desirable safety features but which are also expensive and which also will require considerable input on the part of the government through the Department of Government Services.

And I make this observation, that what was talked about a few years ago as being a few thousand dollars or figure \$50 thousand is, a fact, a \$3 million figure, and the fact that our government was not 100 percent up in terms of compliances is also true of this government. I don't know when it'll be that all governments will be right up to scratch in terms of these continuing reports and examinations, but it's quite clear that even though the minister intends to spend \$3 million to bring that entire complex up to the standards required by the Fire Commissioner and by modern fire and safety practices, that he is not at this moment in time in compliance with those particular requirements. So I simply say in passing that I hope that he is more fortunate than our government in that while he is in violation, although his intentions are well placed as were ours, I hope that he is more fortunate and does not suffer a tragedy and then have it pointed out that he was, at that time, in violation of certain Code requirements because I believe that he would freely admit that throughout his responsibility, his 5,000 employees and his many dozens and dozens of buildings, that he cannot say with any certainty and he wouldn't even attempt to say that he is complying with all fire and safety requirements as it affects his responsibility because it wouldn't be true.

MR. SHERMAN: Well, Mr. Chairman, I just want to observe from my honourable friend that, and I think he feels particularly sensitive about this subject, that I am one who always regarded that fire at the Portage School as a very, tragic and possibly quite a humanly, non-preventable tragedy and I think that he will concede that I was one MLA who never entered that debate either inside the House or outside the House. I don't think that any of us is omniscient enough to be able to prevent things like that from happening, but I do want to say that we are, in the view of the Fire Commissioner, keeping pace with the requirements, the schedule that he has laid down. We are coping, I think my honourable friend would agree, with a very rigorous fire code, a new code that is extremely rigorous and somebody once said, and it might even have been the Member for Elmwood, that if one was going to invoke every condition of that new fire code, this building that we are sitting in would have to be closed.

So we are trying to proceed with reason and with co-operation and again with a certain degree of reasoned compromise. The Fire Commissioner seems satisfied with the efforts that are being made and the schedule that is being adhered to.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, I wonder if the Minister could advise us, what is the status of the Pelican Lake Training Centre? That was quite the facility when the San. Board had it. Could he tell us how it is being utilized at the moment and what programs are proffered at that facility?

MR. SHERMAN: Mr. Chairman, the community itself is reported as being very pleased with the Pelican Lake Training Centre. The Centre provides residential care to about 70 residents. The occupancy is pretty constant. It seldom varies from that level. The majority of them are severely retarded; there is a small number of moderately and mildly retarded. They are from the WestMan Region and they are being prepared for rehabilitation into their communities. The Centre is administered, as the member knows, by the Sanatorium Board of Manitoba and our provincial government support comes in the form of per diem payments. So that it is the moderately and mildly retarded who are there who definitely represent the minority who are being prepared for community entry or re-entry. The vast majority of the 70 residents are severely retarded and require the constant attention that goes with that kind of incapacity.

MR. BOYCE: I'm sorry, I didn't quite hear the Minister. Did he say that this is still owned by the San. Board, because the total capacity of the facility was in the hundreds and I was prompted by his response to the Member for Elmwood to wonder just exactly what had happened to that environmental question about the pollution of the lake from the effluent from this facility. But is it still held by the San. Board and what is his anticipated disposition of that facility?

MR. SHERMAN: Well, there is no anticipated disposition, Mr. Chairman. It is still owned and operated by the Sanatorium Board but receives provincial funding on a per diem basis. Yes, there have been difficulties with the water supply, the sewage system, and in fact the outdated smoke stack on the premises. We do have a program that has cleared Treasury Board for correcting all those defects this year. The sewage system has to be replaced and the water supply guaranteed and the old smoke stack dismantled. That project has received government approval and it will be going ahead this year. It is a triple project, really.

As far as the resident population is concerned, I'm not disputing the honourable member's figures,

but they are certainly new figures to me. The population has always been around the 70 mark, in my experience.

MR. BOYCE: Yes, for what they were utilizing, the Minister is quite correct and I wasn't trying to put him in a box on this. It was just a matter of where it stood because I had only been there once myself, but I was referring to the older part of it where it used to be used as a san. They were still standing but the last I had heard, they weren't being used. Is the San. Board or the government just keeping it in mothballs or what is their intention as far as that part of it is concerned?

MR. SHERMAN: I see what the honourable member is getting at, Mr. Chairman. No, that old part will be torn down. It will be demolished along with the old smoke stack.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. I would like to ask the Minister, as a start, if he can indicate to myself what the cost is for keeping a child in any one of these institutions? He can indicate by institution or he can give me a general, approximate per annum figure for the cost of maintaining a resident at one of these institutions.

MR. SHERMAN: It's a little hard to give a precise figure that would apply for all these institutions, Mr. Chairman, but the Manitoba School at Portage runs at about \$35.00 per resident per day. Now, there would be some variation depending on the size of the institution, the degree, the makeup of the population as between severely or profoundly retarded and mildly retarded, but if that's a sufficient guideline for the Honourable Member for Churchill, \$35.00 a day, which is about \$12,000 a year.

MR. COWAN: We would be talking, then, in the area of \$12,000 or \$12,500 per year to maintain a child at one of these institutions.

I'm wondering if I might ask the Minister, when a child comes to the institution, are there background studies done as to the area that the child is coming out of. Are there background studies done as to the socioeconomic status of the child? Is there any sort of health history and history of the child so that we know from where the child is coming and what sort of health history they are bringing with them to the institution.

MR. SHERMAN: Yes, Mr. Chairman, there is a complete case history and evaluation done on each case going into each and everyone of these institutions. There would, of course, be obviously more import attached to the information in those case histories for borderline or mildly retarded than there would be for severely and profoundly retarded but they are put through the same evaluation.

MR. COWAN: Well, we understand now that there is a case history which is the common procedure and the appropriate procedure. I wonder if there has been any attempt made on the part of the government or the previous government, if the Minister knows if any attempt has been made, to correlate these case histories with suspected — at the risk of boring my colleagues and the Minister across the House, I think this point has to be made — with suspected lead poisoning in the individuals. Has there been any sort of a study that has been done that would tend to isolate any of those individuals who have been exposed to conditions which might result in elevated levels of lead so as we can see if the impact is reaching that stage, if the impact on children who are living around lead-using industries is reaching the stage where they would be exhibiting symptoms of this nature?

MR. SHERMAN: To my knowledge there has been no such study done here, Mr. Chairman. There have been studies done in some jurisdictions and there is literature on that subject. There hasn't been, to my knowledge, in Manitoba and probably there should well have been and it probably should have started some years ago.

MR. COWAN: Yes, thank you, Mr. Chairman. I think the Minister knows what I'm getting at and I think I know what the Minister's getting at, so let's lay our gloves on the table.

Mr. Chairman, the effects of lead are well known. They are becoming better known each day. In the male individual — and this is something that has been the subject of debate in the House through the Question Period, which is probably not the best format for pursuing a topic that we

have to go in this great detail into but we have done it and this is perhaps the first opportunity to pursue it in a bit of greater detail, and I'd like to take that opportunity. I feel I have to take the opportunity because of the timely nature of the subject. I also feel I have to take the opportunity because we have used the format of the Question Period. We have tended to sling quick statistics back and forth. We have tended to sling quick technical details without any sort of explanation, and that does not do service to the subject.

Mr. Chairman, in males — and I'm going to preface this and I'd ask you for a bit of latitude in it and I will get to the mental retardation soon enough — in males the effects of increased lead in the body have been proven to be a decreased libido, a lack of sexual drive, impotence when the elevations reach certain levels, teretious spermia, which is, quite simply put, malformed sperm or the inability of a male to create healthy sperm, sterility. Those are all the impacts on the male himself and, Mr. Chairman, genetic damage that occurs through the reproductive system. And in the female it's something that we have talked about in reference to what's happening at HBM and S.

The reason I point out that there are these effects with the male is I feel that we have to sort of clear up a misconception that Hudson Bay Mining and Smelting, by removing a number of women from the smelter, are taking care of any sort of lead problem in regard to reproductive abilities that they have at that smelter. Because the effects are fairly much the same on males as they are on females, and they come in at the same action level. But in females we have abnormal varying cycles, we have premature birth for those who do get pregnant, menstrual disorders preceding pregnancy; we have sterility, spontaneous miscarriage; we have a greater number of stillbirths. All these have been linked, directly linked and correlated with the effects of lead on their body and high levels of lead. And now, to the best of our knowledge, low levels of lead also.

But there have also been birth defects, Mr. Chairman, resulting again from genetic damage. Scientific study has shown us that lead ingested or inhaled by the mother who has lead poisoning that the lead that's in that mother's body goes into the fetus through trans-placental passage within the first trimester, about 12 to 14 weeks, and starts to affect the fetus at that time.

The infants and mothers who have suffered lead poisoning, who are suffering high levels of lead, perhaps, during their pregnancy, tend to have these effects commonly associated with their birth. They have lowered body weights at birth. In other words, they are smaller and we can assume — statistically smaller — statistically less strong and less able. They have slower growth and they have nervous system disorders, both central and peripheral nervous system disorders. One of those nervous system disorders, Mr. Chairperson, is mental retardation.

Studies, recent studies — and when the Minister says that there probably should have been studies done on the number of children coming into the homes and any correlation to exposure to lead in their home environment, he is perfectly right. The studies should have been done maybe a couple of years ago, maybe three years ago. There has been studies that have been done since the forties but they are more necessary now than ever before because of the most recent information that shows that what we previously thought to be safe levels of lead are not safe levels of lead and do have a detrimental and a disastrous impact on the health of the individuals who are suffering those levels.

In children, Mr. Chairman, it was found that lead levels anywhere from 25 micrograms per 100 grams of whole blood to lead levels of 55 micrograms per 100 grams of whole blood, in that range and of course higher, may result or can be linked in statistical studies with hyperactivity in the children.

And I'll just stop at that one point, Mr. Chairman. There are three forms of hyperactivity, and I'd just like to relate, and I'll have to look to my notes here for a minute, I'd just like to relate some of the studies that have been done in that regard.

Mr. Chairman, there was a study that was done with a group of children that had what was called "pure" hyperactivity. Now, there are three kinds of hyperactivity and hyperactive children may be some of the children that these institutes are dealing with. There are three types of hyperactivity. One is from genetic damage. In other words, the brain has been deformed before birth. The other is from brain malformation after birth from an accident, an injury, an illness that affected the brain as a target organ, and a third is what is called "pure" hyperactivity. And pure hyperactivity is that hyperactivity for which there is no known cause. In other words, a child is hyperactive and the doctors don't know why and we don't know why.

There was a double blind trial done in which a number of hyperactive children were treated with Penicillamene. Penicillamene, Mr. Chairman, is a cullating agent that is used to take heavy metals out of the systems of the person's blood, also used to cullate lead out of the blood system.

There was a double blind trial done where a number of children were treated with Penicillamene and a number were treated with a placebo or a drug that has no effect on the body — a placebo

for a total of three months. A total of 50 children — and their average age was about eight years — Mr. Chairman, were involved. Now, the children with a known cause for their hyperactivity were mostly unchanged during that three-month period. In other words, if we knew there was a physical reason for them to be hyperactive, the Penicillamene treatment or the cullating treatment had very little effect on them. A few deteriorated but none got better, okay. In contrast, the children with the pure hyperactivity, all of them, Mr. Chairman, all of them without exception responded favourably and in every case the hyperactivity totally disappeared, although in some cases there was an initial period of deterioration and then it disappeared afterwards and the I.Q., which is important, as measured on the Wechsler scale, increased from a mean of 88 to 97. In other words, they got smarter or they became more able, or they had higher I.Q.s is probably the best way to put it. But significant improvement in their general conduct were also noted, Mr. Chairman, because the impact of lead on children's bodies also results in aggressive behaviour, on adult bodies, too. We tend to see people getting more aggressive because of lead.

Children documented prior attacks of systematic lead poisoning develop hostile, aggressive and destructive behaviour patterns, which may in turn precipitate their exclusion from school and a demand for institutionalization .

The American Academy of Pediatrics reports that at least 25 percent of children with lead problems have permanent damage to their central nervous system, and they consider that to be a conservative — excuse my word — a conservative estimate, small "c" conservative.

There was a study done of children children in El Paso, Texas, Mr. Chairman, having a range of blood levels and they found that children having blood levels greater than 40 micrograms per 100 grams of whole blood showed significant impairment of performance and I.Q., and similar impairment was found in those same children even after their blood levels had fallen to below 40 micrograms per 100 grams of whole blood.

The point I'm trying to make, Mr. Chairman, is that what we have happening in the City right now of Winnipeg and what we may have happening in other areas where there is lead pollution is that we are creating problems for the children that we are just beginning to find out about now, and this is why when we have the Weston School Report presented before this House a few days ago we had the parents asking, please, don't test just the children but test everyone in the community for these problems. Because one of the people I talked to in that community told me, "You know, my father lived here and was raised here. And he has now lived his whole life around this plant, and he is now living in a senior citizens' home not too far from here", and they want to know what sort of effect the lead has had on not only their children but their parents and their grandparents. And it's a very important subject and it's one that has to be pursued in much greater detail than this government seems willing to pursue it. It's one that has to be pursued in a systematic and organized method and not on an ad hoc basis.

Mr. Chairperson, I am getting tired of standing up here and doing the job of the Royal Commission, along with my NDP colleagues, for the government, for the Minister of Labour and for the Minister of Health and the Minister of Education. For all those members on that side who should be pressing their own Cabinet for that Royal Commission, because what we find is each time we delve into a new area . . .

MR. CHAIRMAN: Order please. The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, on a point of order, I have been following my honourable friend. I find it very difficult to relate what he is saying now to the item that is now under discussion. My honourable friend is now discussing that same subject that he has been discussing for weeks on end in this House, the question of lead poisoning. I don't know what it has to do with the item that we have under discussion now. If he is going to discuss it here, then I don't think that he should be permitted to discuss it on another item.

Now, he is either going to discuss it in the Department of Labour Estimates or, if he wants to discuss it here — and I don't think that it's related to the item that we have before us — and I don't think he should be permitted to continue this line of debate unless he can relate in some way, that question, to the item that is now before the House.

MR. CHAIRMAN: On the subject, I did find some connection . . . The Honourable Member for St. Boniface.

MR. DESJARDINS: On the same point of order, Mr. Chairman, it might be that some of the members of the Committee don't like to hear the subject, that's possible, but I can't see where there is any validity to what the member is saying. He is asking the Minister of Labour what is being done in safety for the workers. Now today he is saying that there is a possibility — and

the Minister has agreed to that, has admitted that there is a possibility — and I don't know anything about it, Mr. Chairman, but that lead poisoning could cause this retardation, and he is asking if there is such a thing as a study being done in these institutions to see what is being done, if this is true, and the Minister said himself that something probably should have been done five years ago. So it might be that there are not too many members that have the same interest in this subject as my honourable friend but I think that he certainly has the right to discuss it here and has the right to discuss protection of the workers when he is discussing this with the Minister of Labour, Mr. Chairman.

MR. CHAIRMAN: The Honourable Government House Leader.

MR. JORGENSON: Mr. Chairman, I disagree with my honourable friend. I believe that this item, Institutional Mental Health and Retardation Services, has nothing to do with what my honourable friend is talking about.

Our Estimates are structured in such a way that questions or debate is centered on the particular item that is before us at that particular time. Now, if my honourable friends want to carry on a wide-ranging debate on everything, I will facilitate that for them. I'll facilitate that for them. I can get you moved on to the Minister's Salary in a hurry, if you want that, and then you can debate all those things.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, there is an argumentative relationship that can be made between the subject matter that the Honourable Member for Churchill is discussing and mental retardation, because nobody can identify and pinpoint precisely the kinds of dangers and damage that can lead to mental retardation. However, we have, Sir, dealt with Community Mental Retardation Services and we are now dealing with Institutional Mental Retardation Services, and there are three specific items listed in the Estimates. One is Salaries; one is Other Expenditures; one is External Agencies. And I do believe that, with respect for the fact that there could be a linkage, medical and hypothetical and perhaps actual linkage between the causes of mental retardation, or some causes of mental retardation, and the dangers of lead poisoning, that that item should properly have been discussed under Community Mental Retardation Services or discussed under my Salary. I don't see where it comes into External Agencies, which we have been discussing or to Other Expenditures or to Salaries, relative to the institutions.

The type of person that we're dealing with, the type of citizen that we are dealing with under this appropriation is the person who, through some congenital defect, is unfortunate enough to be a victim of retardation, and what we're dealing with is their care in those Institutions. We're not dealing with the primal or medical causes, not to say that we shouldn't deal with them at some point, but this is hardly the Item.

MR. GREEN: Mr. Chairman, perhaps the House Leader wasn't in the House when the subject was introduced, but it was introduced in a way which made it very pertinent to me and I would like to get the information. The member indicated to the Minister of Health that there is linkages between mental retardation and lead poisoning and asked whether there were any programs for the testing of children who were subject to mental retardation to see —(Interjection)— of course. I suppose you could go further and say whether it's in the home placements too. I mean the subject is one which I think has caused all of us to be concerned, including the First Minister, and the question was asked whether there was a testing program to see whether perhaps the cause of these retardations could be linked to children who were in the areas which were susceptible to lead poisoning, and the Minister said that he doesn't think there was a program in effect, perhaps there should have been one in the past five years, and that's become the stock answer.

I notice that the First Minister says that the government has sat on its hands on this issue for two and a half years. Well, I won't accept the truth of that, but one of those half years was a Conservative Government, and the fact is that the member is now dealing with it in the areas of Institutions right under the Estimates. My learned friend feels that that kind of discussion should cause him to, as he euphemistically puts it, facilitate in getting immediately to the Salary on the basis of a rule which I believe is necessary. Let him do so, Mr. Chairman, but it's then up to the people of Manitoba, which I also insisted on when the rule was put in, to judge whether the government has properly terminated a debate because of opposition repetitiveness or other opposition filibustering, if you want to use the word, or because they don't want the debate to be gone into. And that's what will test when that kind of Motion is put.

MR. CHAIRMAN: The Government House Leader.

MR. JORGENSON: Mr. Chairman, my honourable friend knows when that Item can, and will, be discussed. The Member for Churchill has made it very clear in his repeated questions to the Minister of Labour that that is a subject that he wants to debate. All right, then let him debate it on the Estimates of the Department of Labour. In my opinion it has no place being debated in this particular Item.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I repeat that it's not every member of the Committee, and from both sides of the House that has the same interest in this subject. There's no doubt about that, but I don't think that the House Leader is consistent when he says that all this debating should be done with the Minister of Labour. Ask the Minister of Labour. Can you ask the Minister of Labour if he has done anywhere in any Institution, if he's tested to see if there is a relationship between lead poisoning and retardation. What do you think the Minister of Labour will tell him? He'll say, "I have nothing to do with that. My role is to see that the workers are protected from lead poisoning."

Now, the House Leader wasn't in the House when the member stood up and he asked a different question to the Minister, and he said that as far as he was concerned, mental retardation certainly had something to do, or lead poisoning could have something to do with mental retardation. He asked if any work could be done in Manitoba. The Minister answered that no in Manitoba, but he knew that some paper, such studies had been made outside of Manitoba and he felt that this should have been done in probably the last five years, and I didn't know a thing about this when I was Minister. I certainly didn't do anything. And as I say, it's not the same interest, but I think he has every right. He is talking about in institutions, getting people in an area, those that are being subject to lead poisoning, to see if they could learn anything, and the Minister is saying that that should have been done because he says, "All you can do is talk about Salaries and other agencies." That's not true. You talk about the policy of why you're keeping these Institutions open, and I don't see why you'd have to go to Community Care because it's under Institutions that my friend wants to know if these people are taken and placed aside by themselves, quarantined as you might call it, to see if we can have some tests to see if there's anything between that, and I think he's — although I confess, I haven't got the same interest in the subject as my honourable friend, but I think he's certainly at liberty to do so, and this is the only place he can discuss that except under the Minister's Salary, but we're trying to go through line by line so we won't stay that long at the Minister's Salary. It'll be more about lines about the different policies and so on, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. BARROW: Maybe members aren't interested in this problem on this side or that side. We are. We're interested in this problem. We've shown that there's a distinct relationship between lead and blood poisoning and mental retardation, and we are getting very little success by asking questions, so what we're trying to do is impress another Minister with the same problem and not only go for something after it happens but something to prevent it. I think it's a crucial issue and you're afraid to face it.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Mr. Chairman, speaking to the point of order, I think, had the House Leader been in the Chambers, and he says he was when I gave my introduction to my remarks, and had he understood what I was saying — I'm not going to say he wasn't listening, I'm going to say perhaps he did not understand what was being said. I started out my remarks with asking the Minister what it cost to keep an individual in one of these Institutions because that is very important because they want to talk about restraint all the time but they don't want to talk about prevention. They don't want to talk about understanding the problem so that the problem doesn't exist. I'm speaking to the point of order, Mr. Chairperson. On the point of order I asked him what it cost. The Minister told me, Mr. Chairman, that it cost \$12,460, roughly \$35.00 a day to keep an individual there.

I then asked the Minister if there had been any studies done as to the socioeconomic background of the residents of these Institutions, which we're talking about in this Item, into the areas where they came from, and the Minister assured me that there case histories done. This is all for the benefit of the First Minister who was not in the Chambers at that time, so that he can fully understand

the situation.

I then asked the Minister if — the Minister at that time indicated that there was some indication that studies should be done, and in their typical manner said, "They should have been done years ago." Well, perhaps they should have, Mr. Chairman, but the fact is that they should be done today for certain. We don't know about years ago, but today for certain they should be done in the light of the most recent evidence, and I was trying to impress upon the Minister, who hasn't had the time, I'm certain, to pursue this problem to the extent that perhaps he should have. I was trying to press upon him the impact and the effect that lead has on mothers, on fathers, who produce children who may be retarded because of exposure to lead. These retarded children, these hyperactive children, these children with learning disfunctions, these children with learning disorders, end up in the homes, in the institutions that we're talking about under this Item, and I feel it perfectly appropriate for me to stand and to take opportunity as an opposition member to discuss an Item that may well, and I hope it does, because I'm not discussing this to hear myself talk, Mr. Chairman, I'm discussing this because a problem exists and I want to see that problem dealt with, and I'm hoping that what I am saying here today will result in that problem being dealt with by this government who have refused it on any sort of an organized and systematic method to date, and that, Sir, is why I bring it up under this Item, and that, Sir, is why I'm going to bring it up under other Items to the House Leader, and that, Sir, is why I'm going to bring it up under the Labour Estimates and every opportunity I have.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I certainly think that the Member for Churchill has raised a concern with all of us, and I will share that concern. I know that we were dealing with lead when I was with the government, that there were attempts being made, perhaps not as quickly as the Honourable, the First Minister, now says they should have been dealt with. But the fact is that he has raised a very legitimate concern and I hope we don't have any attempt to prevent it on what appeared to be partisan grounds.

Mr. Chairman, I want to deal with another subject which is undecided.

MR. CHAIRMAN: On the point of order?

MR. GREEN: No. Oh, he's still on the Item. I'm sorry, Mr. Chairman. I thought that the Member had completed . . . He's just finished on the point of order.

MR. CHAIRMAN: I have been listening very, very carefully to the debate. There has been some connection between the debate and the Item under discussion, and if I was going to rule on it whether it was in order or not, I would say that the debate has been in order but if there was going to be any out of order debate, it would be on repetitiveness, and I would direct the honourable member to please bear that in mind and I would allow it.

MR. COWAN: Mr. Chairman, perhaps I can expedite matters. Perhaps I can't, but I'm certainly willing to make an attempt and an effort to do so. I'm asking the Minister if he's prepared to order his department to immediately initiate a study — and he tells me that all the case histories are available so that I don't see as how it would take too much time or effort on his part — but to immediately initiate a study to determine whether an inordinately proportionate number of children coming in to these institutions, and I'm talking about all institutions in this case, and those known cases of children who are suffering learning disfunctions and learning disabilities to determine whether or not lead, high levels of lead, low levels of lead, have had any impact or any effect on their health and their learning ability and to report back to this House on that matter, to determine, and just to make it very succinct, to determine if lead has been a factor in the health of these individuals that would necessitate the Province of Manitoba spending \$12,460 a year on keeping them in Institutions. Is he willing to commit himself to order his department to do that immediately because the problem, Sir, is immediate.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, I want to tell my honourable friend that a Committee has been struck consisting of four members of Cabinet under the Chairmanship of the Minister of Labour, and including the Minister of Education, the Minister of the Environment, and myself as Minister of Health and Community Services, to explore the action that is necessary, to explore the direction that recommends itself to the province and to the Provincial Government in the present context

of the lead poisoning situation that has been aired in this House. That Committee has been struck and is meeting and is active and we will consider that recommendation, that suggestion of the honourable member, among others, as to the course of action that we will take in this field.

We will advise the House, including the Member for Churchill, as to what initiatives will be undertaken. That may well be one of them, but I would ask his indulgence in my being able to take that under advisement for discussion with my colleagues on that Committee as we formulate the total approach that the government will take to this question.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Well, I am a little bit heartened because I now see that a Committee has been struck that, if this Committee is sincere in investigating the problem, they will come up with what we have been calling for for quite a number of months now and that's a Royal Commission because it is, pure and simple, the only answer.

That is not to say that they cannot implement studies and programs in the meantime to deal with the more immediate problems, but one of the things about this whole problem of lead that has surfaced recently is that each time we open a new door and look down a new corridor there's three, four, five, six, seven, eight, a dozen doors at the end. In other words, every time that we have determined one problem, it leads us not to another problem but to many other problems, which led us to the debate on this particular section of the Estimates.

And so I am heartened that they are going to sit down and sincerely look at this. I would ask the Minister if he can indicate when this Committee was struck and how many times it has met?

MR. SHERMAN: This week, Mr. Chairman, and it's held its formational meeting.

MR. COWAN: I'm sorry, Mr. Chairperson. My attention was diverted for a second. I didn't hear the answer from the Minister. Perhaps he could repeat it.

MR. SHERMAN: This week, Mr. Chairman, and it has held its formational meeting.

MR. COWAN: Mr. Chairperson, in light of the overwhelming evidence, and the evidence is overwhelming and most of it is recent, that levels of lead, low levels of lead, Mr. Chairman, levels previously thought safe and high levels of lead have a profoundly adverse and negative impact on the health of not only children but adults in our society, not only workers but people who are exposed to lead through the environment, is the minister prepared to recommend, to recommend to the committee, that they institute a study into the case histories of individuals in the different institutions in the province that are there because of learning disfunction, learning disabilities, mental retardation, for the purpose of determining what impact lead has had on that individual's health? Is he prepared to recommend that to the committee, and to fight stringently and hard for it because I sure think that it is quite necessary?

MR. SHERMAN: Mr. Chairman, I've told the Honourable Member for Churchill that I'm prepared to take his proposal under advisement. I want to meet with my committee colleagues on this subject before I determine in concert with them what the precise, required steps are if indeed there are steps required of the kind that he proposes. I would remind him that the House has been busy; this committee has certainly been busy. We've been here till late hours on the clock most evenings this week, and tied up most days in this committee. The priority commitment for me at the moment is the examination by members opposite of the Estimates of my department, and I will be meeting with my colleagues on this particular committee, to which I have referred, just as expeditiously as the four of us can. Having formed the committee, that will be sometime early next week. At that point in time, I think we'll exchange ideas as to what would be desirable, what steps should be taken. I will take his proposal under advisement, but I'm not chairman of the committee and I'm not prepared to say at this juncture what the terms of reference of the committee will be.

MR. COWAN: Yes, arising from the last answer of the minister, Mr. Chairperson, I'd ask the minister who is chairing the committee, and if he would be willing to table the terms of reference when they are formulated next week?

MR. SHERMAN: The Chairman of the Committee, Mr. Chairman, is my colleague, the Honourable, the Minister of Labour, and I cannot give him an answer on his second question. When we have had our next meeting and examined what we believe needs to be done, what we feel we can do,

and should do, and the initiative and the lead that we are going to take that was not taken in this province in the past decade, we will make it clear to the Legislature and the public what is being done. We will take under advisement the request of the honourable member opposite, but I will give him no commitment on either of his requests this afternoon.

MR. CHAIRMAN: Before I acknowledge the next speaker, I've been listening very intently to the discussion, and I do find it repetitive. The only thing that confuses me, and I must apologize to the honourable members is that I'm not sure whether the repetitiveness was in the question period or was in one of the Estimates. So I'm going to acknowledge the Honourable Member for Churchill.

MR. COWAN: Just one brief thing, Mr. Chairperson, I think I have to answer one of the allegations that the minister made in his last statement, when he said the problem has been around for decades. I'll be very brief, but the point has to be made, Mr. Chairperson, the problem has been around for over 2,000 years. The ancient Romans knew lead was an industrial hazard. Benjamin Franklin did studies of lead in the 17th century. The problem has been around for 2,000 years, Mr. Chairperson, and there were more Tory administrations in those 2,000 years than there were NDP administrations, Mr. Chairperson. I don't want to say that any one administration is any better than the other administration but I do want to say that the problem exists today, and it's up to them to live up to finding a solution to that problem without swinging slurs such as that.

MR. CHAIRMAN: The Honourable Member for Inkster. The Honourable Member for Flin Flon.

MR. BARROW: While the honourable minister has at last given us some openings and some affirmative answers that we never got before, and while this committee has been struck, and have a chairman, I would ask him very sincerely to look into the problem of the Flin Flon smelter. It has been proven by the fact that they removed all women from that particular area . . .

MR. CHAIRMAN: Order please, order please. I have to rule the honourable member out of order. The discussion on the Flin Flon smelter has taken place previous to now. And we are on an item called (d) Institutional Mental Retardation Services, and if there could be some reference I would allow the honourable member to continue. The Honourable Member for Flin Flon.

MR. BARROW: Mr. Chairman, these women, who are suffering from lead poisoning are very susceptible to bearing retarded children, and I think it has a connection. And as you say, maybe it's repetitious, but they say perfection is the result of repetition. We find that repetition is the only way to get answers, and we'll use it, and all I'm going to ask the minister, if the Flin Flon situation is so bad, it has such an effect on the reproduction organs of women, do you think men aren't affected? Do you think men aren't affected in some way? And all I'm asking the minister to do with this committee is investigate or look into the conditions in that particular area. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, one of the more distressing features of this particular item, and I now relate it to the debate that's taking place this afternoon, which I gather is relevant, is that the Conservative administration, which has had a difficult problem brought to its attention, seeks to avoid responsibility for dealing with the problem on the basis that a previous administration didn't deal with it. Mr. Chairman, I think that that is the most reprehensible kind of reply on two counts.

First of all, by their very actions they indicate that it was being dealt with by the previous administration. If a study was tabled in 1976, a study must have been commissioned before 1976. Well, was it not a study? Was there not from your very indication that a controlled group of students and another group were tested with regard to lead level, which is exactly what the Member for Churchill seems to be asking the Minister of Health to do? So, one cannot say that the previous administration, when faced with the problem of lead, said well the previous Conservatives didn't do anything so we don't have to do anything. A study was made, the results of that study, apparently, Mr. Chairman, and I do not believe that they were not dealt with. I am quite certain that lead levels and lead contaminants were being dealt with, and the Minister of Mines and Resources at this Session of the Legislature indicated that in June of this year, in June of 1977, lead levels were established in conjunction with the Manitoba Government and the Federal Government with regard to contaminants — 1977, Mr. Chairman. The minister said in June of 1977 industries with emissions

of lead qere removed from the regulations, under the Clean Environment Commission, which required them to make an application. And that's what happened, and he indicated the reason.

MR. CHAIRMAN: I've been following the debate very closely. I can't see at all where the last speaker has made any reference to mental retardation services, which is the item under discussion. I would remind the honourable member that we are on Item (d) Institutional Mental Retardation Services. I had noticed the connection with lead and this item before, and if the honourable member would care to speak on . . .

MR. GREEN: I intend not to deal with this at any length, but the minister alleged that nothing was done in the previous five years. I do not think you can permit an allegation like that to be put on the record without affording a few minutes — and it's 4:30 — to deal with it. —(Interjection)— I suggest to you that the minister, the Minister of Mines said, well here, Mr. Chairman, here we say it's . . . you know, the first envelope has been opened, and now the second envelope has been opened.

The First Minister said that the government has sat on this for two and a half years, since 1977. Think of it, Mr. Chairman. Two and a half years, since 1977. A year and a half, the government was th Conservative government, and that's what the First Minister said, that the government has sat on this for two and a half years without doing anything. —(Interjection)— Mr. Chairman, he said since 1977. The report came out in 1976, you fool. Mr. Chairman, how could we have sat on our hands since 1975 when the report came out in 1976. —(Interjections) —

MR. CHAIRMAN: Order please, order please. The hour being 4:30 p.m. Private Members' Hour. Committee rise, call in the Speaker.

The Chairman reported upon the Committees' deliberations to Mr. Speaker and requested leave to sit again

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for embina, that the report of Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. JORGENSON: Mr. Speaker, I believe there is general agreement that the House do adjourn at this time but before I announce the adjournment I would like to advise honourable members that the Committee on Public Utilities will be meeting again next Tuesday, to consider the report of the Public Insurance Corporation, followed by ManFor and then the Manitoba Telephone System.

Mr. Speaker, I move, seconded by the Minister of Tourism that the House do now adjourn.

MOTION presented and carried the House adjourned and stands adjourned until 2:30 Monday afternoon.