

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 25 May, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to draw the honourable members' attention to the gallery on my right where we have 25 students of Grade 5 standing from St. Andrew School under the direction of Mr. Shyka. This school is in the Constituency of the Honourable Leader of the Opposition.

On behalf of all the honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY: Mr. Speaker, my question is to the Minister of Agriculture. Can the Minister of Agriculture indicate how many farmers will be assisted by the projections that he has developed in the preparation of his Debt Consolidation Program that he announced this past Friday?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I would like to suggest that the projections of the Credit Corporation from last year's experience, I believe, would be some 80 that they were looking at that were in that difficult a situation that would possibly be in immediate need. However, that is not a firm number as far as the farmers in Manitoba are concerned. The Debt Consolidation Program has been an ongoing program; it's a matter of expanding it to accommodate those projections that the Board have suggested may in fact require further support.

MR. PAWLEY: Mr. Speaker, since there are approximately 25,000 farmers in the province, can the Minister indicate just how many farmers its projected could be in difficulty as a result of the present interest rate hike that has taken place, indicating an existing 80, can he indicate over the next year just what kind of projections his department is making out of the total 25,000 farmers in the province?

MR. SPEAKER: Order please. The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, the recent rainfall throughout Manitoba, I'm sure, has alleviated a lot of

the major concerns that farmers were facing. The high input costs, with interest being one of those high input costs, I think we have to look at it in two areas. (1) Short-term debt with interest rates that are accruing larger amounts of money on short-term debt, either through fertilizer supply companies or any supply company that are charging an additional probably 2 percent a month onto farmers from last year's carry forward of expenses and they did not have grain inventories or were not able to service those debts. It's a matter of trying to alleviate the difficulty on those farmers by giving them some longer-term credit and a longer-term pay-back period at a lesser interest rate. That is the main area that we are trying to address at this particular time, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, again to the Minister. We are not talking in terms of the weekend rain which is certainly welcomed. What we are speaking about is the interest rates that are taking place; the Washington-made interest rates being implemented in Ottawa. What we are asking the Minister is, in view of the fact that only a minimum number of farmers will obviously benefit under his program and, if the interest rate situation continues to stabilize or indeed to soar further upwards, what further steps does the Minister have in mind in order to deal with the interest-rate situation as same affects farmers in Manitoba?

MR. DOWNEY: Mr. Speaker, it would appear that the Honourable Leader of the Opposition has not been listening to our Minister of Finance who has been putting it very well, I would think, in the total context of the Canadian situation, that the Province of Manitoba, as any other province, have a very small role if any, that they can play in the overall effect of high interest rates on any group in society. We have made moves within the Agriculture Credit Corporation where we had that ability to move to ensure some of those farmers, in particular, who were in a difficult situation because of last year's weather conditions and the financial situation, to help them, Mr. Speaker. But in the overall difficult situation that we're all facing, as farm people or small business or manufacturers or as consumers the problem is at the feet of the Federal Government. Mr. Speaker, the member opposite, the Leader of the Opposition was fully supportive of upsetting the Joe Clark government who did have some policies, Mr. Speaker, that were going to lead us out of this.

MR. SPEAKER: Order please, order please. The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, since what we are hearing from the Minister of Agriculture is simply wringing of his hands in suggesting that he is helpless before the Federal-Ottawa Government, I want to ask the Minister whether or not he is examining any alternatives, any alternatives provincially in Manitoba to deal with the interest rate crisis as same relates to farmers? For example, is

the Minister examining the possible implementation of some form of debt moratorium legislation that could assist farmers in times of need such as this when they are faced with the danger of losing their farms through causes beyond their control?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, we have recommended to the Federal Government that they alleviate the farm community of the additional gasoline and energy tax that they have to pay to buy the Petrofina filling stations in Canada that the farmers don't really need; that, Mr. Speaker, is one. Mr. Speaker, in addition, we have increased the funding to the Manitoba Agricultural Credit Corporation from 19 million to some 33 million with an additional 3 million requested in these capital supplies; a program, Mr. Speaker, that they had cut off the farm community when they were in government. Further to that, Mr. Speaker, and the members opposite, I would have to check back, particularly to see where they stood on such items or issues as alleviating the dairy farmers of this province of having to answer to the public at a certain period of time before they could get a price increase; that we now have changed it so that price can increase to the producers without having to go before a public appeal. We have done a lot of things, Mr. Speaker, to alleviate the difficulties of the farm community and we will continue to do that in all those areas that are possible to help the farmers.

MR. PAWLEY: Mr. Speaker, rather than the Minister of Agriculture continuing to rant and rave and do some further Ottawa bashing, rather than the Minister of Agriculture continuing to act as an apologist for his little activity as a Minister of Agriculture in dealing with these problems, can the Minister of Agriculture at least answer the question that was placed to him, "yes" or "no", are you examining some form of debt-moratorium legislation in Manitoba for the year 1981?

MR. DOWNEY: Mr. Speaker, the member wants a short answer to a very difficult problem. He thinks we can deal with it just in that short a manner. That is the way in which he felt that they should deal with the farm community when he was a Minister of the Crown, Mr. Speaker. Let me just say about debt-moratorium legislation, that it was their government that stopped the direct lending for land through the Manitoba Agriculture Credit Corporation. That's what I would consider debt-moratorium legislation, Mr. Speaker. As far as debt-moratorium legislation be brought in by any government does nothing to help the relationship between the farm community and the banking institutes. We have, as a farm community, depended upon money as a tool to help the farm community. The taxpayers of Manitoba or of Canada do not have the ability; there isn't the resources to put in to finance the agricultural business in Canada today. It is one of the biggest industries that we have and the most important in the nation. The provinces and the Federal Government haven't got those resources but we need, Mr. Speaker, a good working relationship with the banks.

Mr. Speaker, when the members opposite say "debt-moratorium legislation" they mean to allow

everyone not to pay back their loans. I don't think there are any farmers in society today that don't feel there's an obligation to pay back their loans.

MR. SPEAKER: Order, order please.

MR. URUSKI: Mr. Speaker, on a point of order.

MR. SPEAKER: Order please. May I suggest that if the honourable member has a point of order that he raise it at the end of the question period.

MR. URUSKI: Raise the point of order at the earliest possible opportunity, Mr. Speaker. The point of order, Mr. Speaker, is that the Minister of Agriculture is misrepresenting the facts, to say the least, Mr. Speaker.

MR. SPEAKER: Order please, order please. I'm sorry but the Honourable Member did not have a valid point of order.

The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I do not believe, when we have a Federal Government who are supposed to have the responsibility of running the country, of looking after the financial policies of the nation, should let anyone suffer in society with high interest rates if they have any ability to change that. But, Mr. Speaker, again I'll refer to the comments by our Minister of Finance, 10 years of mismanagement was caught . . .

MR. SPEAKER: Order please, order please. May I suggest that questions should not be repetitious nor should answers.

The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Minister of Consumer Affairs. Has the Minister of Consumer Affairs done any analysis to see whether home owners who have to renew mortgages, businessmen who have to continue to get financing, and other people who have to pay high interest charges are experiencing the same, at least as difficult and perhaps more difficult, experiences than some of our farming population who have been provided with government assistance to the extent of \$3 million, to obtain subsidized interest rates, is the Minister of Consumer Affairs aware as to whether similar or equivalent public solicitude should be shown for other groups in our community?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. GARY FILMON (River Heights): Mr. Speaker, I'm sure that all people throughout the communities in Manitoba are suffering from the effects of higher interest rates. I guess the question is whether or not some people have a choice in the matter or whether or not the effects of our basic industry of agriculture, the drastic effects on that, would have severe repercussions of greater magnitude throughout the community if they were not corrected. That's a question obviously that the government and others involved with the problem have to decide.

MR. GREEN: Mr. Speaker, in view of the fact that the government has already decided to provide for

one segment of our community, namely the farming population, who indeed may be in need, that there is going to be \$3 million added to the Budget on the basis of subsidizing interest rates. Does the Minister, Mr. Speaker, have this analysis that he spoke of upon which the government based its decision to show that this segment of the community is in need of that subsidy and that it will have far-reaching effects on the rest of the community and that nobody else in the community is in need of it and, as a matter of fact, rather than receiving it will have to pay it?

MR. DOWNEY: Mr. Speaker, on a point of order. If I could just correct the question.

MR. SPEAKER: Order please, order please. Is the Honourable Minister answering the question?

MR. DOWNEY: Mr. Speaker, I'll respond part of the question; I'll leave it to my colleague to finish it. But I want to correct for the record that money, Mr. Speaker, that is being provided is under an ongoing arrangement between the government of Manitoba and the Credit Corporation, and it is not subsidized, Mr. Speaker.

MR. GREEN: Mr. Speaker, I'd like to repeat the question because interest at 15 percent is now a subsidized interest rate and that is what the Minister said he is giving. I'm going to ask the Minister, who indicated that the government had to sit down and analyze as to whether providing this to one segment will be important for everybody; I would like him to table the analysis that has been made by the Progressive Conservative government to show that it is necessary for all of us to get together and subsidize the rural interest rate by all of the people, including the workers of the province, and that it is not necessary to do it for any other area.

MR. FILMON: Mr. Speaker, I don't think I referred to any analysis that was done. I said those were the considerations that one might have to take into account if one were evaluating the problem from the viewpoint that the Member for Inkster says should be taken so I'm not sure what analysis the member is requesting.

MR. GREEN: Are we, in the Opposition, to understand — and I ask the Minister of Consumer Affairs — whether the decision to take one segment of the population and deal with their problem by debt consolidation and a preferred interest rate, which I say is subsidized but in any event it's preferred, that the decision to do that for one segment of the population, without regard to the fact that it has to be paid for by everybody, and without regard to the fact that other people, homeowners, businessmen and other people are affected by 18 and 20 percent interest rates, was done on no analysis whatsoever to the knowledge of the Minister?

MR. FILMON: Mr. Speaker, I could remind the member that the province recently announced borrowing at a rate of 14.05 percent, as I recall was the last borrowing that was done by the Province of Manitoba. If the province is convinced to use its

borrowing power on behalf of a segment of our society that requires some assistance in a time of need, in a time of financial constraint, then obviously that's a decision that can be made. I can similarly indicate the government is looking at a variety of different areas and in each case the various points of consideration are different to where it might use its borrowing power or its ability to assist in financing on behalf of a segment of society but it doesn't necessarily mean there's a subsidy involved because obviously the Provincial Government is able to borrow at that rate in order to pass along that opportunity.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: On a point of order, Mr. Speaker.

MR. SPEAKER: Order, order please. I suggest the honourable member raise it at the end of the question period.

The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Government Services concerning a question I asked him a week ago about these expensive pamphlets on the flood which just happened to be in the same colours as the Conservative party. Can the Minister report on the cost of those pamphlets and the quantity produced? Mr. Speaker, I ask that as a question because I know very well that an Order for Return won't get answered for 6 to 12 months.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, a final report of the Flood Assistance Board is now being compiled and the answer to that question will be contained within that report.

MR. DOERN: Mr. Speaker, can the Minister indicate to whom these expensive two-year old pamphlets were distributed?

MR. JORGENSEN: Mr. Speaker, I don't know what the distribution is insofar as the Flood Assistance Board is concerned. I was given a number of copies and I distribute them here in the House.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, you will recall that a week or so ago it was indicated that almost everybody was mentioned in the pamphlet and I wanted to ask the Minister, since the Minister of Finance was disturbed that his name was left off the acknowledgement, I wonder whether the pamphlet will be reprinted to include his name and whether he will be provided with some 14,000 copies of this so he can send one to each civil servant with their next pay cheque.

MR. JORGENSEN: Mr. Speaker, I think that possibility is highly unlikely.

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

MR. SAUL CHERNIACK: Mr. Speaker, before I address my question I raise a point of order in the defense of the Honourable Minister of Agriculture. I'm not aware that a point of order should not be raised whenever it's necessary and not left until after the question period. I only raise that, Mr. Speaker, because I wouldn't like a precedent to have been set just because the Minister of Agriculture was denied the opportunity. I'm now prepared to ask my question, Mr. Speaker.

MR. SPEAKER: Order please, order please.
The Honourable Minister on a point of order.

MR. DOWNEY: I'm prepared to wait till after question period, Mr. Speaker.

MR. CHERNIACK: Mr. Speaker, in the absence of the Deputy Premier I'd like to ask a question of the next ranking Minister who I believe may be the Minister of Finance and if not then to the — I don't want them to start a fight now, Mr. Speaker, maybe they don't know who he is — in any event I would address the next ranking Minister or to the House Leader, in the event they don't know who is the next ranking Minister.

Mr. Speaker, on May 13, some 12 days ago, the Honourable, the First Minister, stated in response to an inquiry from me dealing with an Order for Return which was accepted by him something like a year ago, he stated that and I quote from Page 3592, "I can indicate to my honourable friend that the order in my name, according to the information I have just had, should be capable of being tabled within a week or 10 days". That's the voluminous one on boards and commissions. The one on agriculture, I'm also informed, has some administrative problem with it but I'm assured they're working on it, trying to get it in and will try to accommodate, not only my honourable friend "by the House with it". I think it was a misprint; it should say, "but the House with it". In light of the fact that we're two days beyond the week to 10 days estimated by the Honourable, the First Minister, could whatever Minister respond to this question undertake to let us have a response before this session ends?

MR. SPEAKER: The Honourable Minister without Portfolio.

HON. EDWARD MCGILL (Brandon West): Thank you, Mr. Speaker. On behalf of the First Minister, I'll be pleased to take the Member for St. Johns further inquiry relative to this Order for Return and inquire as to the status of the return order.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'd like to address another question to the Minister of Consumer Affairs. In view of the Minister of Consumer Affairs's suggestion, which I certainly don't agree with, that giving out interest at 15 percent at the present time is not subsidizing interest rates; but in view of the fact that the Minister of Consumer Affairs says it is not subsidizing interest rates, would the Minister of Consumer Affairs consider making available interest at 15 percent to all of those people who now have to

renew mortgages, where the mortgage companies are asking 17 and 18 percent?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. FILMON: Mr. Speaker, I'll take that suggestion under advisement.

MR. GREEN: Yes, Mr. Speaker. In taking the suggestion under advisement, would the Minister also prepare the analysis that he doesn't have, which he said he doesn't have, as to whether there are not many consumers in the Province of Manitoba, mainly homeowners, mainly small businessmen who are being asked to pay 22 percent and, if he can give it out at 15 without subsidizing it would seem to me that he would want to do it; that if he could see whether the people that I'm referring to are suffering equal problems which are not to be underrated as that being suffered by certain rural people in the Province of Manitoba?

MR. FILMON: Mr. Speaker, with reference actually to the first suggestion that the member made, I could indicate that one province in the country has already undertaken a program to that effect of providing lower interest mortgages than that available. With respect to the other, certainly I'll take that under advisement as well.

MR. SPEAKER: The Honourable Member for Inkster with a final supplementary.

MR. GREEN: Yes, Mr. Speaker, then can we in this House take it to be at least a positive feeling, on the part of the government, that if there are people in the province who are suffering equivalent problems to that which have been seen affecting our rural population, that those people can expect that the Government of Manitoba will make available methods of consolidating long-term loans and mortgages that have to be renewed and bank interest that has to be paid by businessmen at the rate of 15 percent where the rates are much higher on the open market at the present time.

MR. FILMON: Mr. Speaker, I hope that the member's intention isn't to promote ill will between the city people and the rural people.

MR. SPEAKER: Order please. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I rise on a point of privilege. At all times the member is not entitled to suggest that I am trying to create conflict between two groups in our population. He is not entitled to suggest that, Mr. Speaker, and as a matter of fact, at all times I have indicated that the rural population is in need but I have indicated that there are people in the cities who are equally in need and if anybody is driving a wedge it is the government that will help one group at the expense of the other.

MR. SPEAKER: Order please. May I suggest to the honourable member that he listen carefully to the words that are being said.

The Honourable Member for Consumer and Corporate Affairs.

MR. FILMON: Mr. Speaker, I repeat, because the member obviously didn't hear it, I said I hope that he is not attempting to promote ill will between the rural and the city people because obviously, as has been stated many many times in this House in the last number of weeks, this is a problem of magnitude that goes far and beyond the controls of the Government of Manitoba; it's a problem that has to do with the inflation ration rate in this country; it has to do with national policies that have had adverse effects right throughout this country and obviously this province, acting alone without the co-operation of the Federal Government, could not achieve the kinds of things that he suggests should be achieved in the lowering of interest rates in this province. The kind of costs that might accrue to lowering interest rates across the board for everyone in this province would obviously not be something within the financial capability of the province and so, therefore, we will look at any problem of concern to any people in this province, be they consumers, be they farmers, be they any ordinary citizens, we'll look at them and we'll take into consideration what can be done within the powers of this government, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Urban Affairs and it relates, Mr. Speaker, to the placing of television monitors in the tunnel between the city parkade and the concert hall. In view of the fact that the Minister and his colleagues ridiculed and defeated such a proposal several years ago when I first made it and when the cost was going to be around \$16,000, will the government be making a contribution to the cost of the television monitors now that they are going to cost about \$40,000 and they have been found necessary to install?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, the city has not sought any financial contribution over and above what were acknowledged as very reasonable increases in the size of the block-fund grant to the city this year, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I want to direct a question to the Minister of Labour and ask him whether his department has received any complaints from residents, in particular homeowners and apartment dwellers, from the sounds, loud voice sounds that come from construction sites through the boom and the PA systems or microphones that are used? Has he had any complaints on that question?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I think I know what reference the member is making when he talks about the PA system. That's what happens in your overhead crane operations. No, Mr.

Speaker, I haven't had apartment owners complain. I could check with the office and see if there is any specific letters that have come in but none have been brought to my attention.

MR. DOERN: Mr. Speaker, I would ask the Minister, given that it is obviously a safety requirement on a construction site to have communication with workers, given that which is of course a safety measure and easily understood, is there also some limitation on the volume or the magnitude of that voice amplification which sometimes can be heard many blocks, if not a distance of maybe a-quarter, a-half or a mile away from that site. Is there some requirement to limit the distance that voice can travel which I believe is an inconvenience to people in surrounding homes or apartment blocks?

MR. MacMASTER: Mr. Speaker, the member is absolutely correct. The reason for the large volume is for the regulars on the ground when they're hooking up, in particular. Now there's other cases where also your iron workers are hooking up your steel, your cement people are pouring cement and the crane operator must in fact have a volume loud enough that it penetrates through any other type of work that may be taking place during the course of construction of a building on the outside bases. On the inside of course they have a bell system. I know something about what the member is talking about; I made a very good living doing that kind of work for a good number of years but I don't know of any precise decibel figure on the noise level. It's got to be loud enough so that there's absolutely no question that the people on the ground can hear the commands being given from the crane.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, I'd also ask the Minister two final points, whether there are any systems which are of a two-way system in the sense of from the operator to people on the site like some sort of an earplug or walkie-talkie system. I'd also like to know whether there are any limitations on the use of that sound early in the morning in a sense of can the construction take place at 5:00 or 6:00 a.m. with allowed amplification which may also disturb people who are still sleeping?

MR. MacMASTER: Mr. Speaker, there are some two-way walkie-talkie systems that are in place, but over and above that that may be from the crane operator to the lead hand on the ground but the speaker system is meant for those men that are in the surrounding area and doing the hook-up. I know of no noise limits but there may be and maybe the member should enquire at the City Offices to see if there is a city by-law about starting hours or noises at those particular early hours of the morning.

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

MR. URUSKI: Thank you, Mr. Speaker, I direct this question to the Minister of Agriculture. In view of his announcements on Friday and questions and answers today with respect to the MACC Program,

can the Minister indicate whether he is examining other alternatives for the use of the funds that he is providing in terms of the shortage of operating capital that farmers face and seeing that the few millions dollars that he's providing will go a very short way to assist many producers who are short of capital in this spring season? What other alternatives is the Minister examining or is he prepared to look at in terms of this spring and farmers who are faced with the shortage of operating capital?

MR. DOWNEY: Mr. Speaker, I was going to rise on a point of order later and I could probably answer, it's probably part of the answer. I want to suggest that it is not necessarily a new program that was introduced. As far as the \$3 million is concerned, that program I'm sure has been in place since 1958 when the Credit Corporation was introduced, that there was a capability for debt consolidation. It's just a matter of providing more funds for that particular program and an expansion of it. The other changes that were made, I indicated earlier this morning in the fact that all land does not have to be tied up now by the MACC credit corporation; if there is a loan to the advantage of the farmer now in place that loan does not have to be paid out and a new mortgage at higher rates taken on by the Credit Corporation and paid for by the farmer. I want to make that very clear plus the fact that the Direct Loan Program has been extended from \$150,000 to \$200,000 in light of the increased costs of land and the other thing.

The member is asking me specifically, if I understand him, are there other new programs that we're contemplating? I have to say, Mr. Speaker, at this particular time there have been many things that have been contemplated and the Board of Directors and the credit corporation have been looking at the overall farm financing as we have been discussing with the bankers in Manitoba, particularly related to the farm community. But let me say this, Mr. Speaker, that farmers are not like other business people; there are people who haven't got the ability or sometimes run into situations beyond their control and they find it necessary to sell out of business or to change their type of business. You cannot, Mr. Speaker, save all people in society from getting into difficulty and that is something we try to do, is help all those people who still have an opportunity to go ahead and be a part of our agricultural sector and not try to introduce programs that the rest of society are going to be treated differently.

The point that the Member for Inkster and a few other individuals are talking about, we live in one country, we live in one province, Mr. Speaker. I think that the farm community is prepared to help the rest of consumers by providing food for a reasonable price, which is part of the problem, and any subsidy that may go to the farm community isn't really a subsidy to the farmer at all; it's really a subsidy to the consumer of this country and that is the reason why I think we all have to work together as a nation and as a province to assist those who are most in need.

MR. URUSKI: Thank you, Mr. Speaker. I asked the Minister in view of the fact that the province is in the lending business for the purchase of land, Mr. Speaker, are there no other alternatives that the province can embark on in terms of assisting

producers with cash flow rather than financing the high cost of land that farmers are facing that everyone will then have to shoulder and the money that he has allotted could go a lot farther than will presently be the case?

MR. DOWNEY: Mr. Speaker, I get concerned when we get overly anxious to introduce programs that will encourage farmers to get deeper in debt. One of the main areas that will help the farm people succeed is to pay them more money for the agricultural products that they produce. We've introduced a Hog Stabilization Program, Mr. Speaker; we felt that is an area that has needed some addition help. Last year during the drought we introduced several millions of dollars to assist the farm community. Mr. Speaker, I believe that in the overall if we had a policy throughout Canada where we, as a nation in general, paid for the actual costs of production, then the farm community would be in a lot better situation than they are today.

MR. SPEAKER: The Honourable Member for St. George with a final supplementary.

MR. URUSKI: Thank you, Mr. Speaker. Can the Minister indicate with respect to the consideration that he's giving to other areas or at least that he's considered — he met with the bankers on Friday, the banking institution on Friday — I wonder, Mr. Speaker, whether the Minister can indicate whether he paid for the lunch or whether the people of Manitoba or the bankers paid for the lunch on Friday.

MR. DOWNEY: Mr. Speaker, I don't believe the people of Manitoba would begrudge us sitting down as a government to discuss the concerns that we have and the people in the banking industry who work for the farm community whether, in fact, they or we or I paid for the lunch. But I would suspect, Mr. Speaker, they'd object a lot more to the \$20,000 they gave to the Farmers' Union each year for the last four years for \$80,000 that doesn't do anybody in the farm community one bit of good.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Municipal Affairs. With respect to the assets of International Minerals and Alcan that will be subject to municipal and school taxation, will they be assessed at the same rate as other commercial properties in Manitoba?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): Mr. Speaker, I would have to take that question as notice but I would expect that the form of taxation that is presently in place would also apply to Alcan.

MR. HANUSCHAK: A supplementary question. If the Minister is presently unaware of the formula that will be applied in assessing International Minerals and Alcan's property, could the Minister indicate whether

they will be taxed at the same rate as other commercial enterprises, that is insofar as the mill rate is concerned or will they be taxed at a different level of a mill rate?

MR. GOURLAY: Mr. Speaker, you can be assured that Alcan will be paying their fare share.

MR. SPEAKER: Order please. The time for question period having expired, we will proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: If there are no points of order, Mr. Speaker, I would move, seconded by the Honourable Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply to consider of the Supply to be granted to Her Majesty with the Member for Radisson in the Chair for Capital Supply.

MR. SPEAKER: The Honourable Member for Radisson.

COMMITTEE OF SUPPLY

CAPITAL SUPPLY

MR. CHAIRMAN, Abe Kovnats (Radisson): Committee come to order. Under discussion, Schedule A, The Manitoba Agricultural Credit Corporation \$3 million — pass.

The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Chairman. Before we pass this item there are still some questions that we want to present to the Minister and some comments that we want to make in regard to agriculture policy in this province and policy as enunciated by the Minister in the last while. We're please as everyone else is that we've had a very substantial rain in some areas of the province. Certainly up in our area, the Dauphin area, we've had at least an inch-and-a-half of rain and I think there are other areas that have been receiving similar amounts of rain, although we know that in the northern part, north of the Parkland area, there hasn't been as much precipitation as what has been in the Winnipeg area and in the south part of the province but it's certainly gratifying I'm sure to farmers, businessmen and everyone, and particularly the government I'm sure will feel the impact of this nice rain. The pressure will not be as great and hopefully we will continue to have more showers at a later date because it is really soaking into the ground. It is not laying on top of the ground; it's not going down to the water streams, it is soaking in, so it is really timely that we did have this rain.

But, Mr. Chairman, we know there are more problems than just water or rain, although drought is

a very serious thing. Two droughts in a row would have been disastrous, nevertheless, there are other areas that do affect agriculture. We see bankruptcies going up considerably over last year. I believe 900 percent increase in farm bankruptcies over last year, Mr. Chairman, which is quite substantial. The Minister proposes an extension of a program to cover approximately 160 farms to consolidate their debts and, Mr. Chairman, we're wondering whether or not, under the farm economy at the present time, whether we are not forcing farmers and I believe the Minister is encouraging farmers to tie up a lot of money in land. My colleague raised this in the question period. In fact, I believe it aggravates the situation when you ask people to tie money. While it's a very good speculative investment to invest in land for the farmer or anybody else but is it a good investment for a farmer who wants to stay in business — a young farmer going into business? Is it good financial management to tie up money that it's dead, that he will never be able to use through his lifetime? Is that not one of the reasons why we find a lot of farmers at the present time in difficulty?

There's a farmer in my area who has approximately \$250,000 worth of land and he hasn't got a dollar to put his crop in. Now what good is that? He has to sell out because he can't carry on and his land is up for sale. It's in the constituency of the Member for Dauphin. But that farmer cannot continue even though he has a wealthy asset he is no longer able to produce that food that the Minister is talking about. The Minister is talking about that important production of food that we have to have for Canada and for the world, to provide food for the world market. I believe that we have to take a new look at where we're heading. I believe it was the wrong policy to try and encourage farmers to tie up their money into land when it could be used to operate and to buy livestock and to pay for high interest items, such as tractors, farm equipment, which is high interest items that they have to have. In my opinion we wouldn't be facing that serious situation that we have now if the policy had been different.

The Minister mentioned to my colleague from St. Johns that the difference between the farm community when they borrow and the business people is because farmers are takers, they're price takers he said. That is the words of the Minister, he said the farmers are price takers; that's why we have to provide more assistance.

Mr. Chairman, the Minister and this party and this government are the ones that are encouraging that situation to continue. They like the free market system which keeps the farmers in a price taker situation. That is the policy of this government; that the kind of . . .

MR. DOWNEY: What do you get for eggs?

MR. ADAM: The Minister says what do you get for eggs? Only those commodities that have some kind of price mechanism, price support system are the only ones that are doing well or at least better than most, Mr. Chairman.

MR. CHAIRMAN: Order please, order please. Could I ask the Honourable Member for Ste. Rose to speak up a little bit because I'm having trouble hearing him

over the remarks of the people opposite or converse, other than the people who are recognized in their place, if they would allow the member to speak so that he can be heard and recorded.

The Honourable Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. I preferred your last remarks than the ones you made previously. I think it would be better if the government members would listen and learn something, Mr. Chairman, but I am suggesting that those commodities that have some sort of supply management on, such as milk, eggs and so on, that they are in much better financial position than are those like the hog producers, the livestock producers that have absolutely nothing. —(Interjection)— Mr. Chairman, the Minister of Highways is at it again. I'm able to raise my voice but, Mr. Chairman, I wish you would ask the Minister of Highways to contain himself and he will have an ample opportunity if he wishes to get up later and stand up and join in the debate. But I say to . . .

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

HON. DON ORCHARD (Pembina): Yes. Mr. Chairman. Perhaps since the Member for Ste. Rose has objected to my questions he might address answering them. What would he prefer to do have a union exam before you can produce any livestock or any farm commodity in the province?

MR. CHAIRMAN: Order please. The Honourable Minister did not have a point of order.

The Honourable Member for Ste. Rose.

MR. ADAM: Thank you. I invite the Minister to stand up and enter debate when I am through speaking and he can put his remarks on the record. We'll be happy to respond to them after he gets into debate. Mr. Chairman, we're not sure whether there is going to be a dual rate for people who borrow from MACC. Are there some farmers who are going to receive a preferential rate or is everybody going to be at the same rate? The Minister made a grandiose statement last week. He was meeting with the bankers and there was going to be big announcements made. All we've heard was an extension of the program. Now he tells us an extension of a program that was already in existence. Now this extension, this \$3 million that we're debating at the present time, is that extra \$3 million to buy land? If it is, Mr. Chairman, if that \$3 million is to buy land I say to you we will have done nothing to improve the cash flow situation of the farmer because it will be dead capital, tied up capital that the farmer is unable to take out and use to buy livestock or to buy implements or towards fertilizer requirements or seed requirements or chemical requirements or fuel requirements.

We hear the Minister condemn the high interest rates and we all deplore these high interest rates but very seldom do we hear them talk about the price of fuel. They never say anything about keeping the price below the world level, Mr. Chairman. He talks about the 3.5 cents a litre for Canadianizing the oil industry but he never talks about the world price, Mr. Chairman, never. They never talk about that as an

inflationary item in the cost of living. There are two items, in my opinion, that is putting the squeeze on the farmer now and it's interest rates and the cost of fuel which goes throughout the system, the economy and causes inflation all throughout the area, Mr. Chairman. (Interjection)—

Mr. Chairman, I know what the members are up to, they just want to try and interrupt my comments; they're anxious to get into the debate; they'll have ample opportunity. We have been talking about agriculture, Mr. Chairman, for the last year.

MR. CHAIRMAN: Order please. On a point of order, the Honourable Member for Minnedosa.

MR. DAVID BLAKE: The member just put on the record that we weren't interested on this side of the House in the price of fuel. The price of fertilizer or the price of chemicals contribute just as much to the inflationary prices of the farmers as the price of fuel does. Now does he admit that all of those prices contribute to the farmers' problems?

MR. CHAIRMAN: Order please, order please. The honourable member didn't have a point of order. The Honourable Member for Minnedosa did not have a point of order.

The Honourable Member for Minnedosa.

MR. ADAM: Mr. Chairman, I think the member was debating the point. He was wanting to get into the debate and I invite him to join the debate after I'm through; he will have ample time, we can get up and debate back and forth for some time as long as we have any questions.

I would like to ask the Minister, when he tells us there is going to be 160 farmers that will be able to consolidate their debts with the extra money that's being put into the system, I wonder if he could tell us what percentage does this represent of the total loans? How many loans do we have at the present time from MACC? What is the 160 farmers, is that 50 percent, is it 10 percent? How many loans are outstanding? Are there 1,600 loans? I would like to know what the percentage is of the funds that are supposedly going to help 160 farmers to consolidate their debts.

Now I'm not sure whether I read in the newspaper there would be some monthly payments the farmers will have to make. I'm not sure whether I understood that correctly, whether I read that in the news item but surely that is not a way that farmers operate. Usually farmers operate when they receive their income and that is maybe once or twice a year or whenever their grain is moved, Mr. Chairman, I know the majority of farmers do not operate on a monthly basis such as a worker would with a monthly cheque or anyone else receiving a cheque every month on a salary of some kind. Farmers normally don't operate in that fashion. The Minister might be able to clarify that for us.

I would like to know also if he could advise what is the percentage of the 160 farmers or 80 farmers — in answer to the question from the Member for Inkster — he said it was 80 farmers and before we adjourned for dinner it was 160 farmers, according to the news item in the press. So I would like some clarification. What is it? Is it 80 farmers that will be able to have access to this extra funding or is it 160

farmers and what is the percentage of the total? As I've mentioned before, I would like to know whether these funds are going to purchase land, because if they are it will certainly not relieve the situation the farmers are faced with at the present time. If the Minister could respond to those questions, we would appreciate it.

But I would also ask the Minister before I sit down, in his meeting with the banking community, what new policies or what new thrust have they come out with to help the situation? Now the Minister has made an announcement that MACC will be providing additional funds and we're being asked for extra funds; of what benefit was this meeting with the bankers? Has there been anything discussed that would help the situation outside of good communications and public relations? I would like to know whether or not the banking sector have proposed any ideas or new ideas that would help the situation.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, I'll try to be very brief. The purpose of the meeting with the agriculture sector of the banking community was to get input from them and the credit unions, Mr. Chairman, to get an idea from them the situation and how they saw the financial situation in the farm community. It was a matter of providing the government with information and it was most helpful, Mr. Chairman, in the overall picture of farm financing. The numbers the member refers to, the 160; the 80 projected farmers that MACC have suggested could be the area of their best estimate this year and then another 80 next year, was where the 160 came from. As far as I'm concerned, it's the best estimate that could come forward; by no means a firm number at this particular time. I would suggest that number could vary. The program isn't exclusive to any one particular farm person. If they qualify for the program, then they'll be accepted and it's just a matter of the government accommodating that kind of increase in that program by voting an additional \$3 million.

As far as the overall program, we could have, Mr. Chairman, proceeded to service that particular group of people without telling the public, without telling the Opposition, without doing anything, just using the funds that are available in the overall general vote. But I believe in discussing with the farmer people, with the people of Manitoba, what is exactly happening and that's what we're proceeding to do.

MR. ADAM: I thank the Minister for his answer but he didn't give me a complete answer on what I asked him. Now I understand the funds are for an expected 80 loan consolidations this year and another 80 next year. That's the understanding I have of his last remarks. He did not tell us though, what percentage did that represent of the total loans with MACC. I'm not sure whether the Minister is able to provide that. I'm not sure whether the Minister gave me a reply on the dual rating; if everybody is going to pay the same rate or there's no change in that respect, that no farmer will be paying a higher rate than another farmer, I would like assurance on that. He did give us some explanation on the change in the collateral,

security requirements, and that there would no longer be required that the entire farmstead be mortgaged in order to obtain additional loans. I think I understand that part of it.

But, Mr. Chairman, how many farmers? Does the Minister have any figures of how many farmers are in the situation I've just explained to him about the one farmer I referred to who has vast holdings of land but no money to operate. They have all their capital tied up in land. It's not available to them unless they get out from under and sell it. That is the situation that we find at the present time. I would like to know if the Minister has any figures on that. We know there are farm bankruptcies. We know there are far more bankruptcies than there were last year, but how many are going out of business and are not bankrupt, but they are going out because they're going to go bankrupt if they stay in it? I suggest there are many people who are selling out because they can no longer operate for another year or two; they are unable to continue under those conditions.

Mr. Chairman, what is the Minister doing to pressure the Federal Government about the embargo, the embargo that cost the Manitoba and Canadian farmers millions of dollars, the wheat embargo imposed by the United States on shipment of grain to the USSR? What is the Minister doing about that? He is asking the Federal Government to remove the 3-1/2 cents a litre tax. What is he doing about those moneys that were already lost because of the embargo? It is now suggested that there wouldn't be any payment on oil seeds; now they are only going to provide payments, if and when they ever come about, because of the embargo the losses sustained by farmers that it will only apply to certain grains. What is the Minister doing about that? It was the Clark Government that went along with this proposal, to go along with the embargo, and I am sure it has cost the American farmers a lot more than it cost the Canadian farmers. But nevertheless I believe that the farm community shouldn't be held responsible for any foreign policy. Why should the farmers take the share by themselves? Why should one group in our society be responsible to take such a loss because of a foreign policy of a foreign country? I think that's entirely unfair and I would like to hear the Minister get up and ask the Federal Government to hurry up and come up with the money that the farmers have lost or whatever there is going to be.

First of all, we should maybe have a White Paper on that embargo so we know where the farmers stand. How much did they really lose? How much was lost by the farmers over the period of the embargo? We know the price of grain went down; we know the price went down, so the farmers were held responsible for American foreign policy. I think the Minister should be talking to his federal counterparts about that.

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

MR. URUSKI: Thank you, Mr. Chairman. Taking part in this debate on the request for additional expenditures for the Manitoba Agricultural Credit Corporation one would get the impression, Mr. Chairman, from the announcements that were made last week that a brand new thrust was made that a

great program was unveiled and there will be major assistance provided to our rural economy to farmers in the Province of Manitoba which will have spin-off benefits throughout the entire rural economy in Manitoba. But, Mr. Chairman, we look at the program directly, we are not sure and I hope the Minister will explain for example whether the debt consolidation that the Minister speaks about in terms of the program, whether that will be for new clients or whether it will be for existing; I don't know. I hope the Minister will answer that. (Interjection)— So it is for new and existing files, lenders with MACC. Mr. Chairman, when one looks at the numbers of clients that MACC has on its books of a total of approximately 5,000 farmers who have loans with MACC, we are talking with a relatively small number.

Mr. Chairman, the Minister indicated that he met with the banking institutions and the financial community last week. I'd like to hear from the Minister what kind of views, what position, what concerns, what suggestions, has the financial community in Manitoba given to the Minister of Agriculture. What kind of advice has he received? What kind of input, what kind of dialogue have we had? I mean, Mr. Chairman, I asked a very simple question of the Minister earlier today. It appears that if these loans are primarily to handle land purchases to redirect and deal with consolidation of loans dealing with land amongst other matters of land purchases, Mr. Chairman, we will be doing very little to assist the farming community. Very little, because the money will go, as the Minister has indicated, a very short way. It will not go very far at all in terms of dealing with what I believe is the problem of cash flow in terms of most producers in the province.

Mr. Chairman, they have assets. We all know how the price of land has escalated over the last number of years so when you take their land as collateral they have the assets to cover the borrowing. But, Mr. Chairman, when we use the bulk of the funds that are made available through MACC to finance land purchase where farmers could go to other lending institutions if they wished to finance land, because we all know that FCC has always been in the land-lending business. All we've done is added another institution in terms of land purchasing. So what we've really done, Mr. Chairman, if we look at — I don't have last year's figures in front of me — but the year before where we've loaned money, the bulk of the money of \$24 million, and I believe the figures are something like 70 percent where you're looking at close to \$20 million for land purchases, Mr. Chairman. That's all we've been doing is refinancing the movement, the changing, of titles from one group in society to another. We've really not dealt with the real problem of short-term cash flow in terms of operating capital, Mr. Chairman. That's where we've missed the boat and with respect to what is being proposed with the announcements that have been made, Mr. Chairman, we're really not dealing with the problem at all. It is very short-sightedness with respect to the policies that have come forward in the last three years dealing with MACC and the lending of funds to farmers, Mr. Chairman, because the Minister well knows that with the increasing interest rates, high cost of energy and input costs, farmers are having a hard time to meet their operating costs in terms of the seeding that is going on now.

I've had calls, Mr. Chairman, over the weekend from a number of farmers. They have the land as collateral; they've got a lot of money in land. The land is worth far more than the money that most of them own but the fact of the matter is it's tied up with one or the other and they are unable to finance their day-to-day operations. That's really where the Provincial Government was wrong-headed in going into the loaning, adding another institution into the loaning funds for the purchase of land, Mr. Chairman. That's where our main criticism has been. But, Mr. Chairman, when you look at the Conservatives speaking and they try and speak with both sides of their mouth. We've had the Minister of Agriculture talking about the New Democrats being opposed to his Federal Leader and having something to do with the defeat of the Federal Tories, Mr. Chairman, with respect to the energy pricing.

Mr. Chairman, the farmers to say the least; it would be for the farmers to have a Conservative government or a Liberal government in Ottawa is about the same as jumping from the frying pan into the fire. It makes no difference, Mr. Chairman, it makes no difference at all. The Minister of Agriculture talks about exempting the farmers from the tax of 3 or 4 cents per gallon for Petrofina, doing all these nice kinds of things with little loopholes here and there. The fact of the matter is, Mr. Chairman, the provincial Tories of whom he is a member of the Executive Council, have proposed that the price of oil reach world levels or very close to there. That is the provincial policy of the Conservatives in Manitoba. And if we reach the world prices or near that, we will all have a lot of oil to use. There will be a lot of oil available. Mr. Chairman, since when is the price of oil geared to the one area we've always talked that producers and farmers should receive, the cost of production? Where is the price of oil today in Canada, on the world market? Is it tied to the cost of production, Mr. Chairman, — (Interjection)—

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

MR. BRIAN RANSOM (Souris-Killarney): Surely the rules of relevancy have got to apply, Mr. Chairman. We're dealing with a \$3 million Capital item for Manitoba Agricultural Credit Corporation.

MR. CHAIRMAN: On the point of order, I would recommend to the Honourable Member for St. George that maybe we are getting away from the Manitoba Agricultural Credit Corporation somewhat; not as a reprimand, I'm just suggesting.

MR. URUSKI: On the same point of order, Mr. Chairman, the fact of the matter is we all have spoken and we will continue to speak of the high cost of inputs farmers today face. If the Minister of Finance cannot, and is not able to recognize that one of the highest input costs farmers face are the costs of energy, then I don't know whether he should resign from his post and put some other Minister into that post, Mr. Chairman. The fact of the matter is, energy costs are one of the highest costs farmers and most citizens of our province face today. The fact of the matter is, Mr. Chairman, it's the Minister of Agriculture and his announcements dealing with

this great measure of an additional \$3 million in assistance to loan capital to producers, talked about energy prices in his announcement, Mr. Chairman. That's the reason I'm making reference to it, because it is the Minister of Finance's colleague who spoke and in his press release talked about energy prices, the reduction of taxes and the like, if the Federal Government wanted to make a move in terms of assisting producers.

Mr. Chairman, how can they speak on both sides of their mouths? It is their position to have world prices, no relationship to the cost of production. At least, Mr. Chairman, if we were to move to world prices in oil, that the excess profits over and above the cost of production be taxed off and redistributed throughout Canada in equalization payments so that provinces, and even this Minister, the present Minister of Agriculture could assist his producers in terms of additional energy costs. But not, Mr. Chairman, not in the way that Joe Clark proposed that in terms of giving windfall profits of billions of dollars to the oil companies of that across-the-board increase of 18.5 cents a gallon, Mr. Chairman. The Minister of Agriculture wants to interject, Mr. Chairman, to talk about Petro Canada.

Mr. Chairman, the natural resources of this country should be owned by the citizens of this country, not by someone else, Mr. Chairman. There is no equivocation on our part here. The natural resources should be there for the benefit of all the citizens, not for the benefit of a few, Mr. Chairman. Mr. Chairman, the government cannot indicate that reduce a few little taxes on energy when they're now piggy-backing the gasoline tax, Mr. Chairman, because every time there's an increase in fuel prices, the provincial revenues will go up, Mr. Chairman, and yet they have the gall in their announcement of the additional capital to lash out at the Federal Government. Mind you I guess one shouldn't be too surprised.

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

HON. ROBERT (Bob) BANMAN (La Verendrye): The member in his speech has indicated that the taxes to the farmers will be going up. I wonder if he could clarify that statement with regard to provincial sales tax?

MR. CHAIRMAN: The Honourable Minister did not have a point of order.

The Honourable Member for St. George.

MR. URUSKI: Well, Mr. Chairman, I want to deal with the member. If the Minister of Cultural Affairs or Recreational, whatever his title is, does not recognize that farmers are consumers as well in terms of buying and using regular fuel, then he has another thing to consider, Mr. Chairman. They do purchase fuel, while they do benefit by historically in Manitoba, by being able for agricultural purposes to use fuel that is not taxed. That's been known, it's nothing new, but they are also consumers, Mr. Chairman, like everyone else in the province who drives a car, Mr. Chairman, —(Interjection)— anyone, I don't know, well even some of them that have a pickup who have had to have employment elsewhere are subject to the same provisions, Mr. Chairman, as any other

driver. But, Mr. Chairman, with the Provincial Tories, Conservatives, speaking of world prices in energy and now Ottawa bashing, Mr. Chairman, with respect to the taxes that they see as being a way of alleviating some of the costs, they're really just playing around, Mr. Chairman.

I would have hoped, Mr. Chairman, that the Minister of Agriculture of this province would have looked at some other alternatives in dealing with the question. He should be examining other areas. You know, Mr. Chairman, I threw out an area dealing with debt moratorium which the Minister of Agriculture tried to fudge — tried to fudge, Mr. Chairman, as indicating that someone can get away scot-free without paying their note. Mr. Chairman, no one has suggested that, Mr. Chairman, that's what the Minister of Agriculture tried to suggest.

The fact of the matter is, Mr. Chairman, there are options open to the government, where the Conservatives have put on blinkers and they're certainly not prepared, it appears, to look at other alternatives but to keep financing the — you know, in the area of land where the bulk of the problem is, in terms of operating capital.

Mr. Chairman, I didn't quite finish and I guess I was diverted with the Minister of Agriculture's meeting last week with the financial institutions. I'm interested to know and I hope the Minister will answer. How does the banking industry in Manitoba see the problem in rural financing, not only with agriculture, Mr. Chairman, directly with farming but with a lot of the small businesses? Mr. Chairman, I'm sure that there are many small businesses who deal in fertilizer, fuels, chemicals, who are carrying the farming community to a large amount of loan capital today, Mr. Chairman, so they are also in trouble and, Mr. Chairman, to say . . . these additional supplies that we will vote in to consolidate a few loans, Mr. Chairman, will do very little. It is time to re-examine our whole policy dealing with the financing of land and making sure that the capital that is available and the small amount of capital that is available on a provincial basis, be redirected, redirected to areas which will do the most good, in terms of assisting many of the farmers in their operating day-to-day problems that they have and are faced with on the farm, Mr. Chairman.

I am very pleased, Mr. Chairman, in that my colleague, the Member for Ste. Rose, mentioned the rainfall that we've received over the weekend. Mr. Chairman, it has certainly been gratifying. It will certainly take the pressure off and I'm pleased, take the pressure off in terms of pasture land; in terms of many other areas where there was a great deal of pressure being put on for the availability of other lands and the like and I've been one of those that has been putting on pressure, Mr. Chairman, in this area. But I'm hopeful, Mr. Chairman, that we now will have a good growing season, that we can settle back but, Mr. Chairman, I would hope that this Minister of Agriculture and the Minister of Finance of this province would redirect their thinking with respect to their whole thrust in financing to our rural society, Mr. Chairman, with respect to the announcements that they've made and stop, stop the Ottawa-bashing, cooperate more; rather than have a day in and day out bashing of the Federal Government. You know, at least the First Minister has in the last few

months, moved away from directly criticizing Ottawa as he did a couple of years ago, where he continually went after Ottawa, either because of his absence here, but at least he's still sending forward his Deputy Premier, the Minister of Energy, to do some Ottawa-bashing. We have the Minister of Agriculture continually; we have the Attorney-General from time to time, Mr. Chairman, we have a number of Ministers who continually go ahead and make these statements, Mr. Chairman.

There are times, I have to admit, that there will be and there should be criticisms levied, Mr. Chairman, but to have the Provincial Government in Manitoba for several years saying that Ottawa should be able to cut back on its expenditures and balance their books in a far greater way, a far more management oriented way than they have done but, Mr. Chairman, when Ottawa begins to tighten the screws, one could put it, who is the first to scream, Mr. Chairman? We have the Conservative Government of Manitoba. You know, Mr. Chairman, we are the beneficiary, the greatest beneficiary in Western Canada of equalization payments. How much of our budget is made up of revenue transfers from Ottawa? Mr. Chairman, the fact of the matter is, it's all related; you can't have a Provincial Government who continually wants to score political points by bashing Ottawa and then when they tighten up, Mr. Chairman, then they're crying not me; no not me; don't touch me; we don't want to be touched, Mr. Chairman.

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

MR. RANSOM: Surely, Mr. Chairman, there is some requirement to be relevant and the subject under debate is a \$3 million Capital item for the Manitoba Agricultural Credit Corporation.

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

MR. URUSKI: Yes thank you, Mr. Chairman.

If the Minister would have held on for a little while, I'd have concluded my remarks, Mr. Chairman, but certainly this government cannot go on and cannot be — is not to be held blameless in this whole episode, because they can't go around and bash and then ask for cooperation in terms of assistance when assistance is required.

So, Mr. Chairman, I urge them to redirect their efforts to having a more meaningful program, Mr. Chairman, because we'll end up — these loans that we've made on land and we've spoken about this before, the province will end up being the owner of the lands that we've loaned them the money for, Mr. Chairman, if those loans go into default. So, Mr. Chairman, rather than dealing with lending of funds for land purchases, deal with them in the areas that they are most required, Mr. Chairman, deal with them in terms of short-term operating capital and secure them as they should be secured, Mr. Chairman.

MR. CHAIRMAN: Schedule A, the Manitoba . . .
The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would like to at least get a commitment from the Minister of Agriculture

that if indeed his new credit approach is going to make moneys available for new customers or people that are not now customers of the Agriculture Credit Corporation, then I would hope that he can say without hesitation that what we are dealing with here is a universal program — that anyone who wants to consolidate their debts — not wants to but is in a position where he or she must do something about their debt position that they will not be turned away because of the fact that the Minister may not have sufficient funds. If he is going into the capital markets for \$3 million for the consolidation of agricultural debt and that involves 200 or 300 farm debt consolidations, then I say to him if there are 200 or 300 more then he should double his figure or be prepared to do so. He should not be in a position to say we have run out of money, sorry, we can't accommodate your application notwithstanding that we have already accommodated 200 or 300 others before. If he can give us that commitment that it is open to the public, that farmers who are in a difficult position may approach MACC for the purpose of debt consolidation as their only way out short of foreclosure or whatever, then I'd be satisfied to let this item go, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, I take those comments from the member, I'll take them under advisement and consider what he has put on the record.

MR. USKIW: Mr. Chairman, I think that we should ask for a little more than that, Mr. Chairman. The Minister has indicated to this committee that this is an open program to new applicants. If he hadn't opened that door then that's a different debate. He could simply say we're going to make sure that we protect those that are already on our program, that we cannot go beyond that because it's a much bigger problem than we can handle. But once he takes the step that yes, we will take new applicants in and bail them out when the pressures of their bankers or trust companies or credit unions or whoever they are, then I don't think he's in a position of saying we will take the first 50 customers of that category to the exclusion of all others. I just don't believe that's tenable, Mr. Chairman. It seems to me if the Minister needs more capital then he had better make provision even if he doesn't use it to ensure himself that he will be able to handle all applications, providing they are legitimate applications under the same kind of guidelines that he's going to apply to the ones that he's prepared to accept.

MR. DOWNEY: Mr. Chairman, I'll again try to be very brief. The program as I've indicated is not a new program. The numbers of people who are already under MACC loans, the majority of those I would say are not going to be requiring any further MACC programs, so I think that they are being now serviced by the Credit Corporation.

The comments he's making about accommodating all or any of those individuals that come forward with legitimate concerns and the best estimates we have that the MACC have given me the assurance that they feel that's the area that they have requested. So I hope —(Interjection)— Well, Mr. Chairman, I would appreciate that.

MR. URUSKI: Mr. Chairman, could I ask the Minister, in his discussions with the financial

community, could he indicate how they viewed the supply of capital to the farming and how many people do they view are having difficulties? Were there any global figures that were given? What kind of a discussion did the Minister have with it?

MR. DOWNEY: Mr. Chairman, I can indicate to the member that there does not appear to be any problem with supply. Of course the problem is the cost of the supply of money which would appear to be the big difficulty. In a general sense I would say that the information I received was that there are a few highly leverage type operations that they've gone a long way to continue extending the debt or the repayment program on. So there are in a general sense very few people that have got themselves into a bad debt equity situation, as I said earlier that in some cases due to situations beyond their control. So I don't really have a number on the overall amount of money that the financial institute . . . except that they are prepared to continue to do their best to service the farm community. Again, most of the individuals that we communicated with are the field or the agriculture staff of the banks and they too know what the farmers are dealing with. The high cost of money is not good for any business, consumers or anyone else and it puts a major strain on anyone that's in the situation of having to borrow either capital or operating money.

MR. URUSKI: Mr. Speaker, can the Minister indicate whether these funds in addition to the program that is in place, will these funds be used primarily in dealing when the loans are consolidated in terms of operating capital or will they be solely to consolidate the entire loan portfolio which may include land and the like? How will this be handled?

MR. DOWNEY: Mr. Chairman, it would be difficult for me — I think it'll have to be dealt with pretty much on a specific — your individual cases. But I think there aren't many people that in the last few months have tied up a lot of high-priced capital to buy any particular farm item. If they have, through either operating or any particular decision they've made in the last while and need to do so, then I would think they could make a pretty good case for fixing a longer term payment at a fixed interest rate. Those I would anticipate to be those areas that would be dealt with on an urgent basis.

MR. CHAIRMAN: Manitoba Agriculture Credit Corporation — pass. Resolved that there be granted to Her Majesty a sum not exceeding \$3 million — \$3 million for capital purposes — pass.

Supplementary Estimates of Expenditures of the Province of Manitoba. Resolution No. 1, Agriculture, Item 11 — Income Insurance Fund for Manitoba Hog Producers — pass — the Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, I wonder if the Minister can now shed some light on these funds and on the program that he has announced in the early part of April. We've now gone almost two months from the time of the announcement or at least seven weeks from the time of the announcement of the Insurance Fund. Mr. Chairman, I believe the item is \$2.2 million; I believe that's the item I'm speaking on; yes. I hope the Minister would be able to explain the program.

MR. DOWNEY: Mr. Chairman, the committee that was appointed to work out the details of the program have been meeting with the producers and the chairman of the board, one of the individuals on it. I have not had an opportunity to discuss those details with them. My understanding would be that they must have quite a bit of input now from the producers themselves but as far as a report for the House on any detail, I haven't got it, Mr. Chairman, just on the grounds that it takes a while to work those particular details out.

I would suggest that the hog producers, who have heard from the Federal Government, where they are going to get a payout as of last week, I think it was, so they know where they're at on that particular program. As far as the provincial program, we would hope that we could still work out in a meaningful way a program that would fit in with what the Federal Government is doing and I think it's important that we, as producing provinces, whether we are western or eastern Canada, that we work with that objective in mind so that we remove the anomalies between each provincial jurisdiction that would create production in one region over and above another with the use of provincial tax money.

MR. URUSKI: Mr. Chairman, could the Minister indicate for what period will this new program that he has announced — when is the starting date for the program?

MR. DOWNEY: The program was to be retroactive to January 1 of 1981, Mr. Chairman.

MR. URUSKI: Mr. Chairman, could the Minister indicate whether the funds that have been allocated for this program will be deducted from any of the federal payments that are being made to Manitoba producers?

MR. DOWNEY: Mr. Chairman, the period that the Federal Government funds cover are for last year, the national program. It is my understanding, the information I have, that there will be no effect on the payments to the Manitoba hog producers. However, I believe under The Manitoba Stabilization Act, which the member is probably as much familiar with as I am, that the Federal Government payout for the period which the two would cover one another, would have to be taken into account, Mr. Chairman.

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

MR. USKIW: Mr. Chairman, just on that very point, is the Minister saying that to the extent of any moneys received from the Government of Canada by Manitoba Hog Producers, that the Manitoba program would subtract by that amount against that hog producer? In other words, if the payment from the Manitoba program was \$3.00 a hundredweight and the federal payment was \$4.00, does the federal payment then completely eliminate the provincial payment?

MR. DOWNEY: Mr. Chairman, I am not as specifically clear or as definite as the member. It is my understanding that the way it is, that the federal payment has to be taken into account when calculating any provincial program.

MR. USKIW: Mr. Chairman, the Minister has an appropriation here that may or may not be used and it may be mere fluff, Mr. Chairman, unless I can get an answer to that question. We know that under the Provincial Income Assurance Program, under the legislation permits for these programs, that the province may deduct all moneys received, or take into account the market value plus any federal subsidies before they calculate in a provincial subsidy, so that in essence, while we have an appropriation here, it may be that we won't spend one penny. We don't know whether the Minister intends to spend this money.

Secondly, we know, Mr. Chairman, that the Federal Government has announced that they will subtract the amount of dollars that any province pays out under their formula, so that it's obvious, I'm certain this Minister is not going to be putting us in that position where he is simply going to put in provincial money where federal money is already in place. So it has to be the first position that I pointed out to him, that he will only pay out if it falls — no, he cannot make a payment, Mr. Chairman — if the federal program makes a payment for 1981, I believe what the Minister is saying is that he cannot make a payment.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, I think that there has to be some clarification made on that because as he is well aware it was Friday, I believe, of last week that the Federal Government made the announcement. At the same time, he said that any provincial government, I believe, that had a payout last year, that paid their producers any money, for example, Alberta introduced a program, that they would not receive — I don't know whether he said any funds or whether they would not receive funds up to that certain amount, that that had to be taken into consideration. As I understand The Manitoba Provincial Act is that the Federal Government payout has to be taken into consideration before the provincial funds were spent.

Now, I want to be very clear on it before I make any further commitment but the money that is being requested here was in line of needed money for support and I would think that it will be used but it has to fit within The Provincial Stabilization Act as well as with what the Federal Minister has said.

MR. USKIW: Well, Mr. Chairman, my understanding of the federal program is that the payout period is up to and including the month of April of 1981. I believe it's a 12-month period expiring on the last day of April of 1981. So that if the Minister's program is retroactive to January then we have a four-month overlap in 1981. Now I would want the Minister to confirm or explain whether or not he is prepared to put in provincial dollars for that period knowing that whatever dollars he puts in will be deducted by the Federal Government in their payout for that period of time or is he saying that he will not do that?

MR. DOWNEY: Mr. Chairman, for that period what would come into play would be the cost of the production formula that was used whether or not the federal payout — when I say that the federal payout would cover the shortfall of the producers loss for

that particular period. I am not sure at this point whether there would be a need to pick up the difference but the figures that have been, I would say not firmly put to me but have been talked about in the agricultural community, that the amount that's coming from the Federal Government is not sufficient to pick up the shortfall. Now again, as I indicate, that has to be taken into consideration and I think where the Federal Government has come forward with a program that is sufficient and we're satisfied with that, that we shouldn't use Provincial Government money and I have been a strong believer in the Federal Government carrying that responsibility and I think it should be noted that I'm not against him for that decision that he made. I think that's one way in which he will get a unified stabilization program in this country is to do that very thing.

MR. USKIW: Mr. Chairman, we have a problem here. The Minister is, I believe, contradicting his own position. If we want a national program that is uniform across Canada then it's obvious that anything that the provinces do that detracts from that will postpone the day when we have that kind of stabilization program for hog producers in this country.

On the other hand, the Minister is saying that he has a cost of production formula and if the federal subsidy isn't large enough to bring us up to that formula level, then this program would bring us up a little higher or towards that goal, but at the same time he is failing to recognize that to the extent that he does that, he is simply reducing federal dollars from coming into the Province of Manitoba, and I am wondering how he is getting around that. If the Federal Government, and we have to recognize if the federal policy under The Stabilization Act is a stop-loss policy, it is not an incentive policy to produce more product. Now unless that policy is to change then there is no way that the federal payout will ever be under the present arrangement a break-even cost of production payout.

In that instance, if you take the Minister's option then, he will be required to make up some difference, if he wants to get up to a cost of production formula level, but in doing so he then denies the Province of Manitoba federal subsidy dollars, so we are going in circles here, Mr. Chairman. I can't understand what the Minister is doing here without having answered to those questions. (Interjection)— That's right, the Member for St. George makes a point. It could be that the Minister's subsidy dollars ought to be directed in a different way so that it doesn't contravene the national program, and there may be ways of doing that — I don't know, if he wants to put some dollars in. On the other hand it could be that we are voting \$2.2 million that will never be used but what it will do is perhaps give the Minister the political benefit of saying you have to put \$2.2 million in even though he didn't spend a penny and I'm not sure just whether that isn't the point that we are discussing here, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, I want to assure the honourable member that the last point the member makes is not the reason why we introduced a program. The reason for introduction of a program was to give the hog producers some form of support.

The Member for St. George some weeks ago, I'm sure, remembers asking for —(Interjection)— well a year ago, and then we'd be into the situation even deeper for replacement of Federal Government funds with Provincial Government funds and of course we won't debate that at this time, and what he suggested, maybe there's a way in which it could be used that would not interfere with the federal funds is a worthy situation. The point I tried to make earlier is that has to be taken into consideration because we just have received the announcement on Friday from the Federal Government and we have to work out to the advantage of the taxpayers and the pork producers of Manitoba to protect the interests of both and that is what I intend to do.

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

MR. CHERNIACK: Mr. Chairman, I would like to Minister how he arrived at the figure \$2.2 million since the program has not been developed?

MR. DOWNEY: Mr. Chairman, that was again an estimated figure of the department and of course I guess the comments that we heard back from the producers and from the Opposition that it probably wasn't enough money, I think that again from the experience that had been in other jurisdictions that we had felt after some talk from the people and the economists and those people who are supposed to have a fairly good handle on it that that would be the amount of funds that would satisfy for the period of time that we are dealing with. Although the overall request, if he remembers, was for a grant of up to \$5 million to start the program which is a producer contributory type program and then a further guarantee, but in light of the decision taken by the Federal Government to further encourage by way of not putting federal funds into the provinces that are insisting on carrying on with their own program, that may change, and I want to say we as a government feel very strongly that is the direction it should go. But specifically it's the best handle that we get on it with again the objective, or hopefully the objective of the marketplace returning sufficient funds to the producers at the marketplace so that we wouldn't need to see ongoing commitments from the provincial or federal treasuries.

MR. CHERNIACK: Apparently the Minister announced the insurance plan some six weeks ago. I don't have a copy of the announcement. Did the Minister when he replied today to the effect that the people involved had been meeting and they don't have any details yet; is he saying that his details are missing or is the overall program not yet in form?

MR. DOWNEY: He can determine himself, the details that are being worked out are of course the — when we've talked about it with the other honourable members how we fit in now with the federal scheme, but the working on the cost of production formula, numbers of hogs to qualify, and there are some specifics that have to be worked out and then final go ahead given, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, is it an insurance plan where the hog producers will have a voluntary

right to pay premiums into the plan and if so what is the size of the plan expected to be; the size of the fund that will be set up, paid in by the producers?

MR. DOWNEY: Mr. Chairman, the initial commitment was a \$5 million grant, an additional \$5 million guarantee by the province to the hog producers through the hog board and let the producers go ahead with their stabilization program. It is our attempt to have federal involvement like we have suggested so that we would have, not unlike the Federal-Provincial Producer Crop Insurance Program where the producers voluntarily join up, pay a premium, and then get some coverage in return, so that is basically what I can see as the objective before us that could work to provide an income insurance program, Mr. Chairman.

MR. CHERNIACK: My question was directed to find out what percentage did the government expect the producers would be putting up as compared with the amount to be put up by the province.

MR. DOWNEY: Mr. Chairman, until there is a little more detail about the level of support that is going to be introduced, one that is not going to encourage non-agriculture people to invest for the sake of investment with government support in it. Those are certain things that we have some concerns about. We do not want to create a program that's open-ended for the taxpayers and then we run into a situation where there is what I would consider a false incentive for people to get into the production of hogs that could further distort the situation and cause the taxpayers additional sums of money. That is why we have a put a maximum on it and a further loan guarantee to give them some money as they desperately need it and then to get on with the program on a longer term basis.

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

MR. URUSKI: Mr. Chairman, we have the figure of \$2.2 million which is half of the announced grant portion but there was also an announcement of a \$5 million loan guarantee. Where is the request for funds with respect to the loan guarantee that may or may not be made? There has to be authority for that. Could the Minister of Finance indicate where those funds will be coming from?

MR. DOWNEY: Mr. Chairman, again with the best estimates that were available it was anticipated that by the time the additional or the first money, the grant money, was put into the system, that by that time the marketplace would have recovered to where there would not have to be an additional support program in place, that the recovery from the hogs would be sufficient to carry forward, and the same time carrying forward with premiums from producers and the guarantee from the province that there would be a fund build-up to support their own program plus the fact that there are ongoing discussions with the Federal Government to help dovetail the two programs so that they would work together.

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): The Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I am a bit confused here, Mr. Chairman, because I think there has to be or there is a need for clarification for my own understanding. The Minister made an announcement introducing the Hog Assistance Program. He indicated in his announcement, and I am paraphrasing, a \$5 million figure of grant over a two-year period, so we are seeing \$2.2 million. It maybe should have been \$2.5 million if we are dealing with half but nonetheless this figure that we have here is less than half of the announcement but additionally there was another announcement of a loan guarantee of \$5 million. We don't see that \$5 million figure. The Minister has just indicated that really we were not thinking of using that at all, Mr. Chairman, but I think the Minister should clarify where the authority for that \$5 million is because, Mr. Chairman, if the Minister has made an announcement and now has no intention of even having those funds made available then, Mr. Chairman, there is something very wrong with the way our system operates in the announcement that the government has made.

MR. DOWNEY: Mr. Chairman, as the member is well aware the approval for those types of things comes before the Legislative Assembly and I would think that the estimates and the figures that have come forward to me is that request or that would not have to be put in place until the Legislative Assembly were to meet again. That is the intent and I think probably that there have been many times — it is not an unusual situation for a government to say that they are proceeding in a direction and (Not recorded)

MR. CHERNIACK: (Not recorded) . . . used by the Minister on presenting the Budget. He says, "\$2.2 million to cover the initial costs of the two-year Hog Producers' Insurance Plan announced last week by my colleague, the Minister of Agriculture. The province is prepared to contribute up to \$5 million towards the program and in addition, to make available a loan guarantee of up to \$5 million if required." Mr. Chairman, the announcement can be made by anybody in government as to what they are going to do but there cannot be a loan guarantee of up to \$5 million unless it's authorized. I was waiting to hear from the Minister where this \$5 million is authorized or any part thereof. It cannot be spent unless it is authorized and since the government announced what sounds like a \$10 million program over two years, the question arises whether the \$2.2 million is expected to be spent in the first year and the balance of \$7.8 million available in the next year's Budget or whether they are expecting \$2.2 million now on the Insurance Plan and there is some other provision somewhere for the \$5 million loan guarantee. A loan guarantee cannot be made without authority. Are they already predicting this special warrant or is it already in the Capital or Current Estimates now?

MR. DOWNEY: Mr. Chairman, . . . follow along what the member is saying, the commitment was up to a grant of \$5 million and up to a loan guarantee of \$5 million. As I've indicated the best information available is that the guarantee would not be required in this particular period, and I think it's well explained. There's a commitment by the government

and I don't see any major difficulty in the way in which we're proceeding.

MR. CHERNIACK: No way can there be a commitment that is not authorized by this Legislature at some time or other, and the member is not bringing in an opportunity for us to confirm or approve the loan guarantee portion of the commitment. Yes, he is saying he wants \$2.2 million which we now understand may not be spent at all and I hope it won't prove necessary and that that would reduce the greatest Budget ever in the history of Manitoba, the deficit I mean, the greatest deficit ever. But, Mr. Chairman, he announced only six weeks ago provisions for \$10 million over two years and now he's saying we may not need it. Well, I hope we don't need it but in the interval if you do need it you have no authority that I can see. I'm asking you where is your authority, \$2.2 million you're asking for now? Where is the authority which you need for the loan guarantee? I understand the balance is \$7.8 million; I suppose you mean that \$2.8 million will be asked for in next year's Budget. Well, what about the loan guarantee or is that just talk; or is that that something you won't ask for until next year; or are you already planning to bring in a special warrant?

Now, Mr. Chairman, it may well be that the loan guarantee funds are somewhere in Capital right now, in a non-lapsing item as a carry-over from the previous year, but I don't see it and I think we're entitled to know or else the Minister should make an announcement right now confirming all that he's asking for out of the \$10 million statement made six weeks ago, that all he is now asking for is \$2.2 million in authority. We're in the Legislature to check on what the expected expenditures are going to be and we are here to authorize or attempt to deny this money being granted, but no government is allowed to spend more money than they have authorized already unless in addition and the authority they go for a special warrant. And, Mr. Chairman, I think you well know that a special warrant should not be contemplated. A special warrant is considered to be an emergency not previously contemplated and therefore required between sessions because of the fact that it is an emergency. So you cannot look ahead and say we now foresee an unforeseen emergency which will require a special warrant.

So I ask the Minister again; where will he get the money for the loan guarantee of \$5 million or is he prepared to admit now that he is backing away from the program he announced six weeks ago that sounded like \$10 million for the hog producers and is at this moment providing only \$2.2 million of authority and he's already told us that he may not spend it at all.

So let's get a prospective of what the Minister is planning and what he needs authority for and what about this \$5 million? Had he decided at this stage that he would need the \$5 million, where would it have come from? Where would the authority have been provided because it was not provided in the supplementary as of the day of the Budget when they must have known about it, nor was it covered in the Capital Supply for this year according to the statements made by the Minister when he supported his application for the \$36.7 million?

MR. DEPUTY CHAIRMAN: The Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, what do we have here? Do we have an announcement strictly for window dressing in terms of programs that were being announced? Either the Minister of Agriculture doesn't know, maybe the Minister of Finance who's sitting here doesn't know either. If he doesn't know maybe he should find out. No matter which way you cut it, Mr. Chairman, when you total the announcements that have been made on Page 55 of the Budget address and you compare it to the beginning of the Supplementary Estimates announcement on Page 54, they just don't gibe, Mr. Chairman. And even taking the same figure, Mr. Chairman, that the Minister of Finance used of \$2.2 million for the initial cost, using that figure for the loan guarantee, you'd still require \$5.7 million in terms of Supplementary Estimates that are shown later on in the book, but we only have the figure of \$3.5 million.

So, Mr. Chairman, I'd like to know from the Minister of Finance, where the \$5 million loan guarantee is to be found? Is it to be found in the \$8 million amount that is there for the . . . or the \$75 million of Schedule A Capital somewhere within those funds or where is it to be found? Where are those \$5 million loan guarantee to be found, Mr. Chairman? —(Interjection)— I realize that but I think there is an explanation necessary on these funds because, Mr. Chairman, if there's no provision for them, you know, what we've had is an announcement that can only be termed as "poof", flying a trial balloon, Mr. Chairman, because that's really what has happened. A Minister indicating that, I can make an announcement without having the authority to make this announcement is something unheard of in the Parliamentary process, Mr. Chairman. You know, it's bordering on, if one could use the term bordering on deception, Mr. Chairman. That's the only way one could describe that kind of an announcement. To make a \$10 million announcement and to request authority for \$2.2 million, what else can you call it, Mr. Chairman? I believe either the Minister of Finance or the Minister of Agriculture should and owes it to the taxpayers of Manitoba, the members on this side, explain where those funds are to come from.

MR. DOWNEY: Mr. Chairman, I think that what I've said in reply to the other members prior that the answer to the comments would still hold very much the case if we indicated that the commitment was up to that amount of money, the projections or the amount of money that is requested for this year is what is being considered to be needed, particularly now in light of what the Federal Government have said and I would take the indication from the members that they are supporting that the national program not be the program that would be best suited for the producers of agriculture commodities, that the particular additional \$5 million guarantee is not requested or needed in this particular year. Again, as I've indicated, the best Estimate we've put forward and it's not a matter of trying to suggest that the money isn't going to be required. As I indicated it would be hoped that it wasn't but that is our commitment and really it's being handled in a normal and responsible manner, Mr. Chairman.

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

MR. USKIW: Well, Mr. Chairman, the Minister, perhaps maybe we can help him in this situation. I don't believe he understands what he is saying. He is saying that he has given a commitment of up to \$10 million to the pork producers of Manitoba over a two-year period, but he doesn't recognize that unless he has the authority from this Assembly that that is indeed a very shallow and hollow commitment, and unless we can see \$10 million somewhere in these Estimates, Mr. Chairman, then he has no commitment of \$10 million, he has a commitment of \$2.2 million which he himself admits he may not spend. (Interjection)— Well, you weren't certain, Mr. Chairman, depending on what evolves vis-a-vis the federal program. Certainly you're not going to spend \$2.2 million if the Federal Government is going to deduct \$2.2 million from their subsidy to Manitoba producers. We know that. The Minister has indicated that that is the case and I would hope that that is the case, because we don't want to be subsidizing the Government of Canada, Mr. Chairman.

But, Mr. Chairman, the Minister cannot go on the record saying that he has a \$10 million program for pork producers in Manitoba. If he continues to say that, Mr. Chairman, then we have to ask the Minister of Finance to tell us where the other \$7.8 million is because I don't believe we have seen that figure anywhere else in the Capital Supply Estimates that have been presented to this Assembly. So if the Minister of Agriculture doesn't know, I will ask the Minister of Finance whether or not somewhere there is to be found an additional commitment of \$7.8 million to total up to \$10 million which the Minister of Agriculture claims is a commitment that he's already given to the pork producers of this province.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Finance.

MR. RANSOM: Mr. Chairman, my understanding is that there is no certainty that that guarantee would be required and that if the commitment that the Minister of Agriculture made was that should a guarantee be required then the guarantee would be made, and I suppose —(Interjection)— well, that's the explanation, Mr. Chairman.

MR. CHERNIACK: I must say to the Honourable, the Minister, the explanation is hardly adequate because in his own — I'm now quoting from his Budget speech, not from any statement made by the Minister of Agriculture, and he said that, "\$2.2 million will cover the initial costs of a two-year hog producers' insurance plan announced last week." That's \$2.2 million out of a \$5 million program called the Hog Producers' Insurance Plan. Then he says, "in addition to make available a loan guarantee of up to \$5 million if required." Mr. Chairman, I have to ask the Honourable Minister how he was planning, as Finance Minister, to provide the authority for the loan guarantee of \$5 million if he was not prepared to request the authority from this Legislature? Is there any other fund, any other source where the government could guarantee \$5 million in loans other than special warrant? And, Mr. Chairman, I point out that if you go on the basis we may or may not need it then indeed they don't need the \$2.2 million because the Minister has no idea if it's going to be

needed. From the way he spoke I would guess that maybe half-a-million will be needed, maybe \$3 million would be needed and any figure thrown into the Estimates could be the amount because I understand it's not known; you cannot know with certainty but this was six weeks ago. Apparently last week there was an announcement made of a Federal Government program but the statement of six weeks ago, surely, was not based on the expectation that last week there would be an announcement making this unnecessary. (Interjection)— Oh yes, they knew that all right. Then on that basis six weeks ago, we've been waiting five weeks for it, six weeks ago they made an announcement of a plan. The Minister of Finance said we have a \$10 million program. We're putting up \$2.2 million of a \$5 million insurance and there is a \$5 million loan guarantee which will be made available if required.

I want to know now whether the government is backing away from its undertaking or expectations to have \$5 million available for a loan guarantee because they're not asking for the authority. I assume now that my expectation that there already was an authority somewhere. I was wrong, that there was no authority; that they didn't expect to ask for an authority then because if they did, it would have shown up in either Supplementary Supply or Capital Supply and since it didn't show up in either place, I'm beginning to think that the suggestion that it's just a lot of hot air, is correct.

So I want to ask the Minister of Finance more specifically — how would he plan to make that \$5 million guarantee? Would it come out of current supply as an expenditure, or would it come out of a capital supply as a contingent liability because a loan guarantee is only a contingent liability, it's only to be expended if the guarantee is called upon and that way I don't even know the bookkeeping that the Minister of Finance was planning to use, had he needed that \$5 million of loan guarantees, so the specific question is, would he expect that to come out of current expenditure or would he expect it to come out of some capital supply?

MR. DEPUTY CHAIRMAN: The Minister of Finance.

MR. RANSOM: Mr. Chairman, my understanding is it's not expected that that guarantee would be required until next year.

MR. DEPUTY CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, Mr. Chairman, it appears the two Ministers there are getting in deeper and deeper. We look at the announcement that was made by the Minister of Agriculture and it's dated April 10 on the announcement made on April 8 and I'll quote from it, Mr. Chairman. Mr. Downey made the announcement, "\$5 million Hog Stabilization Fund to be established. Voluntary support plan is announced by Downey. Mr. Downey made the announcement April 8 to producers attending the annual meeting of the Manitoba Hog Producers Marketing Board in Brandon. The Minister said the Manitoba Government is prepared to contribute up to \$5 million to establish a Hog Producer Income Assurance Plan, which will operate from January 1, 1981 to December 31, 1982," and he gives the details.

So we have, Mr. Chairman, the request for \$2.2 million, an estimate that the Minister and his department has made with respect to what they believe to be the provinces contribution for the year, the calendar year of 1981. But, Mr. Chairman, several paragraphs down that announcement there is a further announcement: "In addition to the \$5 million in the fund, Mr. Downey said the government would be prepared to make available a loan guarantee up to a maximum of \$5 million should a deficit situation occur."

Well, Mr. Chairman, you really didn't need the \$5 million if you hiked the producer premiums high enough you didn't even need this \$2.2 million. If you made the producer levies in the income assurance plan high enough, you wouldn't even need that \$2.2 million of the \$5 million announcement, provided you made the premiums stiff enough, in terms of the Income Assurance Plan. By the very terms or the very nature of the statements that have been made by the Minister of Finance and the Minister of Agriculture saying, look, there is not anticipated to be any shortfall, so we're not making any commitment.

Mr. Chairman, how could you go out and make an announcement and indicate to the producers of Manitoba that you're going to have \$10 million available for them for a plan when now you come into the Legislature and say, we really didn't need the \$5 million for this year for our contribution, we're only estimating \$2.2 million, less than half of what we anticipated, so really we didn't have \$5 million, we've got \$2.2 million.

Now when it comes to loan guarantees, we really didn't mean what we said, hog producers of Manitoba; don't listen to us, because you know while we said there was \$10 million available, don't listen to us, we really didn't mean it. We're only throwing out figures because we really didn't know what it was going to cost; we had no idea what kind of a program, even though a third of our producers ceased production in the last year by the Hog Producers' Boards own figures — 37 percent I believe the figure is or close to 2,000 producers ceased production in the last year. (Interjection)— Well, Mr. Chairman, that's the numbers. The Minister himself should check those figures; maybe not in terms of the total production of hogs in Manitoba, Mr. Chairman, but there were a large number of producers. Now, Mr. Chairman, if the Minister is saying, "oh come on", with respect to the numbers of producers, I contacted the Hog Producers Marketing Board for the figures. I'm just checking here now to see whether I wrote those figures down but I believe it was a figure of close to 1,600 producers, something like that, that left production last year.

So, Mr. Chairman, what are the hog producers of Manitoba supposed to take from this kind of an announcement, Mr. Chairman? Even though they indicated that look, it was far from being what they considered an adequate program but, Mr. Chairman, not only that, the government is playing games. The Minister of Agriculture and the Minister of Finance are playing games because they're certainly not making a provision. How do they know? I want the Minister of Finance to tell me, how does he know that there will not be a deficit position in the fund

that is to be established. I want him to tell me. How does he know that? If he knows that then he must know the parameters of the program that are to be there, that there will not be any deficit in the program; not to make the loan guarantee to be required.

If that's the case, Mr. Chairman, let's spell out the program. Let's tell the producers, we're playing a game with you, even though we've said we want to consult with you; we want to discuss the program with you; we want your input; we want you to develop the program; we know already what the answer is, Mr. Chairman. Why are you playing games? Because if you do know that there is not going to be any amount of money, any funds required for any deficit in the program, Mr. Chairman, why don't you tell that to the producers? Why did you make the announcement? Of what need do we need a \$5 million announcement when all that one can consider it is window-dressing and pretty poor window-dressing at that, Mr. Chairman.

That announcement as I've stated before is, you know, it's one of the worst kind of announcements that a government can make. To tell people that there is something available, when really there isn't. There is nothing available and yet we're going to do something and we don't want the authority for it. That's the thing. We are going to do something, so now we know that there's not going to be a deficit in the program because we don't need that \$5 million or even half of that, because we've already requested only half of the announcement in terms of the Income Assurance Plan. We've already cut that \$5 million announcement in half and now we've cut the other announcement by 100 percent. So we've got an announcement toted as \$10 million? What was the headline, Mr. Chairman? I have to look at that — "\$5 million Hog Stabilization Fund to be established."

Well, at least the announcement indicated \$5 million. We have authority for \$2.2 million, nothing more, Mr. Chairman. I believe that the Minister of Finance should indicate and should spell out; if the Minister of Agriculture doesn't know the program, the Minister of Finance maybe knows what the Hog Income Assurance Program will be since he obviously knows that there will be no deficit in the program. (Interjection)— Yes, Mr. Chairman, in the announcement it's \$10 million — \$5 million for guarantee and \$5 million for the program itself, Mr. Chairman.

So, Mr. Chairman, I think if the Minister of Agriculture doesn't want to answer what the parameters of the program is, the Minister of Finance should, because he obviously knows that there's not to be any deficit in the program and that the loan guarantee is not required and the announcement that was made was totally inaccurate and it was misleading and, Mr. Chairman, there should be an immediate retraction of that announcement and an apology made by the Minister of Agriculture and the Minister of Finance, who is backing his colleague up and saying, we anticipated that there is not going to be any need for this program. Now why did you make that announcement?

MR. CHAIRMAN, Abe Kovnats: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Chairman, I'm going to be brief, but I just want to put a few remarks on the record and a juxtaposition to those that are being made because here, Mr. Chairman, we have a process that shows in my view contempt for the very Legislative involvement, because this is what it's all about. If the government wants money to spend, then they have to go to the Legislature and ask for it and this coming from a government that made much to-do in 1977 and 1978 that they were going to mix current and capital and put them out in one form and there was not going to be any such things as carried over capital; that all capital was going to lapse at the end of the fiscal year. If they wanted additional funds they would come back to the Legislature and ask for it.

Now we have a situation, Mr. Chairman, where a Minister of the Crown has committed the government, without the leave of the Legislature, to spend some \$10 millions of dollars. Now whether they do spend it or don't spend it, only the future will tell us. They come before us and ask us for millions of dollars to build highways, it may well be the case that it rains all summer and they can't spend any of it but nevertheless, they've had to ask this Legislature for authority to spend it.

The government is in a position where, in my view, they have a couple of alternatives. One, they can amend this announcement and inform the hog producers of the Province of Manitoba that all they're asking authority for is \$2.2 million and the rest of it is just pie in the sky; or heifer dust or whatever you want to call it; or they can amend this resolution and ask for the true amount; or they can call some of their expertise in the department to point out where the \$10 million actually is within the Estimates, if it is in there, and they don't know the answer to the question.

But, Mr. Chairman, coming from a government that spent so much time about, we're going to put out quarterly reports on the financial position of the province; we're going to be accountable to the people on an almost daily basis of how much money we're spending; for the answers that have been coming from the Minister of Agriculture and the Minister of Finance of this province, are not satisfactory to the Legislature and this isn't good enough. They can keep making those kind of answers but I think the public of Manitoba will realize that they're not accepting their responsibility to be accountable to the people of the province through this Legislative Assembly. They're just showing their arrogance once again, that they don't have to answer to anybody.

If they are making a commitment to spend \$10 million, even if they don't have to spend it, they still have to have authority somewhere, they'll never get it by the Provincial Auditor and it's just ludicrous, Mr. Chairman, that the government is adopting this attitude. It's the dying end of the session, but it reminds me of — I forget the year — 1967 or 1968, the Member for St. Johns was chasing \$5 million that the government of that day kept shifting around — I think it was \$5 million — because they'd raised \$5 million more than they were authorized on a 10 percent tax that they had put on fuel oil to raise money I think it was for schools or something. But this jiggery-pokery from this government that has

held themselves forth as being the great business people of the province and the great accounting people and the finance wizards to adopt this attitude — now we may need \$10 million. They've gone and told the people that they're going to spend \$10 million, so the place to get authorization to spend this \$10 million is in this place.

So surely the government will accept one of the alternatives that I have suggested; amend their announcement and tell the people the truth or, amend this resolution and ask for their \$10 million.

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

MR. CHERNIACK: Mr. Chairman, thank you.

Firstly I apologize to the Honourable Minister. I asked a question and then I was called to the telephone but I think I did hear his answer as I was leaving the Chamber.

It was pointed out to me that it was merely a coincidence I'm sure, but the statement made, the news release made by the Minister of Agriculture was actually read into the record by the Minister of Finance because the statement was then being made by the Minister of Agriculture, I think in Brandon, yes, in Brandon.

In any event, the one paragraph, I'll mention two references in the statement; firstly, the Minister said the Manitoba Government is prepared to contribute up to \$5 million to establish a Hog Producer Income Insurance Plan which would operate from January 1st, 1981 to December 31st, 1982. Mr. Chairman, that implies an overlapping of 3 fiscal years not 2 years because going back to January, 1981, means the end of the last fiscal year, all of this fiscal year and part, three-quarters, of the next fiscal year and yet the \$2.2 million for this year is less than half of the \$5 million that's requested. One would have expected that it should be more than half if it's got to pick up the first quarter of this calendar year, setting that aside. The statement goes on to say "In addition to the \$5 million in the fund, Mr. Downey said the government would be prepared to make available a loan guarantee of up to a maximum of \$5 million should a deficit situation occur."

Now, as I was leaving the Chamber I think I heard the honourable, the Finance Minister say, "We don't expect to need that \$5 million" (referring to the loan guarantee) "until next year." That's what I think I heard him say, but I admit I was on my way out of the Chamber, I might have missed it.

My question then to the Minister is, does he expect not to have to honour the guarantee until the next fiscal year, which is some eleven months away? Or, does he mean that they won't have to sign any guarantees until the next fiscal year? I think that's an important question; the answer to which I would appreciate.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. RANSOM: My understanding, Mr. Chairman, is that we do not expect the necessity for a guarantee to arise until the following year, the second year of the program.

MR. CHERNIACK: Mr. Chairman, I'm sorry, I want to refine the wording of what he said as I understand

that he said, "the need for the guarantee to arise for the next fiscal year." I wish he would try to answer, and it should be obvious why I'm asking the question, whether no guarantees are expected to be signed during this current fiscal year, or whether he means the money won't have to be paid until the next fiscal year? That's what I'm not clear on.

MR. RANSOM: It's my understanding that we do not expect the guarantees would signed during the coming year.

MR. CHERNIACK: Well, Mr. Chairman, then it becomes clear absolutely that this entire program was precipitous and unwarranted. The fact is the statement made by the Honourable the Finance Minister is corroborated by the Budget Speech because in the Budget Speech he talked about two \$5 million programs for the next two years and I read it and I misread it, Mr. Chairman, I misread it not because I was at fault but because the wording in the Budget Speech was at fault, where they stated only five weeks ago that \$2.2 million for the \$5 million insurance plan is needed in this year, which implies \$2.8 million for next year, and then it went on to say that the province if prepared to contribute up to \$5 million on a loan guarantee, but that's not this Budget, this is next Budget, this is next year that the Minister says it maybe needed.

Is it something that came about in the last five weeks? No, Mr. Chairman. It would have had to have been in the Budget Address to indicate where that \$5 million loan guarantee was going to come from. It had to be there either in Supplementary Supply or Capital and they knew then that they had no idea whether or not it would be needed in the next fiscal year, and they didn't say that, and I misread it because I think they intended me and others to read this to mean that there would be a \$5 million loan guarantee in place in this year to help the hog producers in this year's problems. Next year there may not be any problems, and therefore, Mr. Chairman, I do believe when they say that this promise is not worth the paper is written on, because it's an indication of a \$10 million program; they're asking for \$2.2 million; there's an indication they may not even need that and that, Mr. Chairman, does indicate the dangers of government making announcements like that, possibly in the expectation of an election having been called this spring, which is something we all wanted to hear, which we all wanted to do and which I think they were getting ready to do just in case it moved them so to handle it. They'll have to repeat another \$10 million program for the next election, Mr. Chairman, because this one fizzes. This undertaking is not worth anything at this moment. There's no money for the loan guarantee program. There is \$2.2 million set aside for the Hog Producers Insurance Plan. That's all there is. The \$10 million is just a flight of fancy on the part of the Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, I can't help but say that we are quite amused at what is taking place here this afternoon and indeed the fact that both the Minister of Finance and the Minister of Agriculture are incapable of explaining to us why it is that they made the announcement knowing at that time that they were not intending to ask for the appropriations.

Mr. Chairman, I believe the Member for St. Johns summed it up quite adequately when he said that maybe if there was an election it would have some relevance and in the event that there isn't next month, then they have to have another announcement a year from now, it will be the same dollars that they're talking about, Mr. Chairman, not new dollars.

You know, we witnessed the hocus-pocus game of the Finance Ministers of this government more than once, Mr. Chairman, when they announced the whole series of health programs and White Paper Reform Programs, and Tax Credit Programs. It was, in fact, Mr. Chairman, a demonstration of how this government committed to a restraint program in their expenditures, at the same time tried to tell the world how much more they're prepared to do with less money and not succeeding, Mr. Chairman. To try to continue this process, mislead the people of Manitoba that we've got another \$10 million thrown into the agricultural economy, when in fact they don't even know that they are going to spend \$2 million in this program, Mr. Chairman.

Mr. Chairman, I want to tell this government and this Minister of Finance that when they announce that they're prepared to bolster the hog industry in Manitoba to the extent of \$10 million that we are prepared to support that measure, Mr. Chairman, up to \$10 million, no question, but Mr. Chairman, the government is not prepared to support up to \$10 million, they have just said so. Mr. Chairman, it's time they got out of office, it is just a shell game if there ever was one.

MR. CHAIRMAN: Resolution No. 1 — pass; resolve that there be granted . . . —(Interjection)— The Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman, I want to know, Mr. Chairman, whether we will have another Budget from the Minister of Finance and we will have another announcement of \$5 million necessary for a loan guarantee program, Mr. Chairman? — (Interjection)— Well, Mr. Chairman, using their own game that they've played with their deficits and their prudent management, Mr. Chairman, the Minister of Finance should have known, he should include these figures into his Budget, and then did what he did with the drought program, Mr. Chairman, not spend the money and say, "Look how well we managed, how we tightened our belts, how good, acute, protracted restraint and look at our deficit. We projected \$200 million and we went down to \$150 million." Or figures of that nature. That's what they've been doing for the last couple of years.

But, Mr. Chairman, he went a bit further this time, he went a bit further, he thought he could get away with making an announcement and then not even coming in for authority, so, Mr. Chairman, it wouldn't surprise me that they would have even made an announcement that they improved their deficit position by reducing it by \$5 million even though they didn't have the authority to reduce it or increase it with respect to this announcement.

We've had an announcement of \$10 million and here we are, we're requesting authority for \$2.2 million, Mr. Chairman. No request for \$5 million and on this year the Minister of Finance has already indicated that there will not be a request, not even

being anticipated that there will be a need for the loan guarantee whatsoever.

So, Mr. Chairman, I want the Minister of Finance to tell us what the Income Insurance Plan is all about. Let's have the details. Let's not play around with the hog producers, Mr. Chairman, and the Minister of Agriculture getting up in this House and saying that, "It will be the hog producers that will be developing the program. It'll be a program for producers." That's the kind of announcements that he's been making that the producers will develop their own programs. Nonsense, Mr. Chairman] They've already admitted that they don't expect to need not even half of the announcement of the initial cost, Mr. Chairman, of the initial \$5 million and we have no provision for the additional \$5 million. So, let's have the program. Let's quit playing around. Let's quit having meetings with producers and telling them they're going to develop the provincial program that we're co-operating, Mr. Chairman. A bunch of nonsense, Mr. Chairman] All they're doing is taking the hog producers of Manitoba for patsies, Mr. Chairman. They're telling the hog producers, "We know how to develop the program, but we're going to play with you and tell you that we're going to co-operate with you. We need your input." Because that's what is being said here today, Mr. Chairman.

(Interjection)— I want to hear from the Member for Emerson as to what his Minister is doing with respect to your hog producers, Mr. Chairman. You have probably just as many in your area as I have in my area, Mr. Chairman. Hog producers . . . We're speaking of \$10 million in a program. Mr. Chairman, we don't have nothing anywhere close to the amount that is being requested. We have no request for the loan guarantee whatsoever, because we are going to ride it out, Mr. Chairman. Quit playing around. If you want to play around, what you'll see, Mr. Chairman, is we'll have a Fall Election, we will have a Special Warrant announcing an additional \$5 million and we'll have another announcement that they thought was here and said we didn't need the announcement, we'll make the announcement again, we'll have another \$5 million announcement, so we can maybe . . . some people and say, "We've got a \$15 million program, instead of a \$2.2 million program as what is the actual case, Mr. Chairman.

MR. RANSOM: Mr. Chairman, I believe we are seeing some posturing from the members opposite who have no issues, Mr. Chairman. They know very well that all the sod that they turned in 1977, the Member for Brandon East, all the sod he turned for personal care homes and all that sort of thing, they didn't have capital committed for that, Mr. Chairman, they didn't have capital committed for that. They know they didn't. That's nonsense. They can't have both ways, Mr. Chairman. On the one hand, they accuse us of budgeting funds and then not spending them, and that we do that in order to make it look like we applied good management and reduced the deficit from what it was. Now, they are trying to charge us with the other ones, saying that we're talking about spending money and we're not budgeting for it. They can't have it both ways, Mr. Chairman. The people that will really understand what this government is doing are the farm people that we're serving. They'll understand. They know that we're not setting out with a Beef Income

Assurance Plan that was designed to take over control and marketing in the beef production area, they know that. They know that we're not out to take over the ownership of the farmland, Mr. Chairman, and make farmers tenants of the state, they understand that. Those gentlemen opposite, the position they find themselves in, Mr. Chairman, is that they don't have any substantial issues to deal with at all and they're trying to manufacture issues.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, when the Minister of Finance says that there was no capital for the sods that were turned by various members of the former administration that is not correct. There was capital for all of the projects that were announced. The Minister —(Interjection)— Yeh, tell half truths, if you want to.

They changed the accounting procedure in 1978 so that capital became current. This is true. The only asked for authority for the stages of these programs. For example, one of the pieces of sod that was turned was the Correctional Institution at The Pas. There was money in the Budget for the Institution at The Pas, but these great managers when they came in they stopped the construction of it and we have been unable to find out how much they had to pay the contractors in default and what the additional costs of that institution were. But when the government — why are they refusing to answer the legitimate questions of member in the opposition, the Official Opposition, and the rest of us; why can't they answer the question of why don't they amend their announcement or ask for the capital because that's the question and they can posture all they want and try and draw blue herrings across the path, but the people aren't being fooled.

If the Minister of Finance wants to start debating the election issues now, then perhaps we can accommodate him in the issue of the Ritz. But perhaps we should use the same economics that the former Minister of Industry and Commerce used in — what did we call it, Ben-monomics, back then — he said, "A billion dollars left Manitoba." — (Interjection)— Well, it's a fact. We should use that same kind of approach to the economics of the province and start asking the questions. Now, if this is a hidden one, a hidden expenditure, maybe we won't ask for authority, but what is being said in this House at the present time, is they've got it in the back of their mind that they're going to issue a Special Warrant if they need it. How many more special warrants have they got in their hip pocket? What is it, a \$200 million deficit they've budgeted for? So we go to the hustings and we say actually the deficit is a \$400 million dollar deficit, because they've got \$200 million additional warrants in their pockets, because this is the attitude of the government. They're not accountable to the House or to the people of the Province of Manitoba. They can come up and drop every blue herring that they want across the path of a legitimate role and function of the Opposition, and I want to thank the Member for St. Johns because of his approach to this particular problem because I hadn't twigged to it.

But it is important. It's one of the most important things that has happened in the whole process —

I'm talking about Estimates and the expenditure of funds — is the attitude of the current administration. They're not accountable to anybody — if we need \$10 million, we'll just pass a special warrant. That's not what they are intended for. In fact, even the attitude of the then opposition to us as a government having passed a special warrant when the House was in session, because they wouldn't pass the Estimates, they cried and cried and cried, "what a terrible contempt of the Legislature." In my view, this is much more contemptible than anything that I've seen in the 12 years that I've been here.

MR. CHAIRMAN: Resolution 1: Resolved that there be granted to Her Majesty a further sum not exceeding \$2,200,000 for Agriculture, Item No. 11, Income Insurance Fund for Manitoba Hog Producers, \$2,200,000 — pass.

Resolution No. 2, Education, Clause 3, Financial Support — Public Schools, (a) School Grants and Other Assistance, \$1,093,500 — pass — the Honourable Member for Burrows.

MR. HANUSCHAK: Can the Minister give us a breakdown of this amount and what purposes it's for?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. RANSOM: Mr. Chairman, I believe that the necessity for this item was thoroughly discussed during the Estimates review of the Minister of Education and the area of the Estimates where it was required was pointed out and this makes up the extra requirements for the educational support, I believe, Mr. Chairman.

MR. HANUSCHAK: According to my recollection, this is to correct a calculation error that the government previously made.

MR. RANSOM: I believe that that's probably an adequate description, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Are you going to put on the record that it has been traditional, for 12 years at least, that any time Interim Supply has been before the committee, the Minister who is in charge of the item which is being requested is in the House to answer questions and the specifics and the details have been given to the members and somebody has been accountable to the House for the request for additional supply.

MR. CHAIRMAN: Resolution No. 2: Resolved that there be granted to Her Majesty a further sum not exceeding \$1,093,500 for Education, 3.(a) School Grants and Other Assistance, \$1,093,500 — pass.

Resolution No. 3, Energy and Mines, Item 2, Energy (b) Conservation and Renewable Energy, (3) Energy Efficient Housing Program \$200,000.00.

The Honourable Member for Brandon East.

MR. LEONARD EVANS: The Minister of Energy and Mines is not here but the Minister of Finance, who

made the original announcement is here and I wonder if he could advise us as to what has happened thus far. The announcement has been made and have any moneys been given out under this program; just where is it at and how do people get information about the program?

MR. CHAIRMAN: The Minister of Finance.

MR. RANSOM: Mr. Chairman, I believe that the Minister of Energy and Mines released information dealing with those subjects. I don't have the details; I'll undertake to get them for the honourable member and perhaps the Minister . . . we might be able to coordinate it so that he would be here at some point during the discussion of the bill and he could respond to that question.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Just as a matter of information, where the Minister said that the Minister of Energy and Mines had released some details, I just wondered if he could tell us where we could find those? Were they released with the Information Branch or were they issued in the House? I'm not sure.

MR. RANSOM: I'll undertake to get them for the honourable member, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Chairperson, I was just trying to assist the Member for Brandon East. There was a press release on April 15 giving some information.

Mr. Chairperson, I wanted to ask some questions. I did ask a question under the Budget Debate but nobody ever answered it. I would like to know if the \$200,000 Energy Efficient Housing Program is planning to take advantage of the Alternate Energy Program of the Federal Government which is offering money for energy conservation in housing?

MR. RANSOM: Perhaps, Mr. Chairman, if the honourable member would like to list the number of questions that she has available, then I will attempt to get the answers for her.

MS. WESTBURY: Well, that was the question. I wanted to comment after I received an answer. However, I do think that for one thing, no federal participation shows up anywhere, either in the Budget Debate or Budget figures or here. I think this is a woefully inadequate attempt at providing any kind of a housing program at all, Mr. Chairperson. I think it's woefully inadequate as far as an energy conservation program is concerned as well. There is federal money available and we hear so much from this government about the failures and what they don't like about the Federal Government and then when money is available, it's not picked up. There's apparently no attempt made to contact the Federal Government and to work under their programs.

Apart from the housing programs that the Federal Government make available, they also have other programs that could provide a basis for suggestions to this provincial government, we'll say, for work that

could be done in the area of energy conservation, particularly solar panels. There are really big programs going on in Ottawa now. I think under the PUSH Program, which refers to federal buildings, there are 14 different buildings in Ottawa which are using solar panels in different forms, most exciting and interesting programs down there for energy conservation and it's well known among people who have an interest in solar power that Winnipeg has a far greater number of sun hours in a year than the eastern cities. It's an ideal location for solar programs and yet so very little is being done.

I personally think this is a very disappointing attitude. This is a token on the part of this government. How much is going to be done with this meagre sum of \$200,000.00? Why have they not tried to take advantage of the federal program on alternate energy?

Mr. Chairman, the Ontario Government, in its Budget last week, I am told, invited housing developers to bring forward housing proposals with solar components and the Ontario Government is proposing to pick up the difference in cost caused by the solar energy part of any program that is accepted under this. I think this is very progressive. I'm very disappointed that this government — there's a supporter of this government — I'm trying to remember his name — who's very active in the solar program. (Interjection)— Yes, he ran against me in 1973 for the Conservatives. What's his name? Ted Speers. Thank you. He knows a great deal about solar energy and could be a resource person for them to learn a little more than they apparently know about it. For instance, I'm told that these solar energy panels, the same ones that they are using in the federal buildings in the east, could be especially successful on dairy farm buildings and other farm buildings, but particularly dairy farms.

So I'm particularly disappointed, Mr. Chairperson, in the lack of commitment by this government. I would like an explanation of the \$200,000, how it is to be spent, whether in fact they did approach the federal authorities to see what is available here under the Alternate Energy or any other program, and whether they will do anything exciting and innovative, such as the Ontario Government, their brothers in Ontario have done.

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

MR. CHERNIACK: Mr. Chairman, the Budget Address states in connection with this item, and I'll quote it, "\$200,000 for a new program of incentives for super-energy-efficient housing. This program will involve grants of \$1,600 and will apply to 100 units in the first year. The purpose of this initiative is to support and stimulate the application of energy-saving technology to housing in Manitoba. Further details of the new program will be made available by my colleague, the Minister of Energy and Mines."

Could we now ask the Minister of Energy to give us the further details?

MR. CHAIRMAN: Resolution No. 3 — the Honourable Minister.

HON. DONALD W. CRAIK (Riel): Mr. Chairman, I just heard the end of the question by the Member for

Fort Rouge. On the matter of the cost-sharing, that is still under negotiation with the Federal Government, as a number of other items are in the energy field. As the member may be aware, there currently seems to be a move by the Federal Government to do things separately from the Provincial Government rather than in conjunction with them, which has been a change in the last 12 months. At one time the energy agreement that was entered into with the Federal Government about 12 months ago contemplated even the possibility at that time in the discussions, although not directly related to the joint agreement, there was some speculation and discussion as to whether or not programs like the CHIP Program would not come under the Energy Information Office which was established by the provincial government but which, in fact, is paid for partly under the federal-provincial program and therefore seemed like a reasonable location for the administration of the federal programs and information programs relating to Retro-Fit and other things that come principally under the CHIP Program.

Well, in that period of time, I have to advise that there has been a shift in the other direction. The Federal Government now is not only going to continue to operate the CHIP Program directly rather than in conjunction with the province but in addition to that are going to also set up a staff to administer the Off-Oil Program, which provides the incentives for taking people and removing them from oil consumption and shifting them over to either electricity or to natural gas.

So what is really happening at the present time is we have an expansion, a very dramatic expansion, in fact, of the Federal Government presence in this field in the Province of Manitoba and it certainly isn't because we have encouraged them to do it. We have, in fact, discouraged them as much as possible from setting up two separate operations, one provincial and one federal, in the Province of Manitoba but the direction is very definitely going the other way, towards the federal establishing their own separate presence on all energy matters and we're having difficulty, quite frankly, in coming to agreement with them with this new type of approach that is coming forth from the government in Ottawa.

The reference to the super-energy-efficient housing is timely because that is under discussion with the Federal Government. The Federal Government had decided that at one time they were going to do a number of houses across the country but they dropped the proposal; whether it's temporary or whether it's just going through further examination. We have had discussion with them on the cost-sharing of the super-energy-efficient housing, to have them cost-share on it. That is continuing and I hope we are successful with them in cost sharing the \$200,000 cost that is associated with this.

So it isn't impossible that within the next few months that we could have this coming under the Canada-Manitoba Agreement, even though it's not there at the present time, but it's moving along about as fast as the other negotiations are at the present time with the Federal Government. I make reference here to all the other DREE Agreements; the sluggishness that we've encountered in trying to settle the Northern Development Agreement and the

incentive programs on the forestry operations and with regard to the Core Agreement as well. All of them have been suffering from the same sort of sluggishness in the negotiations.

Now the further questions here are that the houses that fall under this program are to meet a fairly strict requirement on energy consumption for unit area of construction. I can't give the members the exact number of calories per square meter or kilo-calories per square meter that are involved or the BTU's per square foot, but that is the type of category and classification that establishes whether or not housing qualifies. The work to date has shown that not only is this approach practical, it is very likely going to be standard practise within a number of a very few years, at any rate, because of the costs of energy escalating as rapidly as they are.

This program though will provide some sort of guidance and some sort of more rapid development of this type of housing than it would have done otherwise to have left it entirely on its own and that was the purpose in undertaking it this year.

We anticipated that 100 houses in the province would give us enough distribution within the province to provide model homes throughout the communities and try and get an equal distribution, you will never get an equal distribution, but as equal as possible a distribution within the province, so that there will be model homes that can be used as at least a demonstration, although not a public demonstration, but at least some demonstration in communities of housing moving in this direction.

The houses that have been built to date to this type of specification are showing heating bills, energy bills, that run as low as about \$100 a year and that is a pretty dramatic difference from what we are experiencing in traditional housing in this part of the country, as anyone who owns a house will be well aware. But that is the type of very practical control that is possible with the new types of designs and construction that have been well-tested now across Canada. They are the types of houses that will follow; they have a very, pretty straightforward classification, it's on the amount of energy consumption per square unit area of the house and it's pretty well known what has to be done in order to make it qualify. Sixteen hundred dollars per house will cover off less than half of the additional cost. The costs of building these houses on average are perhaps some \$4,000 to \$5,000 higher than another ordinary house meeting standard building code specifications at the present time. So the \$1,600 is an incentive, but it's certainly far less than half the amount of extra costs that a person would encounter.

So the return out of the additional cost comes from the savings in the heating bill and that is the tentative program. It appears that from the response we've had, even at this date, a month after the announcement following the budget or a little more than a month, that perhaps the update on the 100 will probably be about what could be expected — that is, we would expect within the period of about a year or two, to see 100 of these houses qualify and be under construction.

MR. CHERNIACK: Yes, Mr. Chairman, I appreciate now the understanding of the expected increase capital cost of which this \$1,600 would be a part. What is the anticipated saving? The Minister said

some of the existing houses have come in at \$100 a year for heating. Could he indicate what is the anticipated annual saving averaged out, so that we can get some idea of how long it would take for the owner to repay himself the extra capital cost?

MR. CRAIK: I suppose, Mr. Chairman, I can't answer it with any great accuracy. It will depend on whether natural gas is used or whether oil is used or whether electric is used. You can on the lower side predict more accurately, I suppose, than on the higher side. I would think to give a very rough estimate though, that perhaps you're looking at a minimum of \$300, perhaps maybe closer, something more realistic around \$500 per year difference in your energy costs, but again that's going to be a very, very rough figure and it's not intended in any way to be a specific. It will depend somewhat, particularly on the fuel that would prevail in the area in which the construction took place.

MR. CHERNIACK: I'd like to get some idea of the criteria that is being used, or will be used in the selection of the 100 units. The Minister seemed to imply that there may not be much more than 100 applications, when he said that he thought there would be about 100 built in the year. I'm wondering whether there is some limitation as to the number of subsidies per contractor or is it to be only privately; I don't mean privately built, but built by contract and not speculative housing and will there be a clear cut effort to spread it across the province, the western part of the province, the northern parts of the province, so that this will really become an experiment rather than just a contribution — 100 homes isn't really very much to make an impact.

That being the case, will there also be a requirement that the builder and then the owner will give full accountability to the province, so that it will have statistics on which to base its greater knowledge of the additional costs; the savings over a period of time; what they learned from the construction, because it's still experimental. Is this a test which will contain an ongoing study of these particular homes, so that the province will benefit from the knowledge acquired in the future?

MR. CRAIK: Well, Mr. Chairman, first of all the details on both the specifications and the distribution are currently being completed and there will be every effort made to have them spread out geographically. That is currently being investigated by the people that are also setting up the specifications. The specifications will not be too difficult to monitor. They will have to qualify for certain types of construction and it'll be much the same as administering the building codes.

We don't anticipate any real new and different problems. Most of the things that are required to have a home function in a manner that cuts its energy consumption down are reasonably well known at this time, so therefore it can be specified.

To a certain extent it can be called an experiment. It's certainly an incentive for this coming year. The houses will have some monitoring. They won't be scientifically monitored to the extent of a full experimental home. There will be a body of information built up and be available over a period of time from the operation of these homes as time goes

by after their construction and certainly there will be more known than what is known at the present time after some period of operation, a year or two operation under different conditions. They're not being instrumented in a full experimental scientific way as would be expected under a number of programs that have operated to date. We've gone past that phase of operation by and large in Canada, where the basic requirements are known and now they can go from here on in more on the costs; on the heating for the period of a year; the amount of energy consumption, rather than measuring temperatures within the house and so on. Some of them will be instrumented, but not as a general requirement. There will not be an instrumentation of the house required for detailed monitoring.

MR. CHERNIACK: Mr. Chairman, I'm really not looking for a detailed and scientific instrumentation as the Minister refers to, but it seems to me that a \$200,000 item for 100 units can only be justified on the basis that it's a trial, that it is an incentive that is being designed in order to be able to communicate the benefits to future builders, the builders of next year and following years to convince them — when I say builders, I really mean homeowners — that it's worth doing this. It seems to me that if it is a program then we're dealing with very small amounts of money and very small number of units. If however, it is going to be used in future years to educate future owners or owners of future homes of the values involved, then there has to be some sense of monitoring, some sense of information received in the future years as to firstly, the initial costs; secondly, the if there is any maintenance of any particular kind. I understand that solar panels can be broken more readily than can heating pipes within a house, so that's maintenance cost; and finally, the benefits in energy savings and I'd like to think that this being — the Minister says not quite experimental but I think that the experiment of giving incentives is in itself sufficiently experimental to in a year, two, three from now, be able to be used to convince owners that they should want homes that are built in this energy efficient way.

Therefore, I would like to think that in future years there will be statistics available, not of a specific, scientific nature, but general enough to convince future owners that they want that kind of energy savings — super energy efficient housing.

That being the case, I'd like to know whether the recipients of the grants will have imposed on them an obligation to supply this kind of information over the next number of years; 100 units are very easy to follow through and in addition, I would think that there would be a kind of a monitoring of similar homes of similar size in similar districts to have a comparison between those built with this super energy efficient feature as compared with those that are built in the normal routine.

MR. CRAIK: Mr. Chairman, I can just simply confirm to the Member for St. Johns that the intent is to monitor the results of this type of construction and operation. Most of the people that take advantage of the opportunity to build an energy efficient home also tend to be very conscious of the necessity for conservation and for the promotion of conservation, so there isn't any difficulty in getting co-operation with regard to monitoring results.

I can't advise, since the agreements are not finished yet, I can't advise the member specifically though of what is required within the agreement in the way of monitoring, but the full intent is to monitor the houses in their early operating period in order to use it for general information to the public to encourage this different and advanced construction to take place.

MR. CHERNAICK: Finally, Mr. Chairman, may I ask the Minister, in order to fill out the files of respective members, whether when that agreement is produced in final form, whether sample copies could be distributed to us so that we could then have some idea of what it is that is expected, so that we would have, as I say, our file more complete on this project?

MR. CRAIK: Yes, Mr. Chairman, I'd be quite happy to see that the members of the House are provided with the specifications required in entering into this kind of a program.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Chairperson, now if I may go back to the comments that the Minister made in reply to my questions, particularly regarding Federal participation in this energy efficient housing program.

I would like to say that I'm surprised that the Federal Government has anything whatsoever to do with this government in view of the complete vitriolic remarks that are usually made by this government and they have a perfect right to talk in any way they can, but then to go back and ask or demand that the Federal Government provide more assistance to the province is ridiculous.

I'd just like to remind —(Interjection)— the Member for Inkster wants to know if they're supposed to talk nice. No, they're not supposed to talk nice. They're not supposed to talk nice or nicely either. You know, there's one thing to give credit where it's due if credit ever is due, as indeed I have tried and I remind the members of the front bench that I have tried on occasion to give credit when I see them doing something nicely and just remind them that you can catch more flies with honey than with vinegar. That was the only message I wanted to send.

MR. CHAIRMAN: Resolution No. 3 — pass — The Honourable Member for Inkster.

MR. GREEN: I just heard a view of Federal-Provincial relations that has caused me to stand up in my seat. I don't believe that federal-provincial relations are based on the fact that one government goes to another and spreads honey, Mr. Chairman. I believe that federal-provincial relations have to be based on the respect of one government for another. (Interjection)— Well, Mr. Chairman, I say that it is the worst condemnation of the Federal Government than anything that I have heard of, that the Member for Fort Rouge suggests that we are not getting our fair share from the Federal Government because Mr. Lyon is not a nice man. Now of all the condemnations that I have heard of the Federal Government, that is the worst.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: I didn't say anything of the sort, Mr. Chairperson, for goodness sake. (Interjection)— I will read my own words. I don't need lectures, either, from the Member for Inkster. I was merely suggesting, Mr. Chairperson, that in any system of cooperation, the name of the game is cooperation and we have nothing but vituperative comments from this government and as far as I am concerned, Mr. Chairperson, I don't agree with this government in most things that they do. I think they are incompetent, inefficient, selfish and heartless. But when I see something happening that I do agree with, and what immediately comes into mind is the position of the government on family law under the Constitution, I have said time and time again that I agree with that government on that position, and I do, and I will continue to say so; I will continue to say so to the Feds when I get an opportunity to do so.

However, Mr. Chairperson, I do feel that there has been — and maybe this is just posturing, I don't know, I take them at their word — there has been a total lack of respect and I just wish that in this House we did not have to take that kind of attitude. That's all I was trying to say, negative attitude, and the Minister of Energy by no means was particularly violent in his remarks a few minutes ago. He merely said that things are a little fuzzy and he's finding that they don't seem to be trying as hard as they were 12 months ago to cooperate and I accept that. I'm just trying to suggest that maybe things could be a little better and I don't know why in the world the Member for Inkster has to get so excited about it.

MR. GREEN: Mr. Chairman, the Honourable Member for Fort Rouge compliments herself too much. I was not that excited. I merely indicated that I had never heard a worse condemnation of the Federal Government than I have heard from the Member for Fort Rouge, who suggests that if you don't talk nicely to them, that they won't treat you well. I wonder whether the Member for Fort Rouge, who was a city councillor, and the Member for Osborne, the Attorney-General, and the Member for River Heights, used to get together and say, now let's go to the New Democratic Party Government and let's talk nicely to them because if we don't talk nicely to them, they're not going to give us what we're entitled to? Mr. Chairman, you go back through the years 1973 to 1977 and look at the comments that were coming from City Council towards the New Democratic Party Government and see, Mr. Chairman, whether they have been more in the nature of honey than what the First Minister of this province has done, and the Provincial Ministers have done vis-a-vis the Federal Government. You go look at them, Mr. Chairman, and see whether they were honey-catching phrases that were being thrown at us by the City Council.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Chairperson, I think this is the silliest debate I have ever been engaged in. (Interjection)— I started it and I'm sorry, I can tell

you that, but if the Member for Inkster wants to play university debating club games, I'm not here to play those silly little games. I was just trying to suggest something that might be helpful and if my grandmother's homily of catching more flies with honey than with vinegar doesn't fit in with the Member for Inkster's philosophy, then forget it.

MR. CHAIRMAN: Resolution No. 3: Resolved that there be granted to Her Majesty a further sum not exceeding \$200,000 for Energy and Mines, 2. Energy, Clause (b) Conservation and Renewable Energy; (3) Energy Efficient Housing Program, \$200,000 — pass.

That completes the Detailed Supplementary Estimates of Expenditure on the Committee of Supply.

Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: I move, seconded by the Honourable Member for Dauphin, that report of committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I would suspect there would be a disposition to call it 5:30.

MR. SPEAKER: Is there agreement to call it 5:30? (Agreed)

The hour being 5:30, the House is accordingly adjourned and stands adjourned until eight o'clock this evening (Monday).