

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 26 May, 1980

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY — AGRICULTURE

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. I think it's the desire of the Minister to return to Resolution 8, Manitoba Agricultural Credit Corporation, 3.(b).

MR. SAM USKIW (Lac du Bonnet): Mr. Chairman, on a point of order. When we broke for the supper hour, I believe it was indicated that the Minister wanted to, first of all, get back into MACC.

MR. CHAIRMAN: That's just what I said.

MR. USKIW: I'm sorry. I thought you were passing 5.

MR. CHAIRMAN: No, we're returning to No. 3. The Honourable Minister.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, on that point of order, the member knows that we're more co-operative than that, and what we said we would do before supper, we will do now.

MR. CHAIRMAN: You mean the Chairman is as good as his word.

3. Net Interest Cost. It should be (a) and (b) I'm sure, but it's not listed that way, so we did pass the Administration, as I understand it. We were hung up on the second item, I think, Net Interest Cost.

The Honourable Minister.

MR. DOWNEY: Mr. Chairman, if the member wants to proceed to go over the points on which he'd asked the questions on before, he was concerned, I think about the comprehensive guaranteed program, of the participants, I can indicate to him at this particular time, one individual was a land lease conversion, and the other one was a new individual. As far as the announcement of the program, there was a public press release went out in July of 1978 indicating the different programs, and that comprehensive loan guaranteed program was in that press release, so I think it's a matter of just indicating to the member again that we've had, as I indicated in both Quebec where there is a program like that, and Alberta where they have been slow to take off. That's basically the area in which the member had asked — and if there are any other items that I missed in answering, then he will certainly ask the question, I'm sure.

MR. USKIW: Mr. Chairman, there was a series of questions put to the Minister. One had to do with the applicants under this program. We had also asked for the tabling of files. We also asked the Minister whether or not any member of the board was involved with loan transactions with MACC, all of which the Minister said he would check into and bring back the information on. All we've got so far is

the information on these two loans under the comprehensive guaranteed loans program.

MR. DOWNEY: Mr. Chairman, I think I indicated that there weren't any members of the board involved in any application for loans under the program. I have no more to report on that. I thought I had indicated that if there had been someone, then I would report, but the reports are that there haven't been any members of the board who have been involved in loans, in the application for loans and approval of loans.

MR. USKIW: Mr. Chairman, the Minister is very selective with his words. My question was whether any of the present board members are in any way involved with respect to loan arrangements for their private operations with MACC. The Minister happens to choose very selective wording that there aren't any involved in application for loans. I simply want to know whether any of the present board members have a loan with MACC?

MR. DOWNEY: Mr. Chairman, not that have been approved since they have been board directors. In fact, I don't know whether they have a loan prior to that, but I would say, no to that answer, that they don't have any loans.

MR. CHAIRMAN: 3. — the Member for Lac du Bonnet.

MR. USKIW: Can the Minister assure this Committee that no member of the board is in any way involved with a loan from MACC?

MR. DOWNEY: No, I can't. I think last year there was some indication, when we went through Estimates, that in some way one member had, but had no part in any land that was sold or something, but I can't say that . . .

MR. USKIW: Mr. Chairman, I think the Minister is misreading me. I am referring to members of the board of MACC, not members of the Assembly. I want to know whether any Board member of MACC has a loan of any description with MACC at the present time?

MR. DOWNEY: Yes, Mr. Chairman, one has, and it was prior to him becoming a board member of MACC.

MR. USKIW: Mr. Chairman, could the Minister allow for his Committee to examine that particular file, since it is obvious that if a board member — first of all, I would ask the Minister whether he could indicate whether it is a member or whether it is the Chairman of the board?

MR. DOWNEY: Mr. Chairman, it is a board member.

MR. USKIW: Is the Minister saying that it is not the Chairman of the board?

MR. DOWNEY: I am saying that it is not the Chairman of the board.

MR. USKIW: Mr. Chairman, since we do have a situation where a board member has an ongoing loan with MACC, then it seems to me that it would be very reasonable on the part of the government to allow the Committee access to that particular file in order to satisfy all members that there is no conflict of interest situation at any time arising out of the continuation of that loan or any addendums to it or whatever. The Minister knows that once you enter into an agreement that there can be numerous addendums added on at any time after the initial loan is taken. Therefore the question of conflict does come into play, and all we want to do is to satisfy ourselves that there has been no conflict of interest exercised with respect to any loan held by a member of MACC, a loan from MACC.

MR. DOWNEY: Mr. Chairman, the loan which I am referring to was made during a time when the Member for Lac du Bonnet was the Minister. I have no indication that there were any changes or anything on the board. In fact, I am sure that there wasn't. I would further review it if the members want it reviewed and under my Salary, be prepared to deal with it, but I can assure him that the loan was put in place when he was the government, when his Board of Directors were in place, so there couldn't be any conflict of interest with the board member.

MR. USKIW: Mr. Chairman, as long as there is a situation where a sitting member of the board has private dealings with the corporation over which he is a board member, then there is always a possibility of a conflict of interest. Now, it may not occur, but I think the only way to determine whether it has occurred or hasn't occurred is to make that information available to the committee. There is no way this committee would know whether or not there was a conflict of interest, but we know that that arrangement could raise the question of a conflict of interest, whether it occurs or not. There are ways of dealing with that problem.

MR. DOWNEY: Mr. Chairman, I think I have clearly stated, and have no reason to state anything differently, that there was a loan taken out by a member who is now a member of the Board of Directors, who took it out under the Lac du Bonnet, when he was Minister. It's in the hands of the administrators as far as the operation of the loans are concerned and there have been no decisions made by the board, as far as I am concerned, and records . . . since that loan was taken out under his administration. We can review the file but I think it is somewhat . . . As far as I am concerned, I am satisfied that there isn't any conflict.

MR. USKIW: Let me then put it another way. Can the Minister assure the committee that any board member does not have the facility of voting for an item wherein they themselves personally are involved, that is, if they have a loan transaction from the Corporation, can the Minister assure us that there is no undue influence exercised with respect to such a transaction.

MR. DOWNEY: Yes, Mr. Chairman, I can . . .

MR. USKIW: That is sufficient, if he can assure us of that.

MR. DOWNEY: Yes, Mr. Chairman, I can assure the members of that.

MR. USKIW: That's fine.

MR. CHAIRMAN: 3.—pass; (b)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 1,948,600 for the Agriculture, Manitoba Agricultural Credit Corporation—pass.

We will go back to where we left back this afternoon, Resolution 10, at the top of Page 9. (c)(1)—pass — the Member for St. George.

MR. BILLY URUSKI: Mr. Chairman, could the Minister indicate the extent of the program, or it is strictly a continuation. Are there any changes in the program that he is anticipating in this coming year?

MR. DOWNEY: Mr. Chairman, the 4-H Program, I might add, is one of the areas of rural youth development that we are continuing to support in a very aggressive way. It is one of the area that we, as a government, can support some of the youth and I would just like to comment and congratulate the voluntary leaders throughout Manitoba who play a big part in the 4-H movement. There is a lot of volunteer time, a lot of effort put into the 4-H movement that the people are to be commended for. We have directed our staff to assist all 4-H members when it comes to all programs. I think it is youth development.

I refer to a sign that I saw on a float that was put on by the 4-H young people in Dauphin, that put it very well, Young 4-H'rs are Future Farmers. I think they are not only future farmers, but they are future citizens of Manitoba and Canada, a movement which I am very pleased and proud to support as a Minister, and I am sure my colleagues as we see them sitting here representing a lot of rural Manitoba are very supportive of that particular program.

One new area, it is not really new as far as the 4-H movement is concerned, and this is self-initiated by the 4-H members who are graduating, and that is called the 4-H Ambassador Program. It is those people who graduate out of 4-H who feel they still have quite a bit to offer and it is a program they have developed to further encourage long-term continuation of what they have learned in 4-H. It is motivated by the 4-H members who have participated in the 4-H movement and I think that we can look forward to future leaders coming from the 4-H movement. They learn public speaking, they learn management practices in agriculture and just to be good citizens, and I am very proud indeed, as the Minister of Agriculture, to show our support throughout all Manitoba. We also have 4-H in the northern part at Thompson, Manitoba, where there are other than farm people involved. It is a good all-around support program for youth development.

MR. URUSKI: I thank the Minister for his comments. I certainly don't think that there are any

criticisms at all in terms of the support of the program from this side.

I would like the Minister to indicate to members of this Committee whether he has the numbers of clubs that are presently active in the province and specifically the activities in northern Manitoba, where the Minister indicates those are community groups not directly associated with agriculture, but which doesn't preclude people from joining 4-H in terms of other community activities of public speaking, crafts and so on, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, at present there are 325 clubs in the province. It is indicated to me that there are 300 and some members in northern Manitoba, that many members, which I think are important. I think it's a matter of identifying whoever is involved in 4-H, identifying what all can come out of the 4-H program, and I think it's a matter of telling people as many times, and to the fullest extent, what all can be accomplished or available. There's interprovincial trips sponsored, there is certainly project development that can further the skills of people, whether it's in handicraft, whether it's in unrelated agricultural events, there's still the structure that's there to provide people with person improvement.

MR. URUSKI: Mr. Chairman, certainly no one can disagree with the character building and the building of individualism in terms of the 4-H. While there may be, in some communities, a bit of a competition between the cubs and scouts and the 4-H movement where there may be an overlapping of some of the activities, nevertheless, the rural 4-H would be the counterpart of the urban cubs and scouts program, so there's certainly no quarrel at all. Has there been a movement for the formation of new clubs, as compared to previous years? Has there been a growth in the number of clubs within the province or the expansion in terms of membership to 4-H clubs?

MR. DOWNEY: Mr. Chairman, I can indicate to members of the committee that the numbers of clubs over the last, probably four years, have remained fairly static. There is a small reduction, but very small, in the neighbourhood of 325. It was 336, so it's basically fairly static over the last three-year period. There are some indications when he talks of new clubs, I think the staff just indicated to me that we have seen interest in a couple of swine clubs that haven't been in place for some time, so there are different areas that showed renewed interest.

MR. URUSKI: Would the Minister have some indication of memberships within the 4-H groups? While the number of clubs might vary, fluctuate to some degree, has the individual membership remained constant?

MR. DOWNEY: Mr. Chairman, again, there has been a slight reduction in numbers of participants, but again, remaining fairly static along with the numbers of clubs in place. For example, there are 6,373 members at this particular point. Last year there were some 349 more, it was reduced from the year before by 127, so basically, in relationship to the number of clubs, it has dropped.

MR. URUSKI: Mr. Chairman, it would take the general trend in terms of rural depopulation that is going on and the numbers of pupils within school districts, so there would have to be an impact there as well in terms of the numbers. Could the Minister indicate the extent that the department is involved in assisting with the publications of, I think there's a newsletter that's either quarterly or monthly that comes out, and to what extent is the department involved?

MR. DOWNEY: Mr. Chairman, I think it's 4-H Contact is the letter the member is referring to, and it is paid for by the department.

MR. URUSKI: Could the Minister indicate the annual cost of that publication?

MR. DOWNEY: Mr. Chairman, it will be in the Other Expenses in the next item, if we could pass on to that.

MR. CHAIRMAN: 5.(c)(1) — the Member for Rock Lake.

MR. HENRY J. EINARSON: Thank you, Mr. Chairman. I wonder if the Minister could give us an indication of the number of leaders, the 4-H club leaders in the province of Manitoba, that have served anywhere from five to 25, 30 years, in the province of Manitoba?

MR. DOWNEY: Mr. Chairman, I haven't got those numbers with me, but I can get them for the members of the committee and will provide them at a later date, if that's okay. Plus, we do recognize those people by passing out a certain certificate from the Minister of Agriculture, recognizing their long term contribution.

MR. EINARSON: Mr. Chairman, I would just like to put it for the record, not only to the young boys and girls who have been participants and become members of the 4-H clubs that have been discussed in the past few minutes, but I would like to pay tribute to the many many men and women across the province of Manitoba who have given of their time and effort as club leaders for 4-H clubs, which in my view, Mr. Chairman, are the backbone of the agricultural industry in Manitoba, and in other forms, and I'm sure that there are also clubs such as sewing clubs and what have you, in the cities that are also performing a very worthwhile service. I would just like to make, Mr. Chairman, a comment in this regard, and the Minister could probably give us those numbers who have been the volunteer people who have given of their time and services over the many years to assist our young boys and girls, which I think is a very valuable organization in making the citizens, both in the agricultural field, and also, probably in many areas in our urban communities.

MR. CHAIRMAN: 5.(c)(1)—pass; 5.(c)(2) — the Member for St. George.

MR. URUSKI: The Minister was to provide us with the cost of the printing of the bulletin . . .

MR. CHAIRMAN: If the member will excuse me, we will pass . . . the Honourable Minister.

MR. DOWNEY: Mr. Chairman, the approximate estimate is 3,000 for that publication.

MR. URUSKI: Annual cost.

MR. DOWNEY: That's correct.

MR. URUSKI: Mr. Chairman, under what section would the provincial wheat conference leadership and development of careers in agriculture, where would questions under that be?

MR. DOWNEY: We've passed that, Mr. Chairman.

MR. URUSKI: Okay.

MR. CHAIRMAN: 5.(c)(2)—pass; 5.(d)(1)—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister give us a rundown on this year's program. There seems to be a slight reduction. Has there been shifting of staff in this area? A re-allocation of staff roles in the home economics section?

MR. DOWNEY: Mr. Chairman, there is no reduction in this appropriation. Oh, I'm sorry . . .

MR. URUSKI: There is, a 600 reduction. Is it a re-allocation, or what is it?

MR. DOWNEY: Mr. Chairman, the reduction is due to vacant positions that have been filled.

MR. CHAIRMAN: 5.(d)(1)—pass; 5.(d)(2)—pass; 5.(e)(1) — the Member for St. George.

MR. URUSKI: Mr. Chairman, the item District Office Administration deals with the salaries of all the regional offices, is that correct?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: Mr. Chairman, I had a couple of questions that I wanted to raise, if I could, if that deals with the regional offices. Is the Minister contemplating contact with the individual producers across the province to do an on-farm survey of feed supplies to be able to get an adequate picture, and if he hasn't, can I suggest that be undertaken. I think the Minister realizes and has spoken that there is a serious feed shortage problem, whether one method might be to make on-farm contact, either personal, telephone, by letter, to notify the regional offices just to do a survey as to the hay supply, as to the pasture conditions. Because I know the situation in many areas is critical, yet it seems that farmers are likely hanging on until the last moment, and I just believe that the roof may fall in around the Minister in terms of the gravity of the situation should we not have rain. Then we will be scrambling trying to pick up feed, which we likely should be corralling now and yet we don't seem to have a real up-to-the-minute picture of the situation. The Minister says he has set up an office in Brandon and there have been some calls, but yet, Mr. Chairman, I don't believe

that the extent of the situation is known by the Minister or by the department. I can only say that, in all seriousness, we know, for instance, that the province of Saskatchewan in terms of their bulk purchasing of pellets of one sort or another is twenty times the amount that the Minister has told us — that the province of Manitoba has purchased 1,000 tons while the province of Saskatchewan has bought 20,000 tons. Is there a difference of opinion on the magnitude of the seriousness of the problem or is it that we are still not sure of the gravity of the situation? Those kinds of things I would urge the Minister to set up, if he hasn't, although he has set up the offices, to do that on-farm survey and contact the farmers just to get a first hand situation as to the extent of the problem of feed supplies, the problem of pastures, because we know there are some, for example, alfalfa fields don't look too bad, the alfalfa and the clover fields seem to be holding. If we had some rain they would likely shoot up. On the other hand you have meadow fescue and brome grass is going to seed in a very sparse way, just like native hay stands. There is that kind of problem and the Minister really hasn't said today that he has the situation in hand. I believe he is guessing in terms of knowledge as to how much feed there is, and possibly the Minister should be doing more in terms of making sure that there is going to be adequate supplies of pellets, adequate supplies of grain, if worse comes to worse, and of course his people who have gone east, who he told us today have gone to Ontario, are making sure that hay supplies are being purchased. I believe that if they have gone east they will have to, no doubt, give those producers in eastern Canada a commitment that we will take the hay and that there will be some down payment or whatever the case may be. On the other side of it, to be able to understand the problem better, that maybe he should be buying as much as he can, but he really doesn't know at this time that survey should have been conducted, and if it hasn't been conducted, get it under way and get it going in terms of having direct Department of Agriculture and province of Manitoba contact with the producers.

MR. DOWNEY: The comment I have, Mr. Chairman, is that I do, I believe, understand the gravity of the problem, because we have a large cattle population in the province. We have seen very little rainfall in some of the regions over the last two years and there have been certain limitations to the amount of feed that is produced. In a general way, and I say general, all Ag Reps have asked producers to come forward with feed supplies or those people requiring it. I guess it is a matter of again suggesting to members — if the member is recommending that a one-on-one phone call type survey take place — I don't know whether we are going to alleviate an individual's problems if he isn't in a position to indicate to us earlier of his difficulties.

The other thing is that some people may be somewhat reluctant to give you specifics of what they have on hand, and I think if it is a matter of having a farmer who has got certain supplies or reserves that he wants to keep that his business, I think that is a matter of . . . The system to date, as far as I am concerned, is working pretty well, ee are having those people who are concerned with their own

supplies have indicated. Again, I think the time of the whole situation is critical. As we develop, another week or so, we are not going to see an easier situation if it doesn't rain, and if at that particular time there could be some indication that people have feeds that don't need it, or that are in reverse that should be moving, then I think we will be in the position to encourage them to take feed supplies that we have that are available and they maybe should be taking advantage of. But a one-on-one, again I would hope that the mechanism that is in place now is satisfactory, I am pretty confident that it will be at this stage. I don't want to underestimate the problems that are developing and that is why I suggested earlier the recommendation from the member on taking a one-on-one survey, if we thought we could get a closer reading of the situation, it is worth consideration. But at this point we have requested that farmers come forward to list what they have with us, to indicate where they are at. I can't stress on them enough that it is a timing situation, and I think the farm community operate of somewhat being involved with it, as I know the members of the Committee are pretty much involved. It is a matter of not getting too large a supply of high cost feed on hand if, in fact, they were to get rain on their own farms. We see some areas last night that got 1/2 inch of rain, that would alleviate some of the problems, or in fact the immediate problems for those individuals.

Now that is, I think, the situation the farm community are in. I don't think that I could be justified in going out and encouraging any amount of individuals to stockpile large supplies at this particular time. We, as a government, I feel have a responsibility to get those supplies identified and to proceed as we are to buying them for distribution, which we are doing.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, we are dealing with the District Office Administration, and we have been discussing the seriousness, and I don't underestimate it, the matter that the Member for Lac du Bonnet, the Member for St. George, has brought about and I appreciate their comments and their questioning. But, Mr. Chairman, I know the Member for St. George is a turkey producer. I don't know what experience he has insofar as cattle production is concerned and I don't know what dialogue he has had with his constituents who are farmers in the cattle industry.

Let me say, Mr. Chairman, and I want to suggest to the committee that this is a serious matter and I fully agree with my worthy opponents from the opposition, I don't want any misunderstanding there. But let me say, Mr. Chairman, that individual farmers are watching the situation. We don't know whether it is going to rain tonight; we don't know whether we are going to get rain in the next two weeks but I am hoping, Mr. Chairman, that there is some dialogue with the Department of Agriculture and the various private seed companies who are operating a business throughout the province of Manitoba, have got a supply of, say, millet seed on hand. Millet seed is something that can be sown any time in June and it can be produced and raised as a hay crop. This is

something that many farmers, I hope, understand and realize. I speak as one from experience, that my hay crop right now, which is brome and alfalfa is practically at a standstill. The brome grass is as dry as it was last fall. There is nothing growing there. The wild hay land, where we have no rainfall, is in the same condition. So, Mr. Chairman, I am hoping that farmers are going to be able to help themselves a little bit in being able to seed, say, oats and millet as a nurse crop to provide hay for themselves and they still have that opportunity up until, we'll say, the middle of June. That's the comment, Mr. Chairman, I throw, not to discredit my worthy friends from the opposition and I agree with the comments they are making and the concerns they have. But, Mr. Chairman, we have dealt for a number of hours on this particular matter and I think that when we talk about the District Office Administration, if that is with the Ag Rep offices or whatever have you, that there is going to be some dialogue between them and the farmers of the community, the grain elevators and the seed plants that are operating, will be able to give some assistance insofar as farmers' dilemmas are concerned where they are short of hay supplies for the coming year.

We have discussed the situation right now at hand and facing us for the next two or three weeks, but it seems to be that they are talking about what is going to happen for the next winter supply. I suggest, Mr. Chairman, that I think we have dealt with this fairly and I hope, Mr. Chairman, that the Minister's office will be talking to, as I said before, grain companies who are scattered throughout the country, seed plants who are scattered throughout the country, and are ready and willing to provide the kind of service that is necessary. And because it is not usual for us to have to resort of another form of supplies of feed, namely I suggest, Mr. Chairman, that oats and millet are a good example of planting, say, in the middle of June and you can still get a hay supply for next year's supplies for your livestock.

I rather sense, Mr. Chairman, this is the sort of discussion that is going on between the Member for St. George and the Minister, Mr. Chairman, and I'm hoping that my comments will help to alleviate, and if they can make any assistance to those farmers who are in this predicament for next year's supplies of feed.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I know that the Member for Rock Lake — I can appreciate his comments, that he has confirmed what I have said so far. But, Mr. Chairman, you know, it is kind of comical from time to time when I hear members on the government side, when they are in the Assembly from time to time saying —(Interjection)— Mr. Chairman, let's set the scenario straight, because if members on this side from time to time do not comment, there is no opposition, Mr. Chairman, isn't there anybody on the opposition side that knows anything about agriculture? Mr. Chairman, when you come in and ask questions about the seriousness of the situation, we have now the Member for Rock Lake rising and saying, look, we have had enough talk, we have had enough discussion, let's go on.

Mr. Chairman, what I want to raise with the Minister, and I think he has grasped it, is I really don't want us to get into a panic situation in terms of, should the situation become more severe, that there isn't adequate information in the department for the Minister and his staff to make a decision on whether or not they should have done certain things. Now is the time, and in fact it is long past, to be able to do an adequate survey and to make sure that the knowledge is within the department as to what feed stocks are available, what is necessary to carry the herds over, what moves should be made in the event that the drought continues.

All of us are hoping, of course, Mr. Chairman, that we do get an inch or two or rain generally, as they have gotten in the province of Alberta. I think everyone is hoping that happens. But certainly the Minister should be aware, with all the facts at his disposal, so that decisions, if they must be made, can be made readily, because he knows what the facts of the situation are. That's the point of raising it.

MR. CHAIRMAN: The Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Chairman, Mr. Minister and members of the committee, I think this is the fifth drought that I have lived through. I lived through the Dirty Thirties. I understand the problems of those days; they were much different than today. I have been through other experiences in my lifetime much similar to today. I agree with most of the sentiments of the members that just spoke; we shouldn't press the panic button. We should watch very carefully and have supplies in place in case. But I want to warn the Minister and his Deputy, let's not get into the fiasco that the former Minister of Agriculture got in, where I have an Order for Return still in the House today of that last feed grow program in this province, absolutely unbelievable, feed all over the place, no accountability, no invoices, everybody picking it up everywhere.

I want to impress upon you, Mr. Minister, and your staff, make sure that you know what you are doing, that you have it under control and that we don't get into that fiasco. I tell you, it had to be bad that time, when the former Minister of Agriculture, who has never given me an Order for Return and I still haven't got it to this day and I know the reason that I couldn't get it is that it was such a terrible situation, absolutely uncontrolled and nobody knew what was going on and feed all over the place, no invoices, and everybody was picking it up and there it sat. That's why I never got my . . . Again, in this condition, let us, when we are using taxpayers' dollars, let's try and be a little more careful than we were the last time and have some accountability under programs. It is difficult; it is not easy and I don't have any quarrel with the former Minister. He got himself in trouble because the people who were picking up this feed, nobody knew who was doing anything or not. I speak for my own constituency, it was bad.

Let us, we're using taxpayers' dollars, make sure that we know what we are doing, that everything is under control as far as the expenditure of tax dollars. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, the Member for Roblin raises an interesting point. I would like to ask the Minister, can he tell us whether or not there were feed stocks left over from —(Interjection)— Well, Mr. Chairman, he took on the reign the year after the situation and the Member for Roblin is alleging that the department and the former administration somehow —(Interjection)— I would like to know, Mr. Chairman. Now we have the Member for Roblin saying, Nobody had any records. If there were no records, Mr. Chairman, how does the member make those allegations, and can they be substantiated? If they can be substantiated, let's have them on the record. I'd appreciate knowing, Mr. Chairman, the validity of the honourable member's complaints. I, for one, what have I, as an individual member, to do with the direction the department took? I was a member of the government, and I wasn't aware of that. And I would like to know, Mr. Chairman. The Member for Roblin has made certain allegations. Could the Minister of Agriculture now tell us that there was some feed stocks or payments not made or feed that disappeared under the former program because that's certainly the allegations that have been made. I would like to know because I, for one, would be interested in whether the program was mismanaged in any way.

MR. McKENZIE: Mr. Chairman, for the benefit of the Honourable Member for St. George, who was a member of the Executive Council at that time, I will go and bring him a copy of the Order for Return tomorrow. I ask him to search through all his records, and the former Minister, and show me, in any way, shape or form, that they ever provided me with that Order for Return. In fact, if you want to go farther in the debate, I'm still hedging with the Member for St. Johns. I've got a hydro bill in my briefcase and I still have it tonight. When I get that Order for Return, I will deliver that hydro bill, and this is a longstanding problem. I suspect, Mr. Chairman, the records will show that this Minister never saw those records, because I doubt if there were any there. Otherwise I would have got my Order for Return.

MR. URUSKI: Mr. Chairman, can the Minister of Agriculture tell us that there are any records missing, and if so, is he prepared to supply the information to this honourable member so he can deliver us his hydro bill? Because he is now in charge of the Department of Agriculture, and if that's what's hinging on the Member for Roblin's desire or non-desire of delivering some information that he says hinges on this Order for Return, Mr. Chairman, would the Minister comply with that Order for Return that was brought forward by a member of his own caucus, and make that information public to, not only to himself, but to all members. I'm sure the media would be interested in that Order for Return, and certainly the Minister, I believe, has an obligation to bring forward that information, absolutely. I am the first to . . . If that Order for Return has not been filled by the previous administration, then certainly it's incumbent on the Member for Roblin to ask his Minister to say, here, dig up that information, is that

information available, and get it on the record because I have made allegations and I think I'm right, because right now I'm not sure whether I'm right, but bring forward that information.

MR. McKENZIE: Mr. Chairman, again, here we have the Member for St. Johns here who knows exactly what my argument is on this Order for Return that I've never received to this day, over the hydro bill that I have in my briefcase. I hate, in the years I have been here, to have to withhold certain information which I have been asked to table, because of the fact that the former Minister of Agriculture never gave me that Order for Return, which I still don't have today in my records. It may have been passed out to some other members, but as far as I am concerned it has never been delivered to my desk.

The Member for St. Johns has stood up many times in this place, Mr. Chairman, and chided me about the fact that I am not tabling this hydro bill. I think I have a right, as a member, at least when that government promised to deliver certain information to me, they never delivered it. I still have that hydro bill in my briefcase today and I will deliver it, but still, before I deliver it, I want that Order for Return.

MR. CHAIRMAN: Maybe I could attract the committee, we are straying, a little bit, I believe from 5.(e)(1), District Office Administration.

The Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Chairman, let the record show I walked in just before this last speech by the Member for Roblin, not having the slightest idea that I would be hearing reference to me and to a longstanding objection I have to the way in which the Member for Roblin treated the Legislature and treated me. And now that he raised it, let me say that when he unconditionally promised to produce a bill which I claimed would show that he had misled the whole Legislature — and I still believe it would prove that, when he claimed his bills had doubled, and I knew, in my own heart that they hadn't — when I asked him if he would do it, he said he would. He gave his word he would; he gave no qualifications; he gave no excuse for not producing it, he just failed to do it and is continuing to fail to do it. I think it's an affront to all members of the Legislature but I consider it an affront to me. And I don't treat it lightly or gently. I think the honourable member has behaved very badly towards a fellow member of the Legislature, because he gave a pledge. And the reason I asked him to give that undertaking is that I didn't believe his statement. I still don't believe the statement he made, and the only way he can prove which one of us is right is by producing the bills.

What that has to do with some other Minister doing or not doing something that he wants is complete nonsense and is only an excuse for failing to produce that which he gave his word he would do, and to me, it's just an indication. He gave his word, unconditionally. The Member for Rock Lake says, conditionally, maybe in his own mind, but who can read his mind? Even the Member for Rock Lake, who sits beside the Member for Roblin, I'm sure, cannot read the mind of the Member for Roblin. It was an

unconditional undertaking and if you want me to go back and find Hansard, I can. But as far as I'm concerned, it was unconditional, he failed, his word is not worth expecting in the future, and I don't think I would ask him for his pledge or word in the future because of the way he failed before. So let him not hide or pose behind something else.

The fact is, if he wants some information from the Department of Agriculture, he knows very well where the department is, he sits very close to the Minister, he can get the information, and if it were the kind of damaging information he thinks it could be, then his Minister should be only too happy to provide him with it. The fact that he won't do that, I know he's accusing Sam Uskiw but that has nothing to do with the fact, Uskiw is not the Minister of Agriculture now. And if the member really wants to get information from a Minister, he gets it from the present Minister. Governments go on and files are available, and if there is information or facts available, he can get it. But he's hiding behind that, deliberately, in breaking his word to me. And I think that it's a discredit to him and to the constituency he represents. Thank you, Mr. Chairman, for giving me the opportunity.

MR. McKENZIE: Point of order, Mr. Chairman. I shall not let those words stand on the record, unless you speak; let me speak, Mr. Chairman.

MR. CHAIRMAN: Well, really, to the committee, we're really off the subject entirely.

MR. McKENZIE: Mr. Chairman, I'm on a point of order.

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

MR. McKENZIE: My integrity, my name is on the line, Mr. Chairman. Let me just put in the record, for once and for all, that this is the record of this government. He talks about my word. I put an Order for Return in for the feed program that happened in Roblin constituency. That was accepted by the Executive Council of that government. That was accepted by the Executive Council. I have never got that word to this day. Not a trace of paper of that feed program, and let not the Member for St. Johns put into the record that my word is not worthy. What's the word of that former government? They accepted that Order for Return. They accepted it in good faith. They could have turned it down, Mr. Chairman. They could have turned it down. He says, I have no qualifications, he doesn't believe my statements. My statements are in Hansard, and I still have that hydro bill in my briefcase today, and the day that I get that Order for Return . . . I know it's so dastardly, I'm never going to get it, because you never put an Order for Return in until you know the answers. I knew the answers before I put the Order in, that all these invoices and all this feed was missing. That's why I put it in.

But I tell you, Mr. Chairman, let the record show that it's the Executive Council of that government, they accepted my Order for Return and I still don't have it today. And if they want to quarrel with me over that, that I'm still holding — what other vehicle can I use to try and get that Order for Return, except

withholding a Hydro bill, and that's so small. I'm only a backbencher. I am not on the Executive Council, and let the Executive Council of that former government know that I was unhappy with their feed program. I put in an Order for Return to try and save the taxpayers of this province some money, because I knew what was going on, and I never got the Order for Return to this day. Now the Member for St. Johns says I shouldn't have done it.

MR. CHAIRMAN: The Member for St. George.

MR. McKENZIE: I'm going home.

MR. URUSKI: Mr. Chairman, I hope the Member for Roblin doesn't go home, because I believe his Minister has the duty, on behalf of the administration in charge of the Department of Agriculture, that that information be provided. I don't think the remarks of the Member for Roblin should be left unchallenged and the Minister, I believe, has the duty to provide that information. If that Order for Return has not been filled, then that information should be provided to the member, or to any Member of the Legislature, on that program, because the remarks, if there has been some undue untoward activities with respect to his allegations, they should be brought out, Mr. Chairman, and I, for one, stand behind the Member for Roblin if he says that information wasn't provided to him.

But certainly to go on and make what one could consider political hay and not want the answer, because that really seems to be the avenue of debate in this committee is that, Well, you know, I asked you a question and you didn't bring me an answer and now I really know what the answer is but since you don't want to give it to me, I can tell you that you did a lot of shenanigans, because that's really the tenure of debate that has come about in this committee. I think it is incumbent on the present Minister of Agriculture to get that information on the record that was suggested and put it on the record because it should not be left that the Member for Roblin still can't get information from even your administration, from his own administration, about whether there were some misdoings or wrongs created by a feed program.

I would hope that his comments, Mr. Chairman, do not influence the Minister in terms of looking at the severity of the situation in the province of Manitoba, and the comments of the Member for Roblin do not prevent the Minister from doing the analysis that I have suggested that he do, so that he can make an adequate assessment as to what kinds of feeds should be purchased and should be stocked up in the event that the situation worsens.

MR. CHAIRMAN: 5.(e)(1)—pass; 5.(e)(2)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 5,088,600 for Agriculture—pass.

Resolution 11, 6.(a)(1)—pass — the Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Could the Minister give us an overview of the branch in terms of the marketing branch and the staff complement, as he has done in others, for the whole division.

MR. DOWNEY: Mr. Chairman, there is an increase of two staff man years in that part of the department in the area of Agriculture Marketing and Development Division. The increased staff are market analysts.

The major thrust of the department, Mr. Chairman, is to further support, as I mentioned in my opening comments, to support the market development of agricultural products produced in the province. It is one of our major areas that we feel, that have been identified, that we can encourage and work to develop. I think there has been certainly a lot of discussion over the past few months on the transporting of grain out of the country, organizations such as the Canadian Wheat Board identifying markets that have been available to them and the need for more rolling stock to provide the grain producers with more capacity to meet the markets that have been identified by the Canadian Wheat Board. We feel very strongly that this whole development of marketing has to take place within the total agriculture community, that not only is it the responsibility of the department to support the private sector to develop new markets but is a matter of working with the farm community and making sure that we are working co-operatively with them, and that is done mainly through the Producer Marketing Boards that are in place.

We want to make sure that we are fully supportive of them, particularly when it comes to other markets that are identified in Canada and international markets. As I have indicated before, there has been a lot of work done with breeding stock market development in Mexico. There is a lot of work being done as far as development of their agricultural industry. They have moneys available and they are very desirous of working with Manitoba producers to use Manitoba livestock in their breeding programs, particularly hogs. They are very satisfied and have received a lot of hogs from Manitoba. In fact, at this particular time, there is a selection group in Manitoba, from Mexico, buying an additional 100 boars at this particular time to take south to Mexico. That's one of the areas that a lot of work has been done.

Another area of market development has been to market poultry products to Japan, the products that we produce in Manitoba, and have been supported by the department as far as the market development is concerned, referred to as Cold Country Product, and there has been a lot of work done there. The product is very acceptable to the Japanese and we feel it is the responsibility of government to further create an environment of support for those producer marketing boards, plus other areas that we believe it's important to continue to develop, and that's the buckwheat market which the Japanese have been big buyers of. They have taken the majority of the buckwheat that we have grown in the province. It is very acceptable to them and we, of course, want to continue to supply that market, or have the farmers of the province supply that market, and will do everything we can to continue that kind of trade relationship.

I think it is also important to note that in the majority of cases, I think that the farm community, when it comes to providing for both Canadian and international markets, that they are truly interested in

it. I think it is a matter of getting a true and better understanding of what is available to them, that they as producers should truly understand the kind of market conditions that they are producing for and that it is somewhat a responsibility of government to put a mechanism in place, or to work as the vehicle, to support the exporting companies, to introduce the purchaser of products to Manitoba products, through an organized system, and also to introduce Manitoba producers to the potential customers when it comes to producing goods for them.

I use the example of the Canadian Grains Institute, which has done a remarkable job in introducing Canadian grains to potential customers. I like the concept and I think we certainly want to enlarge on those principles, that we can and we should develop a relationship between, as I said, the producers, the buyers, and the agricultural industry, in demonstrating to those potential customers, or customers of ours, how they can better use the products that are produced here in Manitoba. It is just not a matter of dumping product at their particular port of entry and saying we've sold to a certain country, but it's a matter of making sure that they are satisfied customers.

I think that is a key and, of course, a good example again of that is the buckwheat business. The buckwheat that it produced in Manitoba is very acceptable to the Japanese market and we want to continue to expand and see that that takes place.

MR. URUSKI: Thank you, Mr. Chairman. Could the Minister elaborate a bit more on, for example he has indicated . . . And I'll go through some of the development work, the specific product marketing that the branch has undertaken. For example, the poultry to Japan, to what extent has the department been able to expand the markets and what has been the situation, say, the last couple of years and how is it moving along into the Japanese market? How are the orders handled? Are they handled through the processors? What mechanism is used and how successful has the branch been with respect to the marketing of, I presume, both chickens and turkeys into the Japanese market? What kind of involvement and exports have there been there?

MR. DOWNEY: First of all, Mr. Chairman, to be specific on the times, particularly in the poultry industry, our first shipments went to Japan in 1978 on a trial basis, supported by staff members from the department, with the Producer's Marketing Board, and in co-operation with some of the processors, that the actual involvement as far as the department was supportive to the two other people involved. It was met with some success. Again in 1979, there was an increase in numbers of containers shipped, basically on the same basis, that the retailers in Japan purchased the product from the processors in the province of Manitoba and the processors, in conjunction with the producers, provided a certain product for that particular market.

I think one of the key items that we have to sell, or one of the key components of the whole trade with Japan, is the quality which we are producing here in Manitoba. The acceptability of the product is somewhat better than what they have been receiving from other areas. There is a good relationship. Of

course, it's a matter of dollars and cents as far as they are concerned, what they can sell it to their consumers at. At this particular point, they have been able to sell Manitoba product for somewhat more money than they have been able to get from their traditional supplies, better well on the quality of the product.

Now, it was on a trial basis. I think it was all the producers, the Producer's Board, the processors dealing with the people who were buying at the retail level, and it appeared to me to be a pretty acceptable way to go as far as the province was concerned, and in support of it. At least all indications were to me, from the Japanese traders, that this was an acceptable way, and the producers indicated the same kind of satisfaction. I guess it's a matter of working on, again, the price differentials and the quality, and they know what we have available. It was started on a trial basis and, at this particular time, I don't know whether there is any more prepared to go, but they are still in a negotiating stage on a continuing basis, offering that product to them.

I don't think, if I have the correct information, that there weren't any particular companies who were buyers of our poultry products prepared to enter into a long-term contract, but we are giving it a trial and it is to be hoped that that will continue to expand.

MR. URUSKI: Mr. Chairman, the Minister indicated that there was an initial shipment in 1978, a first trial basis, and then another shipment in 1979. Has this continued on? Could he tell us how much product was sold? Is there an estimate of how much product was sold — in the poultry, I'm speaking about — to Japan in 1979, and what is expected for 1980?

MR. DOWNEY: An approximate figure, Mr. Chairman, the initial sale was in the neighbourhood of 185,000 of poultry products.

MR. URUSKI: That's 1978?

MR. DOWNEY: In 1978. In 1979, it went to 330,000 of a sale to Japan. Now, we are into 1980 and it is to be hoped that that will increase. I know the Producer Board and the processors are trying to continue to work aggressively to see that that increases. I think it is a good start into a market that has tremendous potential.

MR. URUSKI: Mr. Chairman, with respect to the crop of buckwheat to Japan. I gather that has been going on for — how many years has it been since the contracting? Are there any long-term contracts between producers and millers of buckwheat in Japan or is it primarily between grain buyers in Manitoba or in Canada through the grain trade? How are the contracts and the sales made in cases of export buckwheat, Mr. Chairman?

MR. DOWNEY: Basically, Mr. Chairman, there appears to be a market for all the buckwheat that is grown. Last year, of course, the buckwheat crop in Manitoba ran into some difficulty with an early frost and caused some concern to the importers and the exporters of buckwheat. The majority of it is handled through the private trade, but working in conjunction

with some of the farm organizations, or the farmers who are involved. To be more specific we, as a government, aren't selling it, but we are certainly supporting those people who are in the business, and I know that it appears to be again getting information from the people who are buying the buckwheat, that they have been satisfied with the quality, they have got a good relationship with the Canada Grain Commission and their quality is acceptable and I have had, I would say, a good report from the buyers and the growers of buckwheat are also satisfied. It appears that the balance between buyers and sellers is being looked after and, of course, I am sure they would like to see more buckwheat grown in Manitoba, because it is a matter of the more we would have the more they would have, but again it is a matter of making sure that we can supply what they require.

MR. URUSKI: Mr. Chairman, the Minister didn't answer whether there were any long-term contracts entered into between producers and the trade in terms of growing a certain amount of acreage for the market conditions. Is that the case at all in terms of providing long-term stability in terms of supply?

MR. DOWNEY: Mr. Chairman, I can indicate to the members, to the best of the knowledge that I have within the department, is that they are contracting it on a year-to-year basis with the private trade, and then the private trade in turn contracted with the producers of buckwheat and it is basically meeting the needs. They haven't seen fit to enter into any long-term contracts.

MR. URUSKI: Mr. Chairman, the Minister travelled, I believe, to Mexico within the last year or so with respect to the hog situation and other export products, indicated that there is presently a delegation in Manitoba looking or purchasing, I think he said, 100 sows . . .

MR. DOWNEY: Boar pigs.

MR. URUSKI: . . . boars for the Mexican Breeding Program. To what extent is the exchange or the sales of hogs and cattle going on to Mexico? Is that a continuous program and to what extent has it grown over the last couple of years?

MR. DOWNEY: Yes, it is a continuing program, Mr. Chairman, and it is growing particularly in the hog industry. Also, there is a good demand for dairy breeding stock, which, of course, there are very limited supplies available in Canada really to supply them. So that is basically the area, plus in the beef breeding business there is a continuing expansion of demand for beef bulls from this country.

MR. URUSKI: Has the Minister got any estimate of sales or volume or numbers of livestock purchases that have been made in and out of Manitoba since his trip to that country? Has there been any significant increase as a result of his further cultivation of the markets that are down there?

MR. DOWNEY: Yes, Mr. Chairman, the numbers of sales since that particular time, and these are

approximate figures, approximately just under 200,000 in beef breeding stock. In the dairy industry there have been something like approximately 60,000 in Jersey cattle in breeding stock and approximately just under 200,000 in swine exports to Mexico since that particular time.

MR. URUSKI: Mr. Chairman, the Minister also commented on special crops in terms of development of vegetable crops and the like for export. Has there been any market development in this area?

MR. DOWNEY: Yes, Mr. Chairman, there has been work done with the vegetable industry, particularly on the promotion of Manitoba food products, not only in the vegetables, but in all other agricultural products produced in Manitoba. The Marketing Branch of the Department have been fairly extensively involved in product promotion days with vegetables produced in Manitoba in a fairly extensive way, both in Manitoba and also extending and trying to expand the markets into Minneapolis; plus at this particular time we find - and this has been first-hand information that I have obtained from the vegetable producers on visits out to particularly the Portage area - where in fact there is a tremendous demand for a lot of our vegetable goods into Saskatchewan and Alberta. We find that with the amounts that we are growing and the type of quality that we are growing in Manitoba, that they are finding their way into Minneapolis and they are very popular and are moving west somewhat.

I think there is a tremendous opportunity for vegetable market expansion, but again it is one of the areas that is very labour-intensive, as the members of the Committee are aware, which is good and it is a matter of trying to continue to assure the producers that they are going to have the availability of workers to support them. I think that is working out very well and I hope that we are able to continue to expand the vegetable industry, particularly on those soils that have been identified as good areas of good production in vegetables, because there are limitations when it comes to the - feeding. So basically those are the comments, Mr. Chairman. In all areas that we can develop, we are.

MR. URUSKI: Mr. Chairman, the Minister talked about the development of sales of crops of oil seeds, if he didn't it was in the Annual Report with respect to sales to other countries, Great Britain, Scandinavia, Netherlands, and Latin America, Cuba. Could the Minister indicate what those investigations resulted in in terms of sales for livestock feeding trials, such as in Cuba, for example?

MR. DOWNEY: Mr. Chairman, I missed the point the member is making. If I heard him correctly, he is suggesting that there has been work done in South America in livestock trials or . . . I would ask him where he is referring to, what report he is . . . ?

MR. URUSKI: I may as well read right from his Annual Report, Mr. Chairman.

MR. DOWNEY: I know that, but I would like to know in more specifics what he is referring to, because . . .

MR. URUSKI: Mr. Chairman, I quote from the Annual Report of the Department of Agriculture, 1978-79, Sales promotion activity was carried out in cooperation with the Alberta and Saskatchewan Governments and the Rapeseed Association of Canada in Scandinavia, Great Britain and the Netherlands. Investigations of the sale of rapeseed meal for livestock feeding trials in Cuba were also made. Groups from Hungary, France and South Korea also expressed interest in rapeseed purchases.

Mr. Chairman, I would like an elaboration of what results came about as a result of this endeavour by the department. Seemingly there was some work done on market development and the Minister could give us an update on it.

MR. DOWNEY: Mr. Chairman, the work that has been undertaken has basically been targeted at introducing rapeseed meal to add to rations that have traditionally used soybean meal in that type of work. We worked in conjunction with the Canola Producers Association to support the kind of work that we feel is important to expand the demand for canola meal, particularly when we have one of the major crushers of meal in the province, CSP being at Altona, and we feel it is important that the province participate in those kinds of activities to support the expansion of the products that are produced there, and this is basically it. I think that we also have to be aware of, in looking at the South American countries particularly, there is an expanding demand for a lot of the grains and oilseeds that are growing in this country. Some several years ago, if the members remember, I think it was Chile where there was a major trade mission went to and found they were received very well. In fact, quite a lot of training has taken place with the Canadian Wheat Board, in particular, since those kinds of trips. This is the kind of thinking that is behind introducing and working on feed trials to demonstrate to the producers of livestock in South America that we do have a product here comparable to or as good as soybean meal in their feed additives.

As far as any direct purchases from those trials, I can't indicate that there have been any take place to my knowledge at this particular time, but it is a . . .

MR. URUSKI: Thank you, Mr. Chairman. I wasn't being critical of the Minister in terms of the endeavours. What I really wanted to know, as well as the thrust the government has in terms of following up these potential markets, is there a thinking behind the government in terms of cooperating with other provinces in possibly setting up satellite trade offices in the countries where, if a proper analysis is done in terms of the developing countries, whether some future potential markets can be harnessed by maybe putting the three prairie provinces, using a common office, in some of the countries, like Mexico, from where we import a substantial amount of our oil products now, it may be worth our while in the long term to join together with our neighbouring provinces and set up a continuous dialogue through a trade

office in that country. Is there some thinking along these lines?

MR. DOWNEY: First of all, Mr. Chairman, the Department of Economic Development have set up a trade office in Mexico which the Department of Agriculture have available to them to work with, so that the government efforts can be supported in many areas, and that is the office that we will mainly be working through in conjunction with the Federal Government. I think the senior government have a fairly important role to play too when it comes to dealing in other countries, and I know that some efforts have been put forward by the Federal Minister in market development, that there should be more agriculture people represented with Industry, Trade and Commerce in countries that sell Canadian products. I think that is one of the area that there is room to expand and I think the more that we can work with, either the other provinces or the Federal Government, so that we are selling Canadian products, then it is to our best advantage as a partner in the production of agricultural goods.

MR. DEPUTY CHAIRMAN, Henry J. Einerson (Rock Lake): 6.(a) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would like to ask the Minister whether he can quantify for us the sort of costs of this thrust. I have to, first of all, remind the Minister that this was developed during our term of government, and at that time there were certain perceptions about where we would be heading with respect to market development, whether the Minister would like to indicate to us whether we've done some analyses to determine the cost benefits in terms of this particular area. Really I guess I'm dealing with the marketing branch efforts of this section. I don't have to deal with it now, but it's here nor there as far as I'm concerned. Has the Minister been able to sort of tabulate the benefits of that program? Certainly it's a program that ought to be reviewed, from time to time, to ascertain whether we're just repeating ourselves year after year without achieving very much, or whether in fact we are making some inroads that are meaningful to the province's economy, certainly to agriculture in Manitoba.

MR. DOWNEY: I replied earlier, Mr. Chairman, specifically under which this falls, and I agree with him, I think it's an area where it should be continually assessed, because if it's just a matter of driving up and down the same road looking for the same old customer, that's No. 1, you want to make sure you look after him, but No. 2, the second objective should be to expand the markets and I think that we have a responsibility in the two areas, and I spoke to it briefly. The poultry industry, we've indicated that there has been substantive sales made, something in the neighbourhood of 185,000 in 1978 to Japan; in 1979, 330,000 worth of products sold to Japan, which are new markets that truly indicate new ground being broken and positive results.

Again, I think we have, as I indicated, to look after some of our old customers but try and develop in those areas if we can. And I think one of the ways

we can do it, and I go back to using the type of program that we see the grain industry using, and that's the market development institute, which has provided some knowledge to those potential customers on what we have available on that and with addition to product, supplying them with some technology on product use. And I can agree with the member that not to keep re-assessing it and seeing if you're doing something new, and the cost benefits have to be there, or it's an exercise in futility, really. But I think with the poultry products, we've indicated with some of the new areas of livestock that have been opened up, and the potential of going into other areas of South America, plus we have to remember that in a lot of cases the government have to assure those people in the private sector, who are dealing customer to customer, that the government are supportive and we have a liaison on a government to government basis. So to quantify the benefits in dollars and cents there, it's very difficult. I think it's a matter of good public relations that Canada and the provinces have people to help support those individuals in trade relations.

MR. USKIW: Mr. Chairman, I would not want to advocate that this particular arm of government or of the department should diminish. It probably might be altered from time to time, but I think it's probably an important part of the department's operation. I think it's fair, though, to point out that perhaps some of its role should work in tandem with the other provinces, and I'm making reference now, specifically, to dealings with Japanese companies, who tend to, and I don't blame them for it, play off, sort of, one province against another on given commodities. It seems to me that there is a lot of logic and common sense in the idea of the three prairie provinces, with respect to grains, or special crops, rather, working together in trying to meet these market demands in that market, in the Japanese market, or any market, for that matter.

I don't think it's wise to try to bid against one another interprovincially in western Canada with respect to these special crops. I mean, if you look at pork exports, as an example, I really believe that Canada as a whole should be involved on that one, that it's nonsense to have eastern Canada competing against western Canada, and vice versa, for the same market, because what are we doing? We are simply undermining the producers of one region versus the other, and it doesn't really bring in more revenue to the economy of Canada, so this is a very large role that I think could be developed by your marketing and development division, Mr. Minister, so that there is much more synchronization of effort across Canada with respect to different commodities.

Now, in that connection, I would like to ask the Minister whether or not anything has evolved to date, or may evolve, in his expectations, from Export Canada West, whether that is still a dormant creature or whether it is starting to make some moves in a direction that would be beneficial to the pork producers of the prairies at least, because we do have, I believe, it's either two or three provinces in that agreement. I can't remember any more, Mr. Chairman, but anyway, I think the idea was good. It hasn't developed to my knowledge, but I wonder

whether the Minister has looked at it and whether there is some possibility of doing something with Export Canada West?

MR. DOWNEY: Mr. Chairman, it should be me asking the questions of the Member for Lac du Bonnet . . .

MR. USKIW: No, you're the Minister. You were supposed to improve on what we started.

MR. DOWNEY: . . . on Export Canada West, and in fact it wasn't until we had a review of the hog industry that it was really brought to surface what was put in place by the last government, in, I believe it was 1973, and never activated upon, the province of Saskatchewan and the province of Manitoba being participants, shareholders, with one member of the department as a shareholder for the corporation, which I think is somewhat not a traditional type of a move, I wouldn't think. Now, we're assessing where we're at with that, we've met with the Saskatchewan government and the Alberta government and discussed the whole issue, because there were new Ministers in those particular portfolios. They weren't familiar with what was in place either, and didn't know what kind of a grandiose scheme had been set up by their predecessors to get into the hog business.

Now, we're still in the process of trying to track down what kind of socialist kind of a program was to be put in place to take over the hog industry totally. But again, the producers board have approached me; I've indicated to them that we would meet with the other provinces because it was put together by Ministers. We still haven't resolved, and it has been indicated by the producer board, if they want to proceed on an agreement, that they could probably do so.

Again, I would only respond to the member and say it's under review as far as the Ministers are concerned. There hasn't been a decision made on whether it will continue or be activated or dissolved, but I would first of all have to re-identify or see what purpose it could be, what the initial objective was, and I haven't been able to uncover that. As as I say, the Member for Lac du Bonnet might be able to inform the committee, but I would suggest that it might have been the intention to work co-operatively to enter into foreign markets would be, I guess, supported by the governments on a trading basis.

MR. DEPUTY CHAIRMAN, Henry Einarson (Rock Lake): 6(a)(1)—pass — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, for the benefit of our Minister, I would have thought that staff may have been able to bring him up-to-date on that, perhaps not. The fact is that it was a corporation established for the purpose of increasing the bargaining power of prairie pork producers, (a) within the prairie region, within the prairie market, or within the Canadian market, but (b) with respect to co-ordinating our efforts, with respect to foreign markets, and where we were hopeful that at some point we would get to the stage where we would not be competing with each other for offshore markets.

So that in essence, I think the idea was good. It was set up, but never used. We did involve both the marketing board of Manitoba at that time, the pork producers marketing board, and the Saskatchewan Commission in on those discussions that resulted in the formation of that corporation. I think there's a lot of potential in that arrangement if it's exploited, Mr. Chairman, and I would simply suggest to the Minister that he take a look at it and he indicates he has discussed it briefly with his counterpart in Saskatchewan; but that much could be achieved, I think, if they pursue that one, in terms of realizing a better return for their pork producers in Saskatchewan and Manitoba.

MR. DEPUTY CHAIRMAN: 6.(a)(1)—pass; 6.(a)(2)—pass; 6.(b)(1)—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, before we go on, the Minister was to give us the SMYs for the whole division. And I don't believe he recorded that, Mr. Chairman.

MR. DOWNEY: Thirty-three, Mr. Chairman.

MR. URUSKI: That's for the entire Resolution 6?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: Is there any change in 1980?

MR. DOWNEY: Yes, Mr. Chairman, it's an increase of two. And I believe I said earlier, it was two market analysts.

MR. URUSKI: Are any of those positions still vacant?

MR. DOWNEY: Mr. Chairman, I'm sure the member is aware they are vacant because we haven't approved them yet.

MR. URUSKI: I'm not referring to the two that he speaks about, Mr. Chairman; any of those 31 that are there that are permanent, are any of those positions vacant?

MR. DOWNEY: One, Mr. Chairman.

MR. URUSKI: Would the Minister care to indicate what position that is?

MR. DOWNEY: A food marketing officer, Mr. Chairman.

MR. DEPUTY CHAIRMAN: (b)(2)—pass; (c)(1)—pass; (c)(2) — the Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister indicate the government's position with respect to, there's a conference going to be held next week, I believe, Mr. Chairman, on grain transportation in Vancouver, could the Minister indicate what the government hopes to achieve at this conference, the nature of the conference and the government's position thus far, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, I'll just take a few minutes to briefly outline basically what all is

involved. First of all, I referred to it earlier as one of the things that had taken place, or one of the major developments as far as the Canadian grain industry, started right here in this office in January of 1978 when the Premier of the province, Sterling Lyon, called all the participants together to discuss the problems that the industry were having in the movement of grain to markets that had been identified by the Canadian Wheat Board or by the private trade; that it seemed that one of our major problems at that particular time was a lack of rolling stock, was a lack of port facilities to move the grain; that it appeared there was a total breakdown in communications between the participants in the industry and was called by the Premier because of the urgency and his concern for the cash flow that had to be injected into the farm community, which in return would, and did, influence the total economy of Canada. That was identified at the First Minister's conference in November, I believe it was in Ottawa, where the Prime Minister and the ten Premiers indicated that was the major thing that could be done. The Premier picked it up and there was a tremendous response. In fact, one of the major outcomes at that meeting was the decision by the consortium and the provincial government of Alberta to provide funds and the co-operation between the two railroads to agree to service the port of Prince Rupert if, in fact, the facility was built. That commitment came from all participants at that particular meeting.

Subsequent to that, Mr. Chairman, we kept meeting, it was a continuation of meetings between the federal government, the provinces, on the issue of grain handling and transportation, we had a series of meeting. At that particular time, that subject was carried to the Western Premiers Conference in Prince George, and again, the position of discussing the whole statutory rate issue, that in fact the benefits had to be retained for western farmers. A follow-up to that meeting was again here in Winnipeg in the first part of July to discuss and to come up with certain recommendations; followed by a meeting the end of July in Ottawa with the federal Minister of Transportation, Don Mazankowski, who had moved in a lot of areas to implement more rolling stock, rehabilitate boxcars, lease hopper cars. Some of the other provinces, Saskatchewan and Alberta, had indicated that they were prepared to purchase hopper cars. We had indicated we were prepared, and made the decision in the fall, to lease cars to alleviate some of the shortfall in rolling stock. Again, I was continuing on as chairman of that committee of provinces to discuss, on an ongoing basis, and to work in an objective way to resolve some of the problems that were within the political arena on grain handling and transportation, of which the whole issue was being discussed.

Again, one of the subjects at the Western Premiers Conference at Lethbridge, again putting pressure on the new federal government to continue on with their commitment, or the commitment that had been put in place by the last government in Ottawa, to provide the infrastructure cost for Prince Rupert. Coming out of each of these meetings — I want to highlight this in my discussion here tonight — one of the main things that kept emanating from the Premiers and from all the meetings of Ministers, was the support

for the Port of Churchill. That, in fact, was one of the main items, that we wanted to see the continued use and expansion of Churchill, which I think has and will continue to play a role in the development; plus the concerted effort in the continued development and expanded use of Thunder Bay which, as far as Manitoba is concerned, is out main port to the east, of course, to move the majority of our grains.

Also emanating from the continuation of meetings and task force reports was the introduction and implementation of a Grain Transportation Co-ordinator in the person of Dr. Hugh Horner, who has most of all, I would say, provided leadership to the grain industry, to the transportation industry, and to the grain trade, something which I think had to take place and in fact has taken place.

The last meeting that was held between the provinces, between Saskatchewan, Alberta and British Columbia, was held to further update and prior to that particular meeting, one of the things that had happened, which was very unfortunate but it is a fact of life, that the federal government changed once again back to a Liberal Party with new Ministers again introduced to the different portfolios. It was the decision of the provincial Ministers of Agriculture and Grain Transportation at that time to meet with the federal Minister to get an update on their position as a new government on the specifics of the different items that we had been talking about — Churchill. Then following from the Lethbridge meeting, a directive for the Ministers to carry on with the meetings with the different provinces. Again, I proceeded to organize, to manage, to try and get this accomplished, and in fact have been successful, I would say. We have met several times in Winnipeg. I think it is pretty important that we meet as a group to, once again as provinces, get the input from the new federal government. We haven't had an opportunity to sit around the table and I think that our particular position hasn't changed in any major way as far as any of the things that we have discussed prior to the change of government federally. We are going to the meeting to get input from all the provinces and an update from the new federal government, to see what their position is as it relates to Churchill.

Again, we have heard some public press announcements from the federal government on their position on Rupert and it seems favorable. There will be points on the statutory rate that will be discussed, and to get an update on their position.

So basically, that's an overall view of what has happened, it is a continuation of meetings. Really, there aren't any changes in position, it's just a matter of getting an update from the federal government who, by the way, have the responsibility to deal with national transportation policies. But we felt, as provinces, there were a lot of things that could be improved and we had the opportunity to have input. We are sitting around with money invested now, as participants, and I think it is our responsibility to again meet with the federal Minister who is now responsible, the new federal Minister, to give us a complete update on what their policies are on transportation and grain handling.

MR. URUSKI: Mr. Chairman, I thank the Minister for the update that he has given us. In his remarks

he spoke about commitments made by the former previous federal government, the short-lived federal government, with respect to grain transportation and the issue of rail line abandonment, Mr. Chairman. There was a commitment made, I believe, right in this room, at least by the press releases that were issued, to the effect that anywhere that grain companies wished to maintain service, provide service to farmers, that the federal government's commitment would be to retain service to those communities. If the Minister recalls, the Hall Commission recommended for the Interlake, on the CNR line, the Hodgson Subdivision, or the Inwood Sub, as it is called, the closure of that line and the elevators at Fisher Branch and Broad Valley would be maintained an off-line elevators.

Mr. Chairman, there was no decision made with respect to whether or not trains would continue or whether trucks would roll, and during the campaign in February there was an announcement made that the Fisher Branch elevator would continue for a period of five years. Mr. Chairman, the Manitoba Pool, who are the owners and operators of the facilities at Broad Valley and Fisher Branch, had committed themselves to new facilities in the community of Fisher Branch, in order that they could provide farmers of that area through-put facilities and new facilities, improved facilities, so that the grains that were in that area could be handled efficiently through that elevator.

However, when the announcement was made that the commitment was only for a period of five years, Mr. Chairman, no doubt the decision — we can all guess what the decision of Manitoba Pool was. They could not see themselves spending upwards of half a million dollars in renovating and upgrading the facilities at Fisher Branch because there was no guarantee of service beyond a five-year point.

The Minister indicated, in press releases that he made on behalf of the federal Minister and members of the group — I can go downstairs and bring that press release — of the commitment that was made by the federal government that service would be provided to communities where grain companies wish to provide services. Mr. Chairman, in this case, the grain company was willing and prepared to expand and renovate the facilities in the community, and yet we have a virtual abandonment of that position by the government and we have not heard anything from the provincial government whether they have gone after the federal government to live up to their commitment of providing those facilities, or will the situation in the Interlake, particularly in the community of Fisher Branch, be left to die a natural death and the farmers of that area and north and west of that community will have to haul a distance of 60 miles or more to the nearest elevator in Arborg, Mr. Chairman. Can the Minister explain that situation.

MR. DOWNEY: Mr. Chairman, let me put the member straight. At no time did I put out any press release on behalf of the federal government. Any press release that would go out would be going out, in conjunction maybe, with the federal government but I've never put out a press release, and have the record show that I have never put one out on behalf

of the federal government. It is truly the federal government's responsibility to speak for itself.

In speaking to the Fisher Branch line that the member refers to, if I remember correctly, the commitment from the Conservative Government was that it would be operated for a five-year period, on a trial basis, as an off-line elevator. Now, I think that's what the commitment was. Again, another reason to meet with the federal Minister at this particular time, to get it clear what the new federal government is prepared to do. —(Interjection)— Well, the member says he'll get the press release. Our commitment was to support the continued use of the elevator, but not necessarily to say that if it didn't work as an off-line elevator, or if something went wrong, we couldn't commit what is a federal responsibility.

I would indicate anything that was probably said, or came out of a meeting, that we supported what was taking place by the federal government, but not speaking on behalf of the federal government.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the Minister is going to be attending the federal-provincial conference some time in July. Is the Minister in a position to indicate whether or not grain transportation is going to be an item on the agenda and, if it is an item on the agenda, whether he can indicate what Manitoba's position is going to be on that question?

MR. DOWNEY: I don't know, it's a pretty broad statement to say is grain transportation going to be an item on the federal Minister's agenda. Last year it was an item that was discussed and supported by all 10 provinces that were participants, and the federal government, that continued work had to be put in place and continued on an ongoing basis to improve the system.

I would have to say, at this particular time, that I am sure that there will be a review of the items that were discussed last year, briefly. I think it will be a matter of updating, but as far as a position, we can state basically that it will be a progress report, plus I think it is part of our responsibility to discuss with the federal government such things as transportation that affect the agricultural industry, particularly when we see the province of Manitoba who have leased cars; we see the province of Saskatchewan who have bought cars; the province of Alberta who have bought cars, the commitments by those provinces to help with the total transportation system, that it will be one of the items.

Now, to specifically state what our position will be, I would ask if he could further clarify what particular item he is talking about.

MR. USKIW: Mr. Chairman, the Minister has touched on it. We have the anomaly — well, it's certainly unusual and not expected — that provinces should be involved in the ownership of rolling stock, which is the proper function of the railways, just because the railways are not carrying out their responsibilities. I just can't understand why it is that the 10 provincial governments and the federal government are not in a position to indicate to the railways that they have to meet their obligations with respect to transportation needs of the people of

Canada, because after all, the two railway companies enjoy a monopoly on all rail transport in Canada. They enjoy a tremendous amount of subsidy of one sort or another on various programs of the federal government, and it seems to me that they have not carried out their responsibilities either in moral terms or in legal terms. They have statutory obligations that they have not lived up to now for a couple of decades and certainly in the last decade it has become very revealing that they have totally neglected to meet the obligations under the statutory rates, in terms of hauling grain. It may be that they would like to improve their returns in terms of grain transportation, but the fact is that we do have a statute in terms of Canadian law that requires that they haul the grain at certain rates. Therefore, until that is changed, to do otherwise is tantamount to strike action. Well, it is strike action; it is strike action on the part of the CPR and the CNR, in an effort to convince government to remove or, in fact, enhance their returns under the statutory rates.

It seems to me that the province of Manitoba has to have a position on that. How long are we going to continue to let the railways off the hook in their responsibilities, while it is costing the taxpayers of this province and of this country millions of dollars in the provision of rolling stock. Whether it be leased or whether it be owned, it is a burden that has been passed on to taxpayers, Mr. Chairman. I don't know why Manitoba taxpayers should pay one penny towards the cost of hauling Manitoba grain. I can't understand the logic of that whatever, given the fact that there are statutory provisions to cover that aspect.

I would like to know what the Minister's position is going to be, or is for that matter. I really don't know what the Minister's position is with respect to requiring the railways to do what they are supposed to do under present law.

MR. DOWNEY: Very briefly, Mr. Chairman, I agree with the member; I believe the railroads, it is their responsibility to provide the equipment and the material for the movement of product in this country, that is number one.

Number two, there appeared at the federal level to be an inability to make that happen. I cannot be responsible for the inability of a federal government to enforce the laws of this country. The question, as far as that is concerned, is really I can't do anything about it under the estimates that we are debating here tonight. That is, of course, Mr. Chairman, one of the reasons that we went in on a short-term lease basis, was that we did not feel that it was the responsibility of the Manitoba taxpayer to enter into a long-term commitment to provide funds, where it is in fact the responsibility of the railroads or the federal government if they are unable to force the railroads to do it.

I don't have any problem agreeing with the member that it isn't the province's responsibility. However, we saw a co-operative action taken by the provinces and by the federal government, and it is in that spirit that we went in on a short-term basis to help what was truly identified as an immediate problem, to increase cash flows within the agricultural community. He is not getting a major

debate, as far as I am concerned, on whose responsibility it is.

MR. USKIW: Mr. Chairman, what the Minister is indicating is that two different governments at the federal level have not been able to meet the railways eyeball to eyeball on this issue.

MR. DOWNEY: It should be the socialists.

MR. USKIW: Yes, I think he is right, it maybe should be the socialists, because I think they would.

Mr. Chairman, one of the railway companies is owned by the people of Canada and certainly the people of Manitoba are playing a part there and it seems to me that any Minister of the Crown worth his salt in the Ministry of Transport should be able to spell out some certain expectations on the part of the government of a publicly owned railways. Mr. Chairman, the Liberal Government and the Conservative Government have shied away from that option.

MR. DOWNEY: You didn't give the Conservatives long enough; they were just getting into gear.

MR. USKIW: Didn't give the Conservatives long enough. Mr. Chairman, they had too long.

MR. DOWNEY: Six months.

MR. USKIW: Six months was a disaster, Mr. Chairman, but that is an opinion and I appreciate that it is mine.

MR. DOWNEY: So do we.

MR. USKIW: I don't mind admitting that I helped shorten it.

MR. DOWNEY: You should be ashamed of yourself.

MR. USKIW: Mr. Chairman, the fact of the matter is we had the Conservative Government under John Diefenbaker's leadership for a period of years, but this issue was not dealt with. We had the Liberal Government for many many more years in power, and they will not use the instrumentality of a Crown corporation to bring this issue to a head.

MR. DOWNEY: We got a Crown corporation.

MR. USKIW: Mr. Chairman, the CNR is owned by the people of Canada and it can be directed by the government of Canada, from time to time, with respect to its obligations under statutory law. There is no question about that. All it would take is a directive from the Minister of Transport that would indicate to the President of the CNR that he would expect that they would live up to the spirit and the letter of the law, which requires them to haul grain at certain rates.

If that were done with respect to the CNR, then, of course, it follows from that that the CPR would be expected to do the same thing. But I would hazard a guess that because of the lobby from the CPR, lobbying with the various governments from time to time, that the CNR is not allowed to perform that

useful role for its shareholders. If that were the case, the position of the CPR would be totally pre-empted and therefore we witness the spectacle of governments propping up Canadian Pacific Railway Company in this issue. That is really what it is all about, Mr. Chairman.

I suggest that the Minister here could play a useful role in making the point at a federal-provincial meeting, which he has to attend at least once a year but I know he attends more than that, and that where anything short of that is a shirking of his responsibility, Mr. Chairman. Yes, I think, Mr. Chairman, if we pass laws in this province we expect people to adhere to them and if they don't there are certain ways of dealing with that. It seems when it comes to railway companies we have no way of dealing with it. At least, the government has been reluctant to apply the tools at hand to deal with the flagrant violations that are taking place in railway transport.

MR. CHAIRMAN: 6.(c)(2) — the Member for St. George.

MR. URUSKI: Mr. Chairman, I wish to come back to the Minister and the Minister indicated that he made no commitment on behalf of the federal government. He acknowledged — I may have used the wrong choice of words — but certainly he, on behalf of his government, acknowledged a commitment and welcomed a commitment and accepted a commitment on behalf of the federal government, and I wish to quote from the press release dated July 6th, 1979, Mr. Chairman, and I quote:

There was also unanimous acceptance of the commitment by the Federal Transport Minister Don Mazankowski to retain service to those branch lines on which elevator companies wished to retain service and added that they would approach the Federal Minister for an urgent meeting to discuss grain handling and transportation issues.

On the 13th of July there was another press release from this Minister, Mr. Chairman, and in the press release it heads Downey Welcomes Rail Branchline Freeze. Mr. Chairman, it says, Agriculture Minister Jim Downey says he welcomes the announcement by the Federal Minister to the effect that rail branchlines will be retained where grain companies have undertaken to build new facilities, upgrade present ones, and continue to provide adequate existing service.

Mr. Chairman, I ask this Minister, in view of that commitment that was made by the Federal Minister, in view of the acceptance of that commitment by this government, how does he expect the community of Fisher Branch and the Manitoba Pool Elevators to provide adequate service on a timeframe of five years, when we know that if they are to upgrade service, and I want to quote to you in a letter, Mr. Chairman, dated July 24th, 1979, from J.D. Deveson, President of Manitoba Pool Elevators to myself, where I raised a question of facilities in the community, and I want to quote one paragraph, Mr. Chairman, from that letter:

We further indicated that the Manitoba Pool would be prepared to continue service at Fisher Branch on an off-track basis, providing that the federal

government cover the cost of hauling that grain from Fisher Branch to a point serviced by rail, and also that it provided for covering the additional cost of a second handling. We also indicate, however, that we would be prepared to continue to operate the elevator at Fisher Branch in the event that Inwood sub was retained.

So in either case, Mr. Chairman, Manitoba Pool was prepared to upgrade the facilities and either the branchline remain, which was the first position of the former government, or in the event that the branchline was abandoned, they were still prepared to operate an elevator there.

We have a bit of a spectacle here, Mr. Chairman. We have the provincial government indicating that it accepts the federal government's undertaking, yet we don't have a follow-up from the province to the federal government saying, live up to your commitment, you indicated that you are prepared to provide service, where is that service. All we have, Mr. Chairman, is an undertaking for five years. Would the Minister of Agriculture of this province be prepared to pump into that community a half-a-million dollars on a five-year guarantee to that community of service or is he indicating that there was something else in the commitment that we are not aware of?

I would like the Minister to tell me how the people from that community are prepared to react to the positions that were publicly enunciated by himself, by his group and by the Federal Minister of Transportation.

MR. DOWNEY: Mr. Chairman, to respond briefly, I think the member was correct in the statement that he had made earlier about whether I was speaking on behalf of the federal government. I acknowledged a policy statement made by the federal government, we supported it, to be more specific, on the point of where that stands, and that is another reason for the meetings with the federal government that are now in place. The government has changed. There was a commitment by the Conservative Government to use that particular point that he is referring to, of Fisher Branch, as an off-line elevator over a five-year period. I think it is a matter of seeing whether the community accepted it or not. I don't think that it is a matter of the province committing money. If the member is recommending that it should be a government elevator in there providing service, then why doesn't he say that, that he wants the private company to be taken over or replaced by a provincial grain elevator? If that is what he is referring to by getting a commitment of provincial funds, then he should say that.

I again want to make it very clear to the Committee at this particular time that what we are doing, meeting with the Federal Minister, is to be assured of what his policies are in relationship to the elevator that he is referring to at Fisher Branch. What are the federal government's policies at this particular time? It is a new Minister, a new government. Is it a carry-on of the last federal government; is it a carry-on of the policies of the federal government prior or do they have a new approach to take to the particular line that he is referring to?

I can't speak for the federal government, Mr. Chairman. It is a matter of getting a specific up-date on what he is proposing on that particular line, or those lines that have been dealt with by the last Conservative Government, which I am in total disagreement with the Member for Lac du Bonnet on whether or not they were there too long, and they didn't have a real opportunity to really display to the people of Canada the good that they could do, and he should be totally ashamed of himself for trying to put that party out of office and replace it with a government that believes totally in state control of the grain industry.

MR. CHAIRMAN: 6.(c)(2) — the Member for St. George.

MR. URUSKI: Mr. Chairman, I would like to know from the Minister what specific response did the government make to the announcement that was made in December of 1979, and that is some seven months ago, that was made by the Federal Minister with respect to, and I believe it was the report that was commissioned by the Member of Parliament, Doug Neil, from Saskatchewan, I believe, he is an MP from Moose Jaw, if I recall correctly. His report recommended that the grain from Broad Valley and Fisher Branch would be transported by truck to Arborg, Mr. Chairman, but only for a five-year period.

Mr. Chairman, the point that I was making to the Minister, maybe he misunderstood me, I indicated would this government be prepared to put a half-million-dollar investment into a community where they were only guaranteed a five-year commitment on the hauling of grain? I doubt whether they would. And that is the reason, Mr. Chairman, I am pursuing this matter, to find out. This Minister has indicated that it seemed that the former government did very little in terms of rail line abandonment, and there was a lack of action, Mr. Chairman. Well, more than seven months have gone by since this announcement was made. I would like the Minister to tell me what response did they make, did he, on behalf of his government, make, to that announcement that was made in December of 1979, some seven months ago, in light of the statements that he made approximately a year ago where he welcomed the decision and accepted the commitment of the Federal Transport Minister, a commitment, which I submit, Mr. Chairman, was not kept.

The line is allowed to flounder with indecision, and as a result the commitment to have improved facilities in a community of Fisher Branch will not be kept by Manitoba Pool Elevators, a commitment that was made by the former Transport Minister, a commitment that was accepted by this government, and should have been followed up in light of that announcement. It was followed up, Mr. Chairman, by myself. We wrote, through the Member of Parliament for that area. I have yet to receive a response, even though it was in December; possibly my colleague did receive one, but I have yet to receive a response of the federal government's position in this respect.

I'm wondering whether the province made any statements or any representations to the federal government when this announcement was made. I'd be interested to know.

MR. DOWNEY: Mr. Chairman, the member is asking whether or not we, as a province, I believe, support what was recommended by the last Federal Minister, to be specific, and earlier indications are that we did support what position he put forward on that particular line. I think we're talking a situation of a five-year trial that was one of the proposals on the off-line elevator concept, that the individuals who were using that facility, or it was providing a service to them; I guess the point he is arguing most of all is what commitment is there from the elevator company or from the government to provide a service for a longer period than five years. Or is he asking the question, to be more specific, are we going to force the elevator company to update that facility? — (Interjection)— Well, then I don't understand what he is saying at this particular point, because I'm telling him, I want the federal government to either confirm the last government's position on that facility or to indicate to us where they're at as far as that particular line and that elevator is concerned. I haven't had a response, or we can't respond until we discuss it with them.

MR. URUSKI: Mr. Chairman, maybe the Minister, again, didn't understand me. I'll make myself more clear. First of all, does the Minister feel that the announcement made by the federal government in December of 1979 met its earlier commitment of July; that you, Mr. Minister, wrote and accepted that the rail lines would retain those branch lines on which elevator companies wished to retain service. Mr. Chairman, it appears that the grain companies are prepared to supply a service to farmers, but yet it appears that the federal government, although making this statement in 1979, are not prepared to live up to their commitment. Do you, sir, do you believe that the commitment that was made in July of 1979, by the information that I brought forward to you today, was kept by the federal government or do you believe that, in light of the statements made by the federal government, this commitment was kept?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: I'd like to know, Mr. Chairman, the Minister says, yes, yes what? Could the Minister indicate what he believes yes? I'm not going to let him off the hook now. I want to know what his position is with respect to that federal commitment. Yes what, Mr. Chairman?

MR. DEPUTY CHAIRMAN, David Blake (Minnedosa): The Honourable Minister.

MR. DOWNEY: Mr. Chairman, the member has gone all over the waterfront on the particular elevator we are talking about, and I have indicated that we felt it was a position taken by the Conservative government under Don Mazankowski; it was a responsible position, one that he supports, I'm sure, as a member for that area. At least, he hasn't indicated anything different in his comments here tonight. I can't indicate at this particular time, until I have a firm indication from the new federal Minister of Transport, what his position is on that particular line. As far as I am concerned, it is the ongoing commitment to that point that was put in place by

the federal government. I haven't been informed of any change.

MR. URUSKI: Mr. Chairman, I beg to differ with the Minister. Either the Minister did not hear of the announcement that was made to retain the line for only a period of five years, on the basis of trucking, or he doesn't think there was an announcement made in December. Maybe I should bring that to his attention and indicate to him that there was an announcement made which I believe is contrary to the original position, which he accepted. I accept that position, Mr. Chairman, that where grain companies are prepared to provide a service that rail lines should be maintained.

Mr. Chairman, I believe this government accepted it, certainly by the statements that the Minister himself made in July of 1979. However, less than six months after that announcement, Mr. Chairman, there was an announcement indicating that only for a period of five years would service to the community of Fisher Branch be guaranteed. Can the Minister tell me whether that is an acceptance of the original statement, or that is a reversal of policy, if one can put it in such terms?

MR. DOWNEY: No, Mr. Chairman. I don't think it's reversal of policy. As far as I'm concerned, it's a matter of quantifying the amount of time, the length of time that that service was guaranteed rail service. Now, the other part that has to be brought in is the introduction of a trial trucking system that, as far as I understand it, if that is not acceptable and not workable, then the decision at that particular time would have to be dealt with.

But as far as I am concerned, the objective is to provide that community with an ongoing elevator service and rail service, as long as it's feasible and the company and the farm community, who are . . . Basically, it's a farm company that is run by a farm organization, it's a co-operative movement, that we have supported all those communities that have identified that they want to maintain their elevator and rail service. We supported them; it isn't any different in that particular community than anywhere else. However, there was the discussion, since the Hall Commission, of using that particular line or that particular point as a trial point for trucking, and I . . .

MR. URUSKI: Mr. Chairman, I see the Minister waffling in terms of the position of the present provincial government and trying to get out from a position that the province has accepted with respect to federal commitments. He is trying to now, it seems to me, trying to backpedal the province's position and commitment to rural Manitoba. Mr. Chairman, if the Minister doesn't remember, the Hall Commission recommended that elevator services be continued to the community of Fisher Branch and Broad Valley, indefinite, Mr. Chairman. However, the concept of an offline elevator be the route that the service be provided.

Mr. Chairman, there was no limit of a five-year period to that community with respect to elevator facilities. The five-year period came into being on the reversal, I maintain, Mr. Chairman, the reversal of federal position with respect to providing service to

that community. It seems, Mr. Chairman, that this Minister, although he has gone on record indicating that he supports the position of rural communities, has done nothing with respect to objecting to the announcement made by the federal government, his own federal government, and now he is trying to sit here and defend their position and indicate that their position is the right one with respect to the policy taken that they would provide rail service to those communities in which elevator companies wanted to retain service.

Clearly, Mr. Chairman, the Manitoba Pool Elevators is prepared not only to maintain service but to upgrade those facilities. Surely, Mr. Chairman, there should not have been any five-year period. There should have been a rejection of the federal position, and a communique from the province to the federal government indicating, live up to your commitment, you should not be abandoning this line whatsoever because you have indicated your position quite clearly, in July of 1979; this is clearly a reversal of position.

Now this Minister, Mr. Chairman, comes before this committee and says, well, I'm prepared to accept a five-year period because we're not going to guarantee this community service beyond that point. Clearly a reversal of the Hall Commission Report, and this Minister says that he is the friend of rural communities? Clearly, Mr. Chairman, with that kind of an attitude and that kind of a governmental position, it can only mean disaster for the community of Fisher Branch and those farmers, many of whom are just developing north of Hodgson area, where they have to now transport grain into Fisher Branch, a distance of some 40 miles one way, Mr. Chairman. If that elevator closes, after the initial five-year period in Fisher Branch, they will be forced to travel approximately 80 miles one way to an elevator point. Clearly, Mr. Chairman, the Hall Commission did not recommend that the elevator service be discontinued. It recommended a new concept but, Mr. Chairman, that concept was overwritten, at least by the federal Minister, and was agreed to by the provinces and this Minister, indicating that they would guarantee transportation services to any delivery point to which the companies have made long-term commitments to provide handling services.

The Manitoba Pool Elevators are prepared to make a long-term commitment but, Mr. Chairman, they are not given an opportunity. They are given a five-year period. There is no way. The Minister says that maybe it should be a government elevator. There is no way that I even made such a statement; there is no way that Manitoba Pool Elevators would want to invest in a community half-a-million dollars to provide new elevator facilities to increase the grain handling capacity of that community. Surely it should be the position of this Minister that he will, and he should have, six or seven months ago, objected to that position. Now he says, well, I will approach the new government and the new Minister to see what his position is. Can the Minister at least acknowledge that the position taken by his counterpart in December of 1979 was a reversal of position and he is prepared to argue on behalf of the community and the residents of the interlake?

MR. CHAIRMAN: 6.(c)(2)—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, it appears that this Minister is not prepared to give any commitment to the interlake. I don't intend to let him off the hook as easy as that, by not answering the question. Either he is prepared to give an undertaking that the policy has been reversed; he is, by his silence, it appears, going to acknowledge that the federal government was right and that there is no commitment to rural Manitoba with respect to rail line abandonment.

It appeared that he is prepared to allow deterioration of facilities in those communities and not give a long-term commitment to the grain companies, as he said in July of 1979, as he said twice in July of 1979 on behalf of himself and the federal Minister, where he praised the federal Minister of Agriculture and said that he would bring in service to communities that the elevator companies agreed to service. Now he is waffling on that position, Mr. Chairman.

Certainly it can do no good to the position of rural Manitoba with respect to this government's actions and their position with respect to rural development and rail line abandonment.

Mr. Chairman, there is no doubt that rail line abandonment will increase the cost to farmers by forcing them to haul their grain those longer distances. We know that the hauling of grain by truck is approximately five times as expensive as hauling grain by train. Mr. Chairman, since the Hall Commission in 1975, we know that oil prices have increased by, well, at least 60 percent in the last five years. What are the oil prices going to be five years from now, Mr. Chairman, 10 years from now? Where are we going to get the fuel to grow food?

Mr. Chairman, clearly rail line abandonment will force marginal producers out of business. The loss of these family farms will cause a decline in communities and, as a result, service to the entire rural life will change in a drastic way, Mr. Chairman.

Mr. Chairman, maintaining those branch lines, I believe, is in the national interest. Farmers, we know, contribute, what is it now, about 2.5 billion to the balance of payments through the export grain sales, and the federal government we know now, and this Minister agrees with their position, has agreed to try and get the grain companies to haul the grain and increase exports by 1985 by 50 percent, so that the viability of branch lines now makes this an increased measure that should be undertaken and should be kept, because unless branch lines are maintained, how will we achieve those exports of grain that we are striving for to increase by 50 percent by 1985?

Mr. Chairman, wherever grain companies are prepared to provide a service, we should be prepared to put into the basic network those branch lines. This Minister has said nothing. He has tried to skim over and gloss over the issue that I have raised. I have indicated that there has been, not only a neglect, a reversal of position on behalf of the federal government and on behalf of this government, who said that they are in support of rural Manitoba. Mr. Chairman, I would hope that this Minister would have in the last — he has had half a year since that announcement — would be able to say, here, Mr. MLA from the Interlake, we have wired the federal government, we have objected to their position of only putting a five-year life on this line; here is the action we have taken on rail line abandonment as it relates to the Interlake, we will protect that line. —(Interjection)— Yes, I did, Mr. Chairman, I prepared a letter for myself and for the Member of Parliament, as he was on the campaign trail at the time, and I did prepare a letter and if you want I will read you that letter with respect to this.

Mr. Chairman, ordering the branch lines retained does not solve the problem if railway companies refuse to provide suitable and adequate service, but I believe that this government should be able to reverse their position that they have put so far, because they have put a position to the federal government that it's okay that the railways be paid an increased rate and maybe the farmers should get the benefit of the rate. Talk about a government who wishes to bring about efficiency in public service, right now we have two subsidy cheques going to the railways. What this government is proposing is to send a cheque to what, 180,000 farmers in Canada, Mr. Chairman? Talk about a transfer of payment from the railways so they can say, yes, we are subsidizing the farmers with respect to the transportation of grain. Is that the friend of the farmer, the friendly Conservative Party? That's the proposal that they are making. Rather than going by the legislation and indicating that the railways have not lived up to their commitment, that the railways be told clearly: It is in your charter that you are to provide service to the farmers of western Canada and if you don't provide that service, there is only one way, give up that charter, Mr. Chairman, that would be the position. It would be clear and simple. —(Interjection)— Mr. Chairman, absolutely. The railways now are using blackmail on the federal government and the Liberals, like the Tories, will accede to that blackmail.

What do we have? The spectacle of the CPR indicating that it needs to build an extra tunnel through Roger's Pass. But you see, Mr. Chairman, even though they indicate that 25 percent of their freight business is grain, they are not about to spend that 300 million on that tunnel unless, of course, Mr. Chairman, they are paid compensatory rates — not compensatory rates because now they are talking about commercial rates for the hauling of grain.

Mr. Chairman, nothing but blackmail. Mr. Chairman, nothing short of blackmail on behalf of the governments and a total rejection of their charter, of the railways' charter, would put the railways in their place and order them to provide the service that they have been neglecting to provide

over the years. That is the kind of a position that the provinces should be taking.

No, we have the Conservative Government of Manitoba saying: Yes, those poor railways, even though their profits have increased by 200 percent in the last year or so, Mr. Chairman, from all their sources, they really need more money to haul grain. This Minister, on a little matter of a rural line where the federal government has reversed its position, is prepared to go out on the limb and say they have the right position because we are not prepared to defend the people of the community of Fisher Branch; but not only the community of Fisher Branch, it is the communities all the way from Chatfield to Red Rose, Mr. Chairman, all the farming communities of that area that will be affected by this move. Surely this Minister should have enough foresight and, I believe, some integrity, and indicate his disgust with the position put forward by the federal government and be prepared to indicate that he accepts the position of the community and accept the former position of the previous federal government, again restate it and indicates that there has been a reversal of position and demand that service be maintained for the community of Fisher Branch.

MR. DEPUTY CHAIRMAN, Henry J. Einarson: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, and I'll be very brief in response to the Member for St. George, I think if he is trying to draw me out he has been fairly successful in doing so in some of the comments he makes, but I think one of the things that I should put on the record is that it is not a little matter to me because a community in Manitoba could lose their elevator or rail service. He says it is a little matter when his constituency is going to lose a rail line or an elevator. I think it is a pretty important matter, one we have dealt with. We have put our position forward of supporting the Hall Commission Report from day one, and all provinces have. I want to make it very clear to the member that we continually support the providing of elevator service to that community. I think the thing that he has left out, that it was recommended by the Hall Commission that particular concept of off-line elevator concept be tried in the Fisher Branch area; the people of the local community have understood that, even though he may have tried to indicate something else. We have in fact supported what the Hall Commission recommended, as did all Ministers of all governments at this particular last meeting, it was to be on a trial basis; that we supported the position of elevator companies, or the federal government, where elevator companies agreed they would provide a service to the community, we supported that position without exception. And again, I think that what I have indicated, as I indicated from day one, or from hour one, that it is a federal government responsibility. We, to this particular point, haven't heard from the federal Minister who is responsible for it, and he is saying have we communicated? Why hasn't the Member for St. George indicated to me that he had? Why is it the first time that I have had a request from him to take action? We have taken action. I can assure the community of Fisher Branch

and those people involved that we have been working on an ongoing basis to assure them that we are providing them with support as far as providing them with an elevator service.

Again, I think it is a matter of clearly stating, or having the federal government clearly state where their position is on that particular point. To go further than that at this particular juncture, Mr. Chairman, or to go back and say what the federal government, under the Conservatives, had done, it is repetition. You know, the federal government make the decision and we have made our position pretty well known on where we are at with that particular point and to continue the debate is, I don't think, in the best interests of the committee.

MR. DEPUTY CHAIRMAN, Henry J. Einarson: The Member for Lac du Bonnet.

MR. USKI: Mr. Chairman, I wanted to make my contribution by not agreeing with the Member for St. George that we ought to remove the rights and privileges of the CPR because of their failure to function under the statutory rates. I don't think that's necessary. I think we have a very good vehicle. We have the CNR, owned by you and I, Mr. Minister, and all we need is the Minister of Transport to instruct the CNR that they shall provide the service that is necessary, the demands that have to be met in order to satisfy the movement of grain in Canada. If the CNR were willing to do so, not only willing but if they would carry out that directive, then we would have a situation where the farmers that deliver along CNR lines would have movement of grain and those that live along CPR lines would not have movement of grain. Hence, we would then have a very huge club with which to apply leverage on the CPR, Mr. Chairman. It's a very simple, logical way to approach the problem. It doesn't require nationalization; it simply requires that our nationalized company do what it should do under statutory law. That's all it requires. And if that happens with our nationalized company, the logic follows that it should happen with the other company that doesn't wish to do so. There's no question about that in my mind. It's a very simple procedure, Mr. Chairman, and I would suggest that the Minister introduce that concept at the next federal-provincial meeting.

MR. DEPUTY CHAIRMAN: (c)(2)—pass; (d)(1)—pass — the Member for St. George.

MR. URUSKI: Could I ask the Minister whether the province has done work on the impact of changing the statutory grain rates on transportation users in Manitoba? What would the impact be on the rural economy of Manitoba? Has there been any work done in Manitoba with respect to the impact that changing the rates, as the government has suggested, that the railways have their rates up? What will the impact be on rural Manitoba, Mr. Chairman?

I have indicated some general concerns that I believe would result. I believe that the government should be aware and should know what the impacts would be. They have, of course, at their disposal staff and the analysis groups that could analyze the impact on transportation users, and not only on

transportation users but on rural Manitoba, on the rural communities, the effect of changing the grain rates, as has been suggested by your government; that the Crow Rate should go and that the benefits be supposedly for whatever period of time — I don't know what period of time you are suggesting — be retained by producers.

I would like to know what analysis you have done in this area?

MR. DOWNEY: Mr. Chairman, I am not going to let the member leave on the record what he just said, that we suggested any such thing. We have dealt with earlier in our Committee on studies that were done.

I have indicated to the member that we have had the Tyrchniewicz Study done and, when it comes to the effects, that we haven't really met with Mr. Tyrchniewicz to discuss the study. I haven't had an opportunity to fully review what has been done in that particular area but we haven't said that we should pay the railroads any more than by the producers. We have indicated that it should be an overall review that has taken place, retaining the benefits for farmers of western Canada; that is basically what we have said. We haven't said farmers should pay any more, and have agreed with the other provinces that the compensatory rates should be paid. We have indicated they should be paid by the federal government, and the shortfall between the statutory rate and the compensatory rate. That has been agreed upon by all provinces. There is no debate on that particular issue with any of the people involved, or any of the governments involved. The major point of contention has been how best could that be done and still protect the interests of the producer. We haven't, I don't think, proceeded to that particular point as far as truly determining what the total change in freight rate policy would end up with. I think it is, again, totally in the jurisdiction of the federal government. We are participating, as a province, in the providing of rolling stock. The farmers are participating in the provision of rolling stock through the Canadian Wheat Board; farmers are participating through their federal tax money.

So really what are we talking about? We are talking about the overall principle of federal transportation policy. The Manitoba farmer, and we use him specifically, the Manitoba farmer is in a position of paying through his tax dollars through the Federal Treasury to provide rolling stock, through his provincial tax dollars, through the government, and through his own mechanism that is in place, the Canadian Wheat Board, to do what? To provide rolling stock to the system that the railroad should be providing.

The members opposite, and I have never heard them come out with any other position than just take one position and that nothing changes and that we continue down the road. We are suggesting that it at least has to be reviewed and I will just say it once more, that our position is not that the farmer should pay more at all for the movement of grain. We have never said that. We have indicated that if there was any change to take place, the benefit should be retained by the farmers of western Canada, but we all agreed and I go back again, the government of Saskatchewan, the government of Alberta, and the

federal government have agreed that there has to be a compensatory rate paid, as was indicated by the studies that have been done.

Mr. Chairman, we are not here debating on whether or not there has to be some discussion take place, because I think there has to be discussion take place. Even the position that he is prepared to put forward, the members opposite, I think it is a matter of openly debating it within the farm community and that is taking place.

MR. URUSKI: Yes, Mr. Chairman, two points. The Minister indicated to myself whether I corresponded with the federal government. I was prepared and if the Minister wishes I will read into the record the letter that was written in December 1979, which I prepared for my colleague, the MP for Selkirk-Interlake, raising this very matter.

I would like to know if the Minister has not responded at all to the federal government. I would hope that he does take this case with him, this very case, to his meeting next week, when he meets with his federal counterparts and his provincial counterparts, and does raise this very issue that the policy position has been violated in terms of not providing a guaranteed service, thus ignoring the intent of the elevator company of upgrading their facilities in the Interlake.

The second point, Mr. Chairman, and that deals with the studies, where he mentioned Mr. Tyrchniewicz, Professor of the University of Manitoba, was that study on grain transportation, I believe, made, would that have been part of the study, the impact on transportation users of changing the statutory grain rates; would that have been part of the study that has been conducted by Professor Tyrchniewicz, Mr. Chairman?

MR. DOWNEY: On the first point, I indicated earlier that the item that the member mentioned will be discussed and questions of the federal government will be asked on that particular point.

On point number two, I have spoke to it in the studies that we have prepared and the Tyrchniewicz Study was in relationship to the change in the statutory rates and how it would affect the agricultural community.

MR. URUSKI: Mr. Chairman, has the department done any analysis of the Alberta Department of Economic Development Study in December of 1979, wherein, Mr. Chairman, they assessed, they did two studies to do two things. The study was to assess the impacts of paying the railways a compensatory rate for the movement of grain on the grain producers, the livestock producers, the agricultural processing sector, the other users of rail transport and the trucking industry, and the second part, to determine how these impacts change under six alternative methods of paying the railway compensatory rate.

In addition, two levels of compensation were considered, 3.1 and 5 times the statutory rate. The former level refers to a rate which equals variable costs with no contribution to overhead and the latter represents a rate level comparable to other bulk commodity rates; in other words, the present commercial rate that the railways are charging.

It was determined, Mr. Chairman, amongst other factors that came out of the study, interestingly enough, that flexible pricing by the railways could lead to trucking to consolidations points with a high estimate of the potential volume being 8 million in revenue per year for Alberta truckers. In other words, a shift to the trucking industry of some 8 million, that about 24 percent of the shipments would be made by trucks in the province of Alberta if flexible rates would be brought in, and that would be accomplished, Mr. Chairman, if the railways were allowed to charge compensatory or commercial rates.

At 3.1 times the statutory rates, elevator consolidation is expected to continue at its present rate, leading to 76 percent of the 1977 number of elevators by 1985, or in other words, 25 percent of the elevators would disappear in the province of Alberta by 1985. If the rates were at the commercial rate, at 5 times the statutory rates, what would occur was that approximately 35 percent of the elevators would disappear by 1985. That is what would happen, Mr. Chairman, the reduction of elevators would be consolidated to approximately 60 percent of the elevators that remain in that province as of 1977.

What impact would that have, Mr. Chairman, on the producers and on the rural communities in that province or in this province, Mr. Chairman? What we would see is that farmers would move their businesses to other communities. What we would see is that many businesses would be forced to close down if farmers were having to transport their grain long distances, as will be occurring and has been occurring by the use of trucking in this province to large inland terminals. What we find is a total negative impact on the rural way of life, Mr. Chairman, and I hope that this Minister — and he says that they are looking at this study that he said was to be done last year, yet we haven't seen a copy of it — I hope that the Minister, if he has a copy of that study, would table that study that he says is in, although he hasn't spoken to Mr. Tyrchniewicz. If that study is available is he prepared to at least release the study that has been prepared for public discussion, and not hide the study until some later date when an agreement might be reached between Ministers on what the statutory rates might be or might be leveled at? Surely, it is in the interest of rural Manitobans to have a look at such a study, at the impact it will have on the rural communities if the grain rates would be changed, and there should be dialogue in rural Manitoba.

The Minister should consider and, if he has that study, promptly release it, Mr. Chairman.

MR. DOWNEY: You can pass it if you like.

MR. CHAIRMAN: 6.(c)(2)—pass; 6.(d)(1)—pass — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I want to ask the Minister whether or not the Natural Products Marketing Council has had any occasion since they have been established and since the legislation was changed giving them additional responsibilities and powers, whether at any time in the last year did this Council exercise those powers which would involve

either mediation or overruling of Marketing Board orders?

MR. DOWNEY: Mr. Chairman, the member asks the question, how many hearings have they had in total or how many have they had in relationship to the changes of the Natural Products Marketing Council that were introduced last year. Could he be more specific so I could provide him with the information?

MR. USKIW: Mr. Chairman, the Minister has amended the powers of the — well, what used to be the Marketing Board and which is now the Marketing Council, an amendment which results in the Council having powers to either overrule, mediate, or otherwise decisions made of marketing boards. I would like to know whether in the last year, or since this Council was set up, whether they have had any occasion to interfere with, either through mediation or through overruling of any decision made of any of our marketing boards in Manitoba?

MR. DOWNEY: Mr. Chairman, the information provided to me is that they have had nine appeals, of which six were not withheld and three were.

MR. USKIW: Mr. Chairman, I would like to then know what the nature of the appeals were, and I would like to know which were upheld and which were rejected?

MR. DOWNEY: Mr. Chairman, at this particular time I don't have that particular information in detail that the member is asking, as far as the decisions that were made by the Council, but I could provide that, given . . .

MR. USKIW: Mr. Chairman, would it be reasonable then to ask the Minister to bring back, at the next time we meet, information as to the appeals, the nature of appeals, and the decision on each appeal? We needn't belabour it any further this evening.

MR. DOWNEY: I will endeavour to get that information, Mr. Chairman.

MR. USKIW: Can we hold this item then, Mr. Chairman, and come back to it?

MR. DOWNEY: Or we can pass it and deal with it under Minister's Salary.

MR. USKIW: I would rather be able to deal with it at the time that the Minister reports, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, I don't have the specifics from my counsel at this particular time.

MR. USKIW: Mr. Chairman, as long as there is agreement that we can go back to this item when the Minister has the information. That's all we are asking.

MR. DOWNEY: Yes.

MR. USKIW: Okay. Then we can pass this item.

MR. CHAIRMAN: 6.(d)(1)—pass; 6.(d)(2)—pass; 6.(e)(1)—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, there is an increase of some 60,000 in the Economics Branch. Could the Minister indicate the thrust in this area?

MR. DOWNEY: Yes, Mr. Chairman. The details that the member is asking about to do with the Economics Branch, Mr. Chairman . . . Could the member restate the question, so I can get myself organized?

MR. URUSKI: Mr. Chairman, what I was interested in, there is a 60,000 increase in this branch or virtually, in total expenditures, almost 100,000, or 90,000 in this branch, I would like to know the changes that are included in that increase, or what activities are handled by this branch. I know that there has been a new publication that has come out on market analysis and markets that has just started being published, I believe. I believe there have been only two that I have received, and I didn't bring them with me, reports on pricing of commodities of all sorts. Could the Minister indicate the extent of that analyses and the work being done in that area.

MR. DOWNEY: Mr. Chairman, I indicate the increase is due to two positions, two increased positions, plus the normal salary increase, plus an expansion in more detailed market information to do with the total agriculture industry on upating the grain industry and the different livestock industries, Mr. Chairman. It's a total package of making more information available so that it is available for the department, for the agricultural community in total, and that's basically the reason for the increase.

MR. URUSKI: Mr. Chairman, I received, I think, two bulletins that have come out and I ask the Minister, is this a consolidation of previous reporting that was going on, and what do these pricing tabloids include that already isn't available to the public. In that I indicate that I know the cattle producers are handling the pricing of rail grade and live carcasses in the beef area. We have the various marketing boards publishing their regular prices through the Manitoba Co-operator, so that all the prices of both feed grains and livestock and poultry are being published through the Co-operator. This seems to be an addition to that, and possibly even to some degree a duplication, but I would like to know the thinking behind this information versus what is already available to the farmers in Manitoba.

MR. DOWNEY: Mr. Chairman, I want to indicate to the committee that the information that is being provided now through the different organizations is on a day-to-day type basis on what happens in the province, what happens basically within the provincial boundaries. The anticipation or the work that is to be carried out is to do more work on what has taken place on the national and international markets in relationship to Manitoba production and try and assemble and use that information so we can better project what longer-term effects will happen to the Manitoba production, or the prices of Manitoba-produced goods. So it is to try to get a little better

picture, on an ongoing and a longer-term basis, on the overall international markets, along with correlating them with what is happening here in the province, a better picture of the total agricultural community on an international scale.

MR. URUSKI: Mr. Chairman, I have seen the analysis, I think they were done on the hog industry and I believe oil seeds but also there is a weekly or a bi-weekly publication that comes out — that's the one that I was referring to, that is a long one foolscap sheet of paper — outlining the prices of commodities that are in existence. Is that in addition to what is already available in the papers and how is that going to be published for the producers? How is that being disseminated?

MR. DOWNEY: The proposed program that we are looking at, Mr. Chairman?

MR. URUSKI: Mr. Chairman, I would have to go downstairs once again, but I won't. There is a tabloid of market information on prices that has just started coming out. I believe I have seen two of them that have been published, and that's the one I am referring to and that's what I am raising my questions about, Mr. Chairman.

MR. DOWNEY: I guess, Mr. Chairman, what the member is referring to is a weekly market newsletter that he is referring to. This, Mr. Chairman, in addition to that, would be to further correlate what is happening more on the international scene in relationship to what is happening in the province, on a broader, longer-term basis, to try and quantify or try and see what is happening in markets that are outside of the local scene.

MR. URUSKI: Mr. Chairman, I only throw out and ask the Minister, we have seen historically, year in and year out, the impacts of either escalating prices or depressed prices, supposedly, the impact that it has had on the Manitoba market, whether or not we have increased or decreased our production. Is there some benefit that producers, on a weekly basis, will be able to derive for their information as to whether they should increase production or decrease production on a weekly basis? Is that going to be of any great benefit to the producers of Manitoba?

MR. DOWNEY: I think it will be supportive of the producer marketing boards when it comes to producers of hogs, poultry, those people who are traditionally involved in longer-term cyclical market conditions where in fact there really isn't staff or individuals working on those kinds of programs, Mr. Chairman. I think it is with that objective in mind that we feel that we have to strengthen to accommodate that kind of information flowing to the producer boards.

Again, I guess when you are talking about judging what markets are going to be, it's a matter of the more information you can assemble and use in relationship to the specific cases, the better equipped the producers will be. That's basically the objective that we are working with, Mr. Chairman.

MR. CHAIRMAN: 6.(e)(1)—pass; 6.(e)(2)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 1,215,800 for Agriculture—pass.

The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I move that committee rise.

MR. CHAIRMAN: Committee rise.

SUPPLY - COMMUNITY SERVICES AND CORRECTIONS

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 21 of the Main Estimates, Department of Community Services and Corrections. Resolution No. 32, Item 6, Social Security Services, Item (b) Social Security Program (1) Social Allowances—pass — the Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Chairperson. As I was saying when the clock interrupted me at 4:30, I completely agree with the policy that the amount of money that is available to the family must be taken into consideration when somebody is placed on assistance, but in the particular instance that I was referring to, this money was being administered by the public trustee and even he wasn't free to release the money for the care of the boys, I understand. He had to obtain a court order in order to use the money for the boys.

Now if my information is correct, as I was saying earlier, this isn't merely a matter of taking into consideration money that is available to the family, because it is not available to the family, and surely the intention in setting up the trust fund was that the mother shouldn't have the use of it, and it was placed under the public trustee so that it would . . . It wasn't very much money, you know; a thousand dollars per child can run away very quickly. But it does seem unnecessary red tape for this woman's allowance, this family's allowance, to have been accordingly reduced by money over which they had no control and which they could not in fact use.

My question earlier to the Minister was to ask if things have changed in his department so that the unnecessary red tape here can be cut so that in an instance like this, the family will not in fact be jeopardized because there is money in a trust fund which, presumably, would have been spent for the children's use, eventually, and under a court order, but not intended for day-to-day living.

MR. CHAIRMAN: The Honourable Minister.

HON. GEORGE MINAKER (St. James): Mr. Chairman, my understanding of our regulation is that the particular moneys in trust were established for the children, not for the remaining parent, and if we followed through on that particular thesis, then presumably, as that money is used up or a portion of it is — it might only be 1,000 of it or 500.00 of it — depending on how many in the family are involved in receiving social assistance, then presumably, as long

as they are on assistance they will continue to get the children cared for and as they get older they will still be cared for presumably as they go into their school years. So that we just don't look at it in a flashbulb instance, that there's 1,000 for each child, when we know in the long run, if the woman isn't able to become employed because of the children at home, etc., then we know in the long run that a person will receive more than that in assistance once a portion of those trusts are used up, and the trusts, as I indicated, were originally set up for the children, not for the parents, for the care of the children, and they would eventually be cared for as they went through school, etc. So it's not just that instance in time that we look at, we look at the long range as well.

MRS. WESTBURY: Mr. Chairperson, I don't believe the Minister is deliberately misunderstanding me. The point I'm trying to make is this: that supposing the court did not release the funds for the maintenance of those three children; and supposing the court, for some reason said, no, these must remain in trust until the children are adults, and used towards their education, or whatever the court might decide they should be used for. But supposing the court did not allow the use of that money for the maintenance of the children? Then the department was saying, as I understand it, that the family would be deprived, to that extent, to the extent of continuing throughout the childhood of the three boys because of that money being in trust for them, the family would continue to be deprived because there was 1,000 in trust fund for each of the three sons. Certainly it's for the three sons, who's arguing that, but the mother did not have control of the money, the public trustee could not say, yes, here's the money, take it and spend it on food and clothing for these children, but the department was saying — and the Minister still has not told me that my information is incorrect — the department is saying, this money is in trust, some day, for the use of these children, for the maintenance of these children, and so until that day comes when the courts release the money, the children will be deprived to the extent of that amount of money.

Now, perhaps he'd tell us how much, whether they cut off the family's assistance totally or whether it was reduced by so much per month or by so much per year in this particular case — which received a lot of publicity, so I can't believe that the Minister and his administrators aren't aware of the case I'm talking about — and do they not have any intention of modifying that to let a little common sense into the picture, so that when the money is released by the courts, the assistance that is received by the family can, at that time, be reduced by the appropriate amount, but not reduce it before they've ever had a chance to use the money.

MR. MINAKER: Mr. Chairman, the way that it works, to the Honourable Member for Fort Rouge, is that we can assure the honourable member that we won't cut people off of assistance if they require it. What normally happens in a case like this, that we advise the mother that she should pursue getting access to those particular funds that are for the children, and she is given approximately four months

to pursue this, and after four months, if the courts have denied it, then we continue her on the assistance, but if in fact the courts allow it, then she is cut off while portions of that are used up until it reaches that particular level of 400 per person that are being covered by the social assistance.

In the case of the particular case that you're describing, the public trustee has gone to the courts and the judiciary has decided to award it to the public trustee at his discretion, for use. But in the case where the courts deny the use of these funds, then the woman just continues with her children on welfare. They're not cut off.

MRS. WESTBURY: It is my understanding, Mr. Chairperson, that all the furor was because it was cut off. So now the public trustee has control of the money and it's at his discretion, so the money is still held in trust for the boys and the mother is receiving her full assistance. Is that correct?

MR. MINAKER: Yes. How it would work, Mr. Chairman, it's my understanding personally that the family never was cut off of any social assistance. I won't answer for the public trustee in how he is going to use it in his discretion, but theoretically, the way our regulations work is that in the case, if there's three boys involved and the mother, then the regulations are such that they would be allowed to have cash on hand in an account or in trusteeship, 1,600.00. If they have moneys above the 1,600, in other words, 400 per individual involved in receiving assistance, then anything above 1,600 presumably would be used towards the maintenance of the children until it was used up.

MR. CHAIRMAN: (1)—pass; (2)—pass — the Honourable Member for Seven Oaks.

MR. SAUL MILLER: Mr. Chairman, on (1), the Minister indicated that there was 2 million underexpenditure last year, social allowances. I believe there was also an underexpenditure the year before that and the year before that. I know that it's difficult to pin down the actual amount required, but I'm wondering whether there hasn't been a consistent overestimation in the light of the declining size of the clientele, because it has been going down since about 1971 or 1972. So that I'm wondering whether we're looking here at a 6.2 million increase, since there was a 2 million underexpenditure last year, whether that really makes much sense, because I notice the year before, there was also just about a 7 million increase, and that was, as the Minister now indicates, 2 million too high. I'm wondering why they would use the same almost progressive increase for 1980-81, when in fact the track record seems to indicate that it has been underexpended?

MR. MINAKER: Mr. Chairman, it is my understanding, prior to myself being the Minister, that the staff has always taken into account the dropping off of the numbers of caseloads and adjusted the total accordingly along with the increase that would occur when we increased the allowance rates. The other thing that I might draw to the honourable member's attention was, it's my understanding that there was a concern, not just in

Manitoba, but all across Canada last year with the change of the role of the Unemployment Insurance rates and the method of how one would receive them, there was concern that there would be an increase on the rolls that would be applying, and it did not occur to the extent that the staff anticipated it would. It did, I think, in one case in Alberta, but I think that was the only province.

The 1980-81 rates have been adjusted accordingly. The one problem one gets into is when these initial estimates, as the honourable member is aware of, are brought forward, it's normally in the latter parts of October or early November and you're trying to estimate what's happening in that year, when the year-end doesn't occur until March 31st, so there's part of it as a guesstimate and you try and zero in as closely as you can to the final figure.

But these figures before you, the 67 million and the other ones, have been adjusted accordingly because of the drop in the caseload in the prior year.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I can appreciate what the Minister is saying. There was a concern, I know, with regard to the changes in the Unemployment Insurance program and the impact it might have. That was mostly on the municipal welfare, rather than the provincial, but be that as it may, I notice the municipal is also underspent by 1 million.

The point is we now know what the impact is, it's done, and therefore I am wondering why — the hedge that was used last year, early on in the estimates, was not necessary, and I am wondering therefore why a 6 million increase, no, from 61 to 67, and then the municipal, which is another million, although that does show a decline, I notice, but in the provincial, it is 6 million and I'm wondering whether that isn't there just to write a figure in. I know it is not something that you can properly predict and control because it depends on the caseload. It's like snow clearing; if you don't have snow, you underspend your budget. It has always been recognized everywhere, every jurisdiction, that if something happens in the economy and something occurs that requires more than is estimated, then you simply Special Warrant for it, rather than overbudgeting; so that a year from now, they can say, well, we cut our deficit by such and such, when in fact they overestimated the expenditures and quite properly didn't pay out that amount of money and therefore the amount they spent is less. To the extent that it is less, they can then say, well, we cut out deficit, when in fact it is just simply a paper exercise here.

I can understand what happened last year, why the big jump, why the concern. I can't understand why it continues on. And to say that, well, in October we didn't really know, I also know that these things are not put to bed until January, so by then there was a pretty good indication because the increase in social allowance rates had already taken place by then, and it's done once a year, so you know what it is going to be until next October.

I don't like passing something knowing that it is exaggerated, that it's really short of a total disaster, this is not going to be spent and that you don't

normally budget for that kind of disaster; you budget for what is considered a normal year and hope that it stays normal, but you don't budget for this kind of possible overexpenditure.

MR. MINAKER: Mr. Chairman, for the honourable member's information, in our final go-over of the budget in January, we reduced this figure by approximately 1.5 million, at that time, and what we have in this figure is we've got a 1 percent caseload increase anticipated. In addition to that, we have 11 percent for rent and utilities, and we have an 8 percent for the standard allowances increase, that's how we arrived over to this figure, but it was actually even higher and we cut it back. We feel this is as accurate as we can get at this point and we don't believe that it's overbudgeted, like the honourable member indicates. I wasn't prepared to cut anymore than that out of it under the recommendation of our staff, but it was cut back at that point because in September and October we were getting a record of what was happening for that year and it was finally revised in January, in our final review, and 1.5 million was cut out at that time. —(Interjection)— Right, . . . was happening in this last fiscal year.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass — the Honourable Member for Seven Oaks.

Before I acknowledge the honourable member, I would hope that we would stick to the subject under discussion. There was some discussion on snow clearance and I think that that absolutely has to be out of order, particularly with the weather outside.

MR. MILLER: Mr. Chairman, I accept your comment but I wish you would have heard it in its context. I used it as an example; I was not talking about snow clearing. I was talking about a budget . . .

MR. CHAIRMAN: Saul, I was trying to be smart with the weather. The Honourable Member for Seven Oaks.

MR. MILLER: Well, maybe the introduction of snow here would cool us all off; maybe helpful in that regard.

Mr. Chairman, I am just wondering about the change in wording here from last year. Health Services — I think this year for the first time, the reference to dental has now been introduced. Am I right, or is that the same wording as last year?

MR. MINAKER: Mr. Chairman, it is my understanding that we always included dental in prior years.

MR. MILLER: Mr. Chairman, then as I take it, this particular program, does it provide the dental service, or does it issue cards which the people can then take to use when going to the dentist; and is it limited only to social allowance cases? The reason I ask you this, Mr. Chairman, I have been contacted recently by a family, who is not on welfare, not on municipal or provincial welfare. They have twins, young boys, both requiring, I guess maybe because they are twins, very serious dental work and they are faced with — they've been told by the orthodontist that it works out to something like 3,400, something

or other. There is no way this family can afford that. There are other children in the family as well.

I am wondering whether there is anywhere in this program that a family faced with that kind of dental cost — they have been denied service through the school division. At one time apparently, until about a year ago, the City of Winnipeg, through their Public Health Unit, did handle some of these cases but they have had to cut back they maintain because of the squeeze on their budget, and so the children have been going through the Public Health Unit. They were referred to an orthodontist and the orthodontist saw the children and now they are faced, as I say, with a fee of 3,200 or something dental bill, which there is no way that these people can pay, although they are not on welfare, and they recognize that, and they would be prepared to pay some, but the children being twins, they, I guess, for genetic reasons have ended up with the same problem and both require the same kind of treatment. And when you're dealing with two young children in the family and just a moderate income — I think the man, I forget what he does but he's a worker, has a small home and that's about the size of it — so is there any assistance that people like that can get and where would they have to go to get it?

MR. MINAKER: In answering the honourable member's first question is that under the Health Service, the people who would have the cards would be those that are on welfare, or child welfare people, wards of the state, but we do have what is called a special once only type of medical assistance, and in fact there is an orthodontic screening committee that's made up of two members of the staff, I think two dentists and two orthodontists, and what they do is, they screen the individual cases and if it in fact is for cosmetic purposes, then they won't provide assistance, but if it is necessary for health of the individual then they would approve it. And they look at the income of the family, but they look at each case individually, so that is available.

MR. MILLER: I thank the Minister. I wonder if he could also tell me what office it is that one would contact for that, so I can make a direct contact with the office. If he could give me the phone number, the address or whoever it is I should enquire of.

MR. MINAKER: Yes, we can get that information for the honourable member. I would just like to point out, I believe this type of work doesn't normally start before the age of about 11 or 12 in a child; not at the early age of 8. I could be wrong, but I think normally the cases are in the average age of 11. But we'll get that information for the honourable member.

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

MR. SAM USKIW: Mr. Chairman, I wish to ask the Minister whether or not he's in a position, perhaps he has given the information to the House, but I find it somewhat difficult to work in two committees at the same time. It's a handicap I'm sure the member opposite appreciates; but in any event, whether or not our —(Interjection)— well, that's a good point,

Mr. Chairman. The Chair says he finds it difficult to run one committee. All right, then he can appreciate my problem.

Mr. Chairman, I would like to know whether the Minister has given out statistics with respect to the numbers of people who are on social allowance in Manitoba, whether that information has been relayed to the House? If it's handy; if not, it doesn't really matter.

MR. MINAKER: In the category of assistance, the average monthly caseload for last year was: Mother's Allowance, 6,500; and Aged, 2,500; Disabled, 9,000; General Assistance, this would be in areas of LGDs where there are no offices in municipalities, 1,000; and Student Social Allowances, 500; for a total of 19,500.

MR. USKIW: What I want to know from the Minister, Mr. Chairman, is, what numbers are in that group which are considered to be employables, out of the total that he has given us, what percentage, and then in actual figures, are the employables that are receiving social allowances?

MR. MINAKER: The only area, Mr. Chairman, that those particular recipients would fall under would be the general assistance where there is no municipality, unless we deem an individual unemployable because of social circumstances, or whatever. But normally, we just provide social assistance to mothers or disabled people, or the aged.

MR. USKIW: Mr. Chairman, perhaps I'm ignorant of the facts with respect to who is eligible. The Minister would perhaps clarify for me. My understanding is that the first call of a person who needs assistance is on the municipality for a certain period of time; after a given period of time, that person becomes a recipient from the province of Manitoba. Perhaps the Minister would care to confirm that or correct me if that assumption is incorrect.

MR. MINAKER: Mr. Chairman, for the honourable member's information. If it relates strictly to unemployed, then the individual would remain on the municipal's welfare roll, if the individual was unemployed but employable. The 90 days refers only to the case of where the lady is separated or widowed, or incarceration, or what have you. We would then pick it up after 90 days in that instance, but if it's strictly relating to employment and unemployed, then we wouldn't assist that individual, unless, under special conditions, we had considered that individual unemployable for social reasons or problems.

MR. USKIW: Well, that's the whole area that I wanted some stats on, and the Minister has that lumped in with other areas, as I understand it. Then it appears to me that the Minister is saying that he has no responsibility for those who simply can't find work and have to rely on social assistance. In that case, it's a local government responsibility, with the exception of LGDs in Manitoba, I presume, is what he is saying.

Now, I ask the Minister, in recognition of the fact that he is assuming responsibility for employable unemployed in LGDs, what portion is the Minister paying to the municipalities for those who are employables but on municipal assistance?

MR. MINAKER: I might put out to the honourable member, in compliance with the Social Allowances Act and the Municipal Act, municipalities are responsible for providing assistance to employable persons who are unemployed within their municipal boundaries. The province shares with the municipalities the cost of assistance as well as the cost of administering the assistance incurred by the municipalities, according to formulas contained in the Act. The province reimburses the municipalities in the following manner: The greater of 40 percent of the total gross assistance costs, or 80 percent of the costs in excess of one mill of assessment. So in the case of the city of Winnipeg, I believe one mill is somewhere in the order of about a million and a half, if I remember correctly. I think there's about 1.5 billion in assessment, so one mill raises 1.5 million.

So in the case of the city of Winnipeg, when their cost exceeds the 1.5 million, we would pay 80 percent of the remainder. That's basically the way it . . . And then 100 percent of assistance paid to non-area residents. These would be people that would be classified as not being residents of Winnipeg, say, or that municipality; and also 50 percent of the administration costs increases for full-time welfare administration employees.

MR. USKIW: Well, Mr. Chairman, then that revelation convinces me that the province does indeed participate to a very hefty extent with respect to the category of employables who are unemployed and who are on social assistance, albeit indirectly, through the city of Winnipeg or any local government, but that after a benchmark figure of a million or so dollars in Winnipeg, the province is in fact picking up the giant share of the costs of that group. So is the Minister in a position to quantify the size of that group and the dollars attached to it? That's really the nub of my question, Mr. Chairman.

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

MR. LAURENT L. DESJARDINS: I didn't want to interrupt the member, nor the Minister, but on a point of order, I wonder if we could not pass the Health Services, the Municipal Assistance is the next one. So instead of that, if we could go ahead and then leave the debate continue so we wouldn't have to go back, because there's a question also, I guess, that we would like to ask on this issue.

MR. USKIW: Mr. Chairman, I can agree with that with one proviso, and that is that I don't want to be precluded from discussing the areas where the Minister is 100 percent responsible, which he has alluded to. At the moment I can discuss the people in the LGDs over which he is totally responsible. If we move out of that item I can't discuss them, apparently. If we have that latitude, I don't mind moving to the next item, but I would want to be able to deal with the whole question.

MR. DESJARDINS: Mr. Chairman, I'm sure that the Minister will go along with that, but to inform my honourable friend, we've already passed this other item. We're on Health. —(Interjection)— But I mean we have passed the social allowance. It doesn't matter, it's just that instead of going backwards — but the Minister is responsible under municipal assistance.

MR. CHAIRMAN: To the honourable members, not that I want to make any hard and fast rules, it's just that when the Honourable Member for Lac du Bonnet entered the Chamber, he did make a remark that it was difficult to be in two committees at the same time, and I have allowed that latitude and we have not had any complaints from the Honourable Minister. So we'll pass Item (2), but I still will allow the latitude that is required. —(Interjection)— Fair enough.

Item (2)—pass; Item (3)—pass — the Honourable Minister.

MR. MINAKER: Mr. Chairman, we can get the dollar information for the honourable member. We don't have it with us tonight. But in terms of those that get in excess of the 40 percent, we're looking at maybe about half a dozen communities, the bigger ones like Brandon, Flin Flon, Dauphin, Thompson and Winnipeg, I think those are the major ones, and if I missed, Portage la Prairie, that in those instances, those are the areas where we get into that one mill 80 percent.

MR. USKIW: Mr. Chairman, I wanted to make some comments and to make some suggestions to the Honourable Minister with respect to the whole business of welfare programming in Manitoba, be it health related or be it related to general assistance. It would seem to me that it's probably time to take another look at the connotations through the use of the term welfare assistance programming, and that perhaps a more up-to-date and modern approach to it would be to perhaps move into the area by describing it as — you can call it guaranteed income if you like, or you can call it an income program of some sort — but perhaps it's proper to look at the idea of taking out the negative connotations from what is essentially a necessary and good program, but where much is misread into it by the general population.

The perception of a lot of people has been and continues to be that welfare is a bad thing, that is the common perception, that if there is a welfare program that is bad for the province of Manitoba.

Mr. Chairman, I know that the Minister will agree with me that by and large welfare is a necessary part of any modern society and that we have to maintain programs to look after people in these special needs, and they are there for a very good reason, and we accept them as clients for those reasons. But the popular perception is that it is a negative thing, and perhaps, Mr. Chairman, if we would dress up the image, we could turn the thinking on the part of many Manitobans and many Canadians in a more positive direction to the whole question of where the public's responsibility is with respect to income assistance to needy citizens.

The other aspect, Mr. Chairman, that I want to deal with has to do with the element of our society that is employable but who find themselves in the category of receiving assistance on a fairly regular basis. And here, Mr. Chairman, I think there is a problem that has not been properly addressed for many many decades. I know there have been attempts and so on, but I don't believe that any government has so far succeeded in dealing with it.

I would like to suggest to the Minister that in that connection that the most positive thought on the part of any government, would be that we should decide to quit, to stop destroying people, Mr. Chairman. I say that we are destroying people, people who are perpetually on some form of assistance and who are employables.

So, Mr. Chairman, because of that it probably requires some very dramatic and radical changes in thought and opinion and policy. But it seems to me, my perception of it is, and I would wish that I was wrong, that there is what we refer to from time to time as sort of a welfare syndrome situation that sort of keeps growing and it becomes larger and larger as the percentage of a given community year after year, and that there seems to be no escape from it, and that new generations of people are born in that kind of environment.

It seems to me, Mr. Chairman, that if the government was to take a progressive and positive attitude about those groups, that we would want to eliminate welfare on the basis of perpetual welfare to employables, but that rather we should work towards programs that would employ those people and make them productive again, and through that productiveness, Mr. Chairman, restore and rehabilitate them mentally, emotionally, and every other criteria that you would want to use. But the most important element, in my opinion, of success there would be that we would hopefully, at least, not allow the continuation of the perpetuation of this situation from one generation into another. That I know is a very serious problem in the larger urban centres and in particular in Winnipeg.

It seems to me if one is going to adopt the policy that there must be job opportunities that are meaningful for employable welfare cases, that the only way that can be brought about is through some active program of the government. I don't mind, in fact I encourage the Minister if he wants to involve members of the private sector in dealing with this problem in one way or another, but in any event, Mr. Chairman, if the solution has some relevance or meaning, then it seems to me that the government has to be the employer of last resort for that particular element in our society.

I suggest to the Minister that while some may interpret this to be a reactionary position, I think that it is the reverse. I think that the only way that you can rehabilitate people who have allowed themselves to slip into this position is by some sort of concrete government action that would re-enroll and re-involve them into the mainstream of our economic system through the private sector and through the public sector. I don't think it is something that can be accomplished overnight, but, Mr. Chairman, we shouldn't allow it to grow. We should try to diminish the existing volume of people that we find in that position.

Mr. Chairman, I don't know whether the Minister has a philosophical attitude on that question, whether he really cares as to whether it is 1,000 people or 5,000 people that we are talking about, or whatever the numbers are, that he truly wants to do something that would take them out of that dilemma, a dilemma perhaps they are not even aware of themselves, but certainly anyone with his or her eyes open know that the problem exists, and it appears to me that it is an expanding problem.

I would suggest to the Minister that his department, who has adequate, I believe adequate, research capacity, try to come to grips with that problem, that is the problem of human rehabilitation; not to continue to allow the degradation of people, but a policy that would pull them out of that area and re-enroll them back into employment areas, private, public, or whatever, a joint effort on the part of the private sector and the public sector. But certainly we should make an attempt, Mr. Chairman, to find ways and means through the research arm of his department, do some pilot projects or whatever in order that these people might be brought back into the productive area of our economy, for which, Mr. Chairman, if there is a cost attached to such a program, the taxpayers would not mind knowing that this is a rehabilitative effort and we are doing something positive to re-enroll people back into productivity. But I don't believe that the taxpayers appreciate one bit expenditures of money on the basis that we are going to continue the idea of satisfying the day-to-day needs of food and shelter without seriously looking for ways and means of making these people self-supporting, having those two things go in tandem, hand in hand.

That doesn't mean to say, Mr. Chairman, that we ignore the people who have their hard luck, and everyone has his time perhaps in life when he is down, that we ignore that individual. All I am saying is that if there is a trend setting in within an individual, and the Minister has ample examples, I am sure, within his clientele, where he may have people who are employable who have been on the Assistance Program for God knows how long, he has the statistics, and which something should be done to change that. I believe that is not a regressive thing, it is a progressive thing in the sense that it rehabilitates the individual. I don't believe that the offspring of families who are born into that kind of poverty and dependence, I don't think that they should be taught to carry on in the same way. It seems to me that they should have an opportunity to break away from that syndrome and to become full participants in our economy and our society.

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

MR. DESJARDINS: Mr. Chairman, just a minute. At this stage I didn't want to take part in this debate, I just wanted to ask the Minister a question that he can answer when he answers my colleague.

I wonder if the Minister would give us the caseloads of these municipal cases and what percentage is in the city of Winnipeg.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: First off, answering the Honourable Member for Lac du Bonnet. Being an engineer and now being called a social engineer — you know a rose by any other name it's still a rose and, really, we're talking about, you might say, the last resort. This is what it is all about, it is the last program that a person can turn to get help and different fancy names have been used through the years, social welfare, and now we call it social security, some call it income security, but the fact of the matter is it is a program of last resort.

I would like to advise the honourable member that there are programs that he is now describing, in actual operation at the present time, were in operation under his administration, a good many of them, possibly the majority of them that he is talking about, to get people off the welfare roll or not let them get onto it because they are unemployable. I might just remind the honourable member, and I realize he's been in that other committee while we were here, that we do have employment counsellors that work with these people trying to get them back into the work field; we also have the Work Initiative Program, which we described earlier in the debate, where the person can start to earn some money; we have the Day Care Program, which we have now expanded and has worked very well with the mothers, getting them off mother's allowance and out in the work field; we also have the work activity projects which were dealt with earlier in our estimates, where we actually take these people who cannot keep a job, do not have the job skills, or even the life skills, some of them, and a portion of the program is spent in the classroom where they are taught how to budget, they are taught how to learn these work skills so that they learn how to come to work every day and keep the time, do and provide work, and we have these going on in Brandon, in Winnipeg, in Dauphin and Portage la Prairie.

We also have, which I mentioned, the Student Allowance Program, which I indicated there was 500 cases. This is where a person who is unemployable is going back to get training to become employed, can get allowance assistance, either a woman or a man, it's not just tied to a mother with children. We also have Canada Manpower programs, at least the federal people have.

Really, what the honourable member is talking about, to some degree, is a breaking away from that poverty point, and that basically is some of the thinking behind our White Paper on Tax Reform, was to get at these people to assist them with Shelter Allowance and to help them with CRISP and so on, that they would maintain that working and contributing to the economy.

It's not increasing, I can assure you, and this is what the Honourable Member for St. Boniface asked. I can answer both your questions at the same time. You were concerned that you thought this might be increasing, the number of cases of employable people who were unemployed and on municipal assistance. To give you an idea, in 1974, the average monthly caseload in the city of Winnipeg was 3,700. The total caseload for the province was 4,600, so 80.4 percent were in Winnipeg. That has now reduced, in 1979, to an estimated 2,600, with the total caseload of 3,400 for the province, or 76.5

percent of the cases were in the city of Winnipeg. So it has been declining by a total of approximately 1,100 cases in the city of Winnipeg, from 1974 to 1979, and approximately 1,200 cases in the province, a reduction over those same periods.

So it appears that these programs that are in existence and are being maintained and the funding increased for them, is working. I agree with what the honourable member was saying, that these programs should be available, and in fact they are.

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

MR. USKIW: Mr. Chairman, I am aware that there are a whole host of programs that are available. I don't believe that they are designed in such a way as to eradicate the problem. I know they are there and I know people can participate in them, but I think there is more that is required in order to eradicate the problem. I think the problem is in a number of these examples, and I don't know how many of the 2,600, where it perhaps has become a lifestyle and so you have to change thought and values and so on. But it seems to me that if that is the case it is worth the effort, because if that particular element is in the position of raising their own families, that it is better to try to correct that situation with the parents than to have it multiply itself or repeat itself later on down the road when their children grown up and sort of adapt to the same expectations and the system that seems to be there.

It seems to me that there ought to be a more aggressive approach on the part of the department to enroll every person that is indeed employable and who is on some form of assistance in programs that would require their participation on a day-to-day basis, from nine in the morning until four in the afternoon, or whatever it is, in order to bring them back into the sort of normal scheduling of family living that should be expected by anyone, and certainly by society. You know, I don't want to belabor it excepting I know that if you can salvage — and I say salvage because I know that in some of these instances it is a very chronic problem — if you can salvage the offspring you have achieved a miracle, is the way I put it, rather than allowing that kind of thing to perpetuate itself.

It is not easy; I am not suggesting to the Minister that there is any magic to it, but I would hope that the government moves in the direction of a very consistent and persistent approach in involving these people on a day-to-day basis to reorient them into that kind of use of their time on a day-to-day basis. There may have to be welfare payments related to hours of input and so on, but they have to be meaningful. They have to be meaningful and there has to be some process of graduating these people into employment areas, whether it is private or public sector. But the government should be the employer of last resort. If the Minister can't find a spot for Client A because that particular client has not yet adapted himself or herself to an employment opportunity that is presented, then I believe the Minister should have a position for that person to keep the process going towards full rehabilitation.

I believe those are dollars that would be well spent, Mr. Chairman, because the long run is that we

eradicate a problem, a problem that I don't believe should be tolerated by any modern society.,

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

MR. DESJARDINS: Mr. Chairman, yes, I would like to take part in this debate. I think one thing that should be emphasized here, and I see it won't receive too much emphasis, if I look at the gallery, but for a number of years I think the people of Manitoba are under the impression that there are an awful lot of people on welfare, that there is a lot of abuse of welfare. That isn't true. I made the same mistake before I became the Minister. I was going to be a crusader and change all that; then I realized that, you know, if you looked down on the list, first of all the list that the Minister talked about — there is Mother's Allowance, you know, there is nothing wrong there, nobody wants to cut them off. The aged, the disabled, the students and the general. The general would be the only place that you can lump, maybe, with those on the municipal assistance.

But the municipal assistance, I would imagine out of those 3,400, which is not that much, there are some that are employable that are unemployed, but it might be just a question of a month or so.

Then, I think that my honourable friend, the Member for Lac du Bonnet, is talking about not exactly the same thing that the Minister is talking about. We are talking about a small group of those that repeatedly could be employed but are not employed, and it becomes a way of life and it goes from generation to generation and they feel, well, this is their lot in life.

Of course, some of these programs, the welfare roll will go down. The Minister talked about these programs and he is right, all these programs were there when we were in office, we started them. I think I can zero in on what the Member for Lac du Bonnet is talking about. He is talking about a change. These people need special help and special, should I say supervision, because it is practically a way of life. For some reason or other, they don't want to work or they can't work, they think they can't work, and it becomes from generation to generation.

I might say that we had — maybe I'll refresh the memory of my honourable friend — we had repeatedly contacted the federal government and we were ready to take these people and give them some kind of a job. Their job might be to wait in a classroom every day, but to report, and they would get their welfare cheque only if they were available and then it was felt that maybe they could do certain work like clean parks or clean riverbanks and jobs that wouldn't be done. The province suggested to the federal Minister that we would add — we wouldn't give them the same rate as welfare and force them to work but, for instance, the way it is now, the federal government matches dollar for dollar, approximately, and the province was ready to put in another dollar. Instead of getting the welfare rate of 2, they would get another dollar for each 2.00.

First, the answer from the federal government was positive and then for some reason or other — I think Mr. Lalonde at the time was searching for a

guaranteed income — then they refused, where we needed it. We didn't asked them to put any more dollars, but if we started a program like that they would then keep that dollar that they were paying for each one that we pay so we were ready to spend an extra dollar. I don't know if the Minister is following me. Right now we're cost-sharing. Let's say dollar for dollar. We were ready to put another dollar in the pot and, instead of 2, for each 2 they would get an additional dollar and they would have some kind of work, that they would have to report and come in and so on and it would be changing their habits and we could still achieve something, do something productive.

Like my honourable friend is saying that they would not longer be just receiving welfare, they would have some kind of employment. Now, I don't know, it seems that maybe the Minister can try to talk to the federal government to help them in this. It wouldn't cost them any more money at all. They could go on a percentage or base themselves on the figure that they had the previous year and it would cost the province about one-third more again of what they're paying.

Mr. Chairman, we couldn't start these programs because then we would have had to pay the whole thing. But I might say that we then after trying for so many years, we felt that we would challenge them and we felt that we would, rightly or wrongly, that we would force the federal government to come to their senses and realize that we were helping to rectify something. I know that I'd given instructions, having been instructed by the Premier at the Cabinet, I'd instructed our Director of Income Security, Mr. Ron Hikel, to prepare some of these programs and I kept after him and he was, just around the time of the election . . . I don't believe that we ever started these programs. I think they were practically ready to go. So it might be that the Minister might want to investigate that and to see if that can be done and maybe approach the federal government again and see if that could be done, Mr. Chairman.

It wouldn't be a very large group because they would be found on these 3,400, which is the number on the municipal payroll, and they wouldn't be the whole 3,400 because I imagine that a good percentage of those, a good number of those, are people that are there for less than 30 days and then are not then re-applying every month. So it might be something that would be worthwhile. I think that the Minister should take the suggestion of my friend for Lac du Bonnet quite seriously because I think that there is, in effect, people who are giving the whole group a bad name, people who don't want to work. Mind you, they're sick in a way, they can't work in a way, because they've never done it and it's practically a way of life. I think if they change anything, it would be well worth it.

Mr. Chairman, the Minister said in the municipal case that 76.5 percent are those from the city of Winnipeg and I think that should give us and give the Minister a message. Although I don't think that 76 percent of the population is in the city of Winnipeg, there's quite a few. I think one of the reasons for that, Mr. Chairman, is because I think that the rates are somewhat higher in Winnipeg. My next question is, is the Minister, is the department still working on trying to have a uniform rate? There might be some

adjustments to take certain things, the cost of living in certain areas into consideration, but all in all, a uniform rate across the province. This is something that I mentioned to the Minister and I think he suggested that I wait until we come to this item. This is not being done in some cases. If they're going to do the administration, I don't think the Minister can wash his hands and say, well, that's not our responsibility. I think the taxpayers of the province are paying a large portion of the cost and it seems to me that the Minister should insist that the rates be uniform and the way that they are provided or the way they applied for that should be also in a responsible way.

Certain areas are very good and they have people on weekends for emergencies and that happens, and in other areas they make it so tough for the people. They have to appear in front of the whole council and they have to come back and then the rates are so low and then they brag that they have nobody like that in their community, they have a very clean community. Well, they're shipping them to Winnipeg. They're forcing them to come to Winnipeg and I don't think that's good. Many of the people would stay in the rural area and I think it would be better than to come to slums that we have here and add to the problems that we have, Mr. Chairman.

I wonder if the Minister can tell us about the rates, if they are working towards getting those rates uniform and to — facilitate might not be the word — but at least make uniform also the routine that they have to go through when they apply for help, Mr. Chairman.

MR. MINAKER: Mr. Chairman, in reply to the Honourable Member for Lac du Bonnet. The honourable member knows that it's a two-sided coin. What we're talking about is that we can provide the assistance and the counselling and the projects for the individual to try and become rehabilitated or abilitated (?) to work but it still has got to be the individual's initiative as well to want to work and to get out and work. As the Honourable Member for St. Boniface has indicated that, under the present cost-sharing with the federal government, they will not cost-share a make-work project under the welfare of the CAP Program. That subject of different methods of federal cost-sharing I've been told has been on every year's agenda with the inter-provincial Ministers and Deputy Ministers when they meet, and we understand it's on this coming agenda that's going to be at the meeting in Whitehorse next week again to review these present cost-sharing under CAP to see if it cannot be revised, with in mind the work-activity projects and the work-incentive projects and items like that, to encourage people to get out and work and the feds to get involved in the cost-sharing. I might say that at the present time I believe there is a project of that nature with the city of Winnipeg where we, the province, share 50 percent of the cost and the city of Winnipeg shares 50 percent of the cost. I think it's primarily involved in the spring clean-ups and work like that where the people are put onto the payroll rather than the welfare roll. But, again, because the feds will not finance or cost-share in that, the two levels of government have decided on their own to cost-share it. I can't give the honourable member the exact

dollar quantity because I think it comes under the Minister of Labour's portfolio.

With regard to the uniform rate across the province, I will not be doing anything with that this year but I will be reviewing it next year and I have asked though, from the staff to report to me the administration costs and the cost-sharing of same, to review that this year to see if there is something can be done to assist the municipalities but that would strictly be related to the administration costs-sharing at this point. But basically it's still the same policy as was in the prior years. It appeared that the percentages were increasing or very high and I might just point out, in 1974 the percentage of cases in Winnipeg out of the total provincial was 80.4 percent, then in each year went to 79.5; then 80; 78.6; 77.5 and in '79 it dropped to 76.5. So it is going down as far as percentage. The other problem is that we really can't dictate where people are going to live and if they choose to come here to live in Winnipeg, and I think probably the reason why and being realistic about it is that the city of Winnipeg probably has the best, well do have the best of the municipal welfare rates as compared to other municipalities. So these people possible seek it out. It's hard to find out but I think that's probably part of the reason. The other thing is that these people come to a large metropolitan seeking work, so that some of them could be on the welfare rolls for that reason as well.

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

MR. USKIW: Mr. Chairman, I appreciate the fact that the Minister cannot at this time get a commitment from the Government of Canada that they would cost-share such an aggressive make-work program. But I believe, Mr. Chairman, that there is no harm in this Minister, or any government provincially, taking the lead. I believe if the lead is taken by one province that other provinces will follow and the result of that will be a federal-provincial agreement to cover those costs. But it's been nothing but buck-passing for the last 40 or 50 years, Mr. Chairman.

I recall the discussions we had in our Cabinet on what Ottawa will or will not accept as a financial responsibility in dealing with these cases. I am prepared to say that we should pay the bill, Manitoba should pay the bill, because I think that you cannot undervalue the benefits of human rehabilitation and especially where it involves young people who are the children of the clients of the Minister, Mr. Chairman. I don't think that you can put a value on that. I'd prefer that we not even think in terms of monetary value or cost, but that we think in terms of what we are trying to achieve in human development and human rehabilitation and that it's just too high a price to pay, that is, the idea of just saying, well, the statistics aren't bad and so we have 2,000 or 3,000 people in this category, that's not bad relative to a million people in Manitoba. I think that attitude is one that represents, in my mind at least, too high a price to pay. I believe that the price of neglect is too high a price, Mr. Chairman. I don't think it's right that in our society we should have children being brought up and raised in that kind of environment without any hope, without any

aspirations, without anything to push them on to become self-fulfilling and participants in society and in their community. It's a major undertaking, I'm not underestimating the magnitude of what I am suggesting, Mr. Chairman, but I think that there is a human problem. The bulk of it is in this city and we have, Mr. Chairman, a slum area that is growing in this city by leaps and bounds and members like to refer to it as the old centre core of Winnipeg. It's more than just the old centre core, it's the rotten core, Mr. Chairman, of our physical assets in this city and it's the rotten core of our human assets, without being derogative. It is something that's eating away at this society of ours and that this city in Winnipeg, it's in smaller numbers in smaller communities, it exists nevertheless. But Winnipeg seems to be the city that attracts more and more numbers of people who are in some form of difficulty financially and we are ghettoizing this thing on a scale that I believe is — well, I would really describe it as a bit of a time bomb. I just don't think that by saying it's Ottawa, no, it's the province's and back and forth that we are doing justice to the problem. I think it's a time bomb; I think it has to be dealt with and I urge the government to take a leap forward and to set an example, if necessary, for the rest of Canada, all alone without federal help and involving every employable in a program that would require them to participate in our economy, for which they would receive, not only their welfare cheque, but an enhancement beyond that in order to give them that kind of encouragement. Mr. Chairman, I have to go back to the other committee but I thought it was worthwhile to make that comment.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Chairperson, I just want to help the Minister in his recollection of the Work Incentive Program with the city. I did bring this up under the labour estimates and we had a report from the Minister of Labour at that time. The program I think that is cost-shared between the province and the city is not the Spring Clean-up Program, although that is the method whereby welfare recipients are returned temporarily to the workforce and to the payroll of the city, but the cost-shared work program had to do with putting welfare recipients into community centres as staff people. This has been tremendously successful — and I think it occurred after the Honourable Minister left the city to come here — and a number of these people have now left that employment and entered the ordinary work stream, the labour force outside of that particular program. A number of the others have remained in that program and new ones have been introduced, very few have dropped out. But I'm sure that the Minister and the honourable members could get that information from the Minister of Labour or from the people at the city, from whom we had regular reports while I was still with the city.

I have to agree that if it's not possible to get the federal government to cost-share an expansion, extension, a new program, that the province of Manitoba should go ahead and initiate such a program on its own. It would pay for itself. If cost were the only factor — which it is not and I don't

think anyone is saying it is — if cost were the only factor it would pay for itself in a period of time.

I don't believe that people growing up don't want to work. I believe that most people, especially when they're young and they're growing up and they're still full of dreams, would prefer to be working and gainful and contributing members of society. But I believe that a little time out in the world so degrades them and makes them feel so lacking in self-worth that after awhile they don't even remember the days when they dreamt of rising above this low level at which so many of them have grown up; and that they also come to the point where they accept it and in fact perhaps would even say, I prefer to live in this degrading way to anything else, just because their incentives have been dried up in this drought, in this lack in which they grow up and in which they live.

I believe that if the Minister wanted to suggest a program where something similar to what has been done with the city of Winnipeg could be expanded into the other municipalities in this province, Mr. Chairperson, I believe he'd have the support of all corners of this House. Hopefully, if it was initiated by the province and it could be proved to be successful, as the city program has proved to be successful, I believe that the federal government would come in and would participate, perhaps even in the second year. Certainly I would hope that my party would help to bring that about.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, I'll be very brief. I thank the honourable members for their comments. The one concern that I have in regard to this approach of hiring the people to work rather than just leave them on welfare is that we might be getting into a way of robbing Peter to pay Paul type of thing, where we would be taking up positions for these people and then there would be other people ready to take on the work that want to work but the spaces would not necessarily be available. So that they, in turn, would be unemployable and you'd get into sort of a vicious circle or, in fact, you'd be getting into something like Mincome where we were really the pioneers of in Canada, which other levels of government have not considered affordable. So these are two other areas which we would have to concern ourselves about, with this approach that the honourable members are talking about.

MR. CHAIRMAN: (3)—pass — the Honourable Member for Fort Rouge.

MRS. WESTBURY: I just wanted to add one thing which escaped me until the Minister was speaking. When this program was started with the city of Winnipeg, it was obvious that it had to do with the co-operation of the unions and the positions that were available were made available, after consultation with the unions, so that in fact the people who were already employed were not displaced. That's a further aspect that perhaps the Minister would like to look into.

MR. CHAIRMAN: (3)—pass; (4)—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, on (4) there's something I really can't understand. We have a situation that under (1) Social Allowances, the Minister says there is a reduction, it was underspent, and we're asking for more money. Of all these programs the (4) is the only one that wasn't underspent, that all the money was spent, and the Minister is asking for less money. Can we have an explanation of that please, Mr. Chairman?

MR. MINAKER: Mr. Chairman, the main reason is there's fewer people on the rolls now that come under MSE at the time of this budget because primarily of Canada Pension Plan and other pensions that are available, that we know this is roughly the amount of money that we will need this year. So if there's less people on the rolls, so we didn't want to put too many dollars into that item. It's primarily because of CPP and now we have the people over the age group of 65 are now getting CPP or they're getting other private pensions, that they would not qualify for MSE, which will now be known as MSP.

MR. DESJARDINS: Mr. Chairman, far be it from me to suggest that we should over-budget. In fact, my colleague has just suggested to the Minister that we feel that maybe he is over-budgeting on the other program such as Social Allowances. I accept and I understand what the Minister is saying, but I can't help but think that maybe there's something wrong. I wanted the Minister to double-check his answers because it seems to me that what he said is true, but it's not going to happen from one day to the other, and why weren't they underspent in this area? Or had they not increased that from the last year, or what?

MR. MINAKER: Mr. Chairman, it's my understanding in this instance that we know pretty well the precise numbers because we get them from the federal department and then we're dealing with an age group. We're not necessarily dealing with unknowns like unemployment that we might expect would increase the caseloads by 1 percent and these other variables, whereas we know from federal Canada exactly the numbers of participants.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, the Minister did say that the amount of 2.2 million was not underspent, that that was the amount that was spent. I'm going to remain skeptical. I think it has to be underspent. You can't have spent that amount of money, it's impossible; not according to my calculations. — (Interjection)— Okay. I can understand the drop because the program is geared to OAS GIS, and as GIS depends on other sources of income, that comes into the picture and the GIS drops. To that extent, the supplement is affected as well. It's going to continue on that basis as more and more people qualify for CPP. The recent amendment, federally, where the spouse will now receive part of the Canada Pension Plan money, even though the spouse did not contribute during her or his lifetime, nonetheless the law now allows for the spouse to collect some of the money, so that the simple OAS,

GIS measurement is simply not going to throw up the same demand. What I'm curious about is the new program, what is the measurement going to be there? If you are dealing with people who are under 65 then they don't qualify for OAS at all, they don't get Old Age Security, the universal aspect of it; nor do they get GIS. How are you going to decide on qualifications, how are you going to measure what in fact is the threshold for entry into the program. The change now I gather is they've changed it from Manitoba Supplement for the Elderly to Manitoba Supplement for the Pensioner and what is a pensioner? Under our program it was someone who was getting the Old Age Pension; if he's 55 he may be getting a Disabled Pension but he's certainly not going to be getting an Old Age Pension. What are the changes and how is the new program going to be working and this I gather is going to take effect September 1980. —(Interjection)— I believe so, according to the White Paper its September 1980, but if it is September 1980 you're going to have your forms very quickly, so by now the department should have an idea of how they are going to operate the program.

MR. ACTING CHAIRMAN, Robert Anderson (Springfield): The Honourable Minister.

MR. MINAKER: Generally the threshold will be basically the same as it is now for the maximum for MSE, that will be doubled and people down at 55, their income being from a pension, or say interest on bonds or whatever, they are not employed any longer, would relate identical to the threshold that we utilize at the present time for GIS and MSE but now it will be dropped down to the 55 age group. In addition, because it's doubled now you're going to get more people brought in because, I think, at the present time we drop down to 12 a year, now that would be doubled to 24, then obviously you're going to bring in more people down again to that low level of 12.00. So you're going to be bringing in more people than might be on the roll at the present time because we are going lower. It's hard to explain but if you appreciate what's happening; the threshold will be basically the same but it will be related to those that retired at 55 or over whose income is pension or interest but they are not employed.

MR. MILLER: Mr. Chairman, when the Minister says pension he's not talking about Old Age Pension at all, he's talking about a private pension, early retirement, whether it's 55 or aged 60, or a disability pension I suppose, one of those, or somebody who just simply decided they are calling it a day and they figure they can live off enough investments. But that kind of person who lives off investments won't qualify because his income will be greater than what the OAS, GIS formula yields, so basically you're using the OAS, GIS as you're measurement and you simply apply the same figures, the mathematical figures to those who don't qualify for Old Age Pension or for the Guaranteed Income Supplement. Does the Minister have any idea of how much money will be required from September 1, 1980 to the end of the fiscal year for this program, has that been calculated out?

MR. MINAKER: Mr. Chairman, unfortunately I don't have that information with me, I believe that the Honourable Minister of Finance in debate on Friday, I think, indicated those numbers when he was debating, I believe he read some of them off. I could be wrong, I think in part of his statement, I'd have to check that but I don't have that information with me.

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

MR. DESJARDINS: Well, Mr. Chairman, let me put my cards on the table and tell the Minister what my concern is, my real concern is. The federal Minister of Health and Welfare I think was piloting a bill through the House that would give an extra 35 to each pensioner and she had made the appeal that she would hope — and I got that a few days ago from The Winnipeg Free Press — Madame Begin told the Commons she had asked the province to make sure that 35 goes into the pockets of pensioners living in institutions and public housing rather through increased rent and board, her comments during debate on Legislation to increase the supplement to amount 1.3 million of Canada's poorest pensioners beginning in July. The bill would increase the current supplement paid to single pensioners to at least 188 a month. The supplement is paid to persons with little or no other source of income and is in addition to the Old Age Security Pension of 186.60 a month.

Mr. Chairman, could be have this assurance that all this money will be passed on and then that it won't be taken away from them by another increase to take care of this money in the personal care home or government-sponsored senior citizen home?

MR. MINAKER: Mr. Chairman, the 35 the honourable member is referring to will be passed on to anybody who receives the MSE, whether they are in a home or personal care, whatever. Anybody who receives the MSE will be getting that 35 passed on like they have in the past.

MR. DESJARDINS: That's Part 1 — that's answered Part 1 of the question, Mr. Chairman, but then are we going to have any guarantee that there will be an increase in personal care homes, per diem in the personal care home, to take that money away, or part of that money away from these people. That apparently is the reason why this bill was passed in Ottawa and this extra money is voted or it was felt that the people were left with too little money and the appeal was that the Minister, and apparently some of the provinces said, yes, this would be the case, what about Manitoba?

MR. MINAKER: Actually, Mr. Chairman, my understanding is the Minister of Health announced some increases in the personal care home per diem rates back some time ago that would carry through up to I think, January 1981 but I would think the question would be best placed to the Minister of Health. My understanding is that has no relation to the 35 but that the increased per diem is going to be carried on till January 1981, as far as my understanding is but I would suggest the honourable

member might raise that question with the Minister of Health to confirm that.

MR. DESJARDINS: I will, Mr. Chairman, but I can't help but think and bring again to the Minister's attention, the government attention, the danger that we have when the Minister that has a certain responsibility, and now with the department divided — and we've heard that from the Minister three or four times today — that we should ask the Minister of Health. So it seems to me the Minister, when we started his estimates, we talked about administration, the Minister told us that they talked quite often and they know what's going on and I know that it's very difficult to know as much about some other Minister's department than your own but this is something that I shouldn't be the only one to ask the Minister of Health but the Minister of Community Services should also make sure and bring it up in Cabinet. Because after all the responsibility of old age pensioners is very much the responsibility of this Minister and this department.

MR. ACTING CHAIRMAN: (4)—pass; (b)—pass — the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I would like to make a suggestion. I can't insist, I don't want to insist and I can't insist, but I wonder if the Minister and the members of the committee would agree to go, now that we've passed (b), to do (d) and (e) which is related and this is something that definitely we could finish tonight and then we'll have only the Day Care left and of course the next session of Corrections. Some of the people that would want to participate in Day Care won't be here this evening, they are either at another committee or they had to be absent and in this way we could finish this and it's related to the programs, it is a delivery of a program. I wonder if we could do that and then go back — do (d) and (e) and then go back to (c).

MR. MINAKER: I have no objections, what I'm concerned about is we are setting maybe a precedent here that because somebody isn't here to debate. But if it's done before I have no objections if it will help carry through.

MR. ACTING CHAIRMAN: It appears that there is general agreement to proceed with Section (d). The Honourable Minister. Item (d)(1)—pass — the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, under the (d)(1) I notice although there's a slight increase in salaries it's almost a hold the line position. We were talking earlier that in fact because of the many new programs that were introduced, they'll need more administrative staff and this is the staff, I assume, in the regional offices, this is not the staff in the central headquarters. These are the regional offices who will have to deal with the various programs, both in the accepting of applications, the deciding whether people qualify or not, making those decisions that the staff person usually is involved, the intake person. I notice on this basis it's pretty well a stamp pad operation and, as I say, although there is a slight increase in salaries, I imagine this just simply

reflects, doesn't increase SMYs, it simply reflects the increments that are automatic on staff, or is there a change in the size of the personnel itself. I wonder if the Minister could tell us that.

MR. MINAKER: With regard to Item (1) there is an increase of staff, I believe the Honourable Member for St. Boniface has that breakdown, it goes from 253 to 256 in the overall. There are two new SMYs, two of them are investigative auditors, that's a specialized position in our large urban office to carry out investigations at the field level and then there has been one transferred in from Directorate into, I guess, field operations. The increase is, I guess, it's approximately about 8 percent to 9 percent, does not include any salary increases that might be arrived out with the MGA in this year's discussions and so in fact the voted item will be higher than this when we deal with it but that's basically the reasons for the increases.

MR. MILLER: Mr. Chairman, I notice that the amount Recoverable from Canada is 2 million something, 2,089,000. Last year it was 1.6 million so there's an increase this year and yet there's, if I read it correctly, they're involved in less of the programs. For instance, last year, I think it was called Income Security Field Operations, that was the heading last year, if I recall correctly, and that included the Manitoba Supplement for the Elderly at that time. Now Manitoba Supplement for the Elderly is a separate line. As well, I believe, the Blind Person Allowances Act was also supervised or looked after by this group and I'm not sure if it still is now, so I'm wondering what accounts for the 2 million Recoverable from Canada if, in fact, some of these programs are now shown elsewhere in the estimates.

MR. MINAKER: Mr. Chairman, we'll have to get that information for the honourable member with regards to why the increase to 2,089,000, similar to what we did for him the other night. The individual responsible for MSE is still in this SMY complement so that hasn't changed.

MR. DEPUTY CHAIRMAN: (1)—pass; (2)—pass; (d)—pass; (e), with no appropriation; (c) Day Care Services, (1)—pass — the Member for St. Boniface.

MR. DESJARDINS: Isn't that a good idea? We got rid of a couple of things, we're still on . . . — (Interjection)— I beg your pardon? Well, Mr. Chairman, I think that we should . . . of course, I'm only one member of the committee but I would imagine that by tomorrow night we'll be close to finishing the —(Interjection)— I know, but we can only do one thing at a time. . . . finishing this department. I'm going to suggest, Mr. Chairman, I think there was some kind of informal agreement that we go to roughly 10 o'clock and I wonder if I could ask a series of questions to the Minister and I'll go slowly, and if he hasn't got that at this time, if he can give us that tomorrow. And maybe after hearing from the Minister, we might adjourn for the evening and start again on Day Care tomorrow.

Mr. Chairman, what I would like to know is, I'm talking now of the program that we're looking at, not necessarily what was brought in and I'll touch on that

and of course this is the place to discuss it in the budget. I'd like to know how many spaces we have now in the group day care, in the family day care, and how many are provided in these estimates; the number of centres in the group day care and in the family day care, and I would like to know the percentage of people that are eligible for assistance that are in the group day care and in the family day care. This is the old program.

I would want to discuss the new program. I would ask the Minister to explain what the changes will be in the program. Is it just a question of more spaces under the same requirements, the same guidelines or will the program be enriched in any way in the day care? Also, if this is separated. I think we have to go back because it's pretty hard to divorce it. The Minister has continually talked about Day Care and he seems to include now in Day Care the Noon and After School Program. We would want to know, Mr. Chairman, have an explanation of that program, what he means by that. In other words, is it the same guidelines for those two programs? Is it only expanding them to take care of more of the people or is it partly that and also is the program enriched in any way at all? In other words, the change of the programs.

Could the Minister tell us when the new application form will be ready and I wonder if we could have a copy of this application for this new program? I would like to have an application under the present program and a new application if the program is changed at all. Then an application also for those that are applying because that has been announced that there would be special help for the handicapped, a program for the handicapped. I think that the policy is that no family that has handicapped children should pay more for that child than they would have to pay if the child was normal, so could we have an explanation of that also.

Does the Minister intend also to change the maintenance grant at all? Is the one shot deal for the start-up grant; is that still going to be in existence and what is the amount for that? How much can be recovered from Canada of the present program and the new program also?

Mr. Chairman, I would like the Minister also to tell us how the Minister is going to cope with this new program. I would like to have the exact amount that was earmarked for the Day Care and also for the Noon and After School; the amount of money for the new program because right now it's all with a bunch of programs. Somebody during a speech, the Minister of Finance or somebody, and I think the Minister mentioned that figure today, I think it was 4 million, and we'd like to know exactly what the amount will be.

Mr. Chairman, another question I would like the Minister to comment on is that we had a staff with the program. It was rather new, well, it's not that old, but we had a staff of 21 with a full-time director and a permanent director and now that was cut down to 10 last year and 8 this year. I would like the Minister to tell us how he expects to spend that extra 4 million with a staff of 8. The freeze was on. I can understand that they cut the staff because there was a freeze, now the freeze has been lifted from what we have in front of us and more so with the program announced in the Budget Speech.

Mr. Chairman, I would want the Minister then to tell us clearly if he expects to spend this money this year. We don't believe that can be done unless there's something we don't understand, unless he's going to give more money to the programs now, because that would mean practically a 200 percent increase in spaces and with the staff that we have and that's only because that's not a full year, that is from September to the end of March. Mr. Chairman, I wonder if the Minister, if he has it now, if he can give us the information now; if not, well then, you know, after some other remarks, it might be that we could adjourn around this time and that the Minister could give us the information tomorrow. But we certainly would want to know. This is the only place that we could discuss this. The Minister said earlier this afternoon that is different because that is attached to a program. It's nothing new, and that they are familiar with this and they are ready for that and so I wonder and I don't think it is unfair to ask the Minister the series of questions that I've asked at this time.

MR. MINAKER: Mr. Chairman, in answer to the first number of questions relating to the existing spaces, etc., that are presently in these estimates, the number of day care centres in the family totals 151, 78 of which are in the city of Winnipeg. In the group day care centres, there is a total of 171, of which 86 are in the city of Winnipeg; the remainder are spread throughout the province. — (Interjection)— Those are centres. The total of the group and family day care centres total 322 for both the city and outside the city of Winnipeg.

The number of licensed child spaces prior to the announcement this year and I'll have to add in the 255 afterwards; this would be as of December 31st, 1979.

MR. DESJARDINS: For the centres; was that the same thing?

MR. MINAKER: Yes. In the family child spaces there is a total of 477 and there is 219 in the city of Winnipeg. I might point out that it's my understanding now that the city of Winnipeg has responded to our request that family day care facilities will now be allowed in R.1 areas and that's classified as a special conditional use providing they're on a ground level entrance, which should assist us because that was one of the problems of getting people to become involved in the family day care because of the red tape they had to go through.

In the group, there's a total of 4,811 spaces of which 2,775 are in the city of Winnipeg, the remainder in the rural areas, giving the total spaces for family and group of 5,288. In addition to that, we announced this year 105 spaces for group and 150 for family, which would have to be added. That's what would be included in the figure that we have here.

MR. MILLER: How many in the family?

MR. MINAKER: 150; that's what is included in that figure of 5,260,300, that grant that we see there. The subsidy of spaces of approximately 45 to 50 percent of the group day care spaces are subsidized and 60

percent in the family day care. The approximate percentage that's shared by Federal Canada under CAP is 33 percent and that's shown there in those Recoverable from Canada, the 2,033,000.00.

With regard to the amount for the new program, one of the things that we are concerned about is that by an influx of . . . just saying we're going to throw 3,000 spaces out into the marketplace could possibly harm the existing system. We have to first check with the existing facilities to see what the general need is because all of a sudden with new group centres coming on stream and competition becoming keener, it could mean that all of a sudden there is unused spaces occurring in the existing ones, that it could create an economic hardship to the existing, as well as the new, so this has to be looked at.

At the present time, our staff is establishing these facts with regard to recommendations on the number of centres and the number of spaces that should be introduced in the Day Care Program at this time — (Interjection)— No, I should indicate that I didn't answer that question. When the honourable member was Minister I believe we had 21; we have now transferred the 13 out into the field staff that were located under Section (d), I believe it was. In there we had 13 field staff workers out in the field rather than shown in the central, so that's what has happened there.

We have asked the staff to look at some of the enrichments, possibly, and again it's not a final. The guidelines are being reviewed at the present time. It might be that the start-up grant for the new facilities will be increased because obviously the cost for construction, etc., have increased since the original hundred dollars. — (Interjection)— No, in fact, there is no decision on any of these items I'm going to be mentioning at this time. I might have to take them to Cabinet for finalization. These are considerations we're looking at. That is one way that there was indication of concern of getting the money out into the field this year in the period of time we have, of the 4 million. That is one one way we'll get more money into the field, is by increasing the start-up grants.

MR. DESJARDINS: But you won't spend that money; you can't.

MR. MINAKER: We're going to try but we recognize it's going to be difficult. I think it's been the experience that the honourable members had themselves when they introduced day care and we feel for this reason that maybe a bigger portion of the 4 million will go to the Noon and After School Program, where there is generally a non-existent program at the present time.

We feel the two have to be tied together in that it could well be that a mother will have a child, both in the day care or in the Noon and After School Program, if they have two children, so that you're going to have to look at the impact on a family as well as just what's the impact for someone sending a child to Noon and After School. They might in turn be sending another child to the pre-school. So there has to be some consideration looked into in this regard. At the present time . . . — (Interjection)— The staff is doing it. — (Interjection)— No, they're working. Mr. Chairman, obviously if we require

additional staff, we'll have to go to Treasury Board. We're prepared to go to try and get increased staff once we see what the man-hour workload's going to be on this particular program.

At the present time we're favouring — this is my own personal feelings on it — to stay generally with the policy guidelines that we have established in the present day care system at the present time, which would mean necessarily no increase in the maintenance grant. That is not finalized but I'm just saying it as a general approach. Also the approach, we're looking at one of the recommendations we'll consider and have asked for is going with the same kind of guidelines with the Noon and After School Program, so that we can get the federal money cost-sharing involved in it as well. Again, it would be an income tested one where we would subsidize the same individual: The woman who now her child is grown up and is in school and still rather than go on the welfare she'll now have someone to look after him before and after school.

The new application form, it's our anticipation, should be available sometime in July and obviously at the present time we have in our offices applications from groups to start up new day care centres, over the past few years. I've indicated that in the instance of Noon and After School Programs, we would reinforce the existing ones that are presently in existence, whether they were funded by the provincial government or possibly are in existence because of the federal funding. We'll look to possibly allowing present day care centres to possibly get involved in the Noon and After School Program as well. If this will help them out economically and is feasible, we'll obviously look towards that. —(Interjection)— Yes, the main criteria obviously will be, as the honourable member has indicated from St. Boniface, if the need is there. That'll be one of the main criteria: Where is the need? And there are some records at the present time with the department of where requests have come in from groups in the various parts of our province who would like to establish new day care centres. So obviously that will be one of the criteria we will look at.

We want to continue with the same type of program of not running day care centres, that the non-profit group will run the day care centres and we will subsidize the parents. —(Interjection)— Well, the ones that are in existence, I believe they were in existence when the Honourable Member for Seven Oaks was the Minister, I believe. There were some private day care facilities in existence at that time, which we will fund only the subsidized children or parents that utilize that facility. We don't give them the maintenance grant. I think there's about eight of them, I believe.

With regard to handicapped children, it becomes difficult at this time to indicate whether or not I favour that we should differentiate and have different rates. I agree that we should have a standard fee, a users' fee, regardless of whether the child is handicapped or not. Then we might have to look, because of increased staffing, at whether or not there's some other form of a subsidy. My understanding is that we've shied away from that to some degree at the present time because when do you differentiate and how do you differentiate how a

person's handicap should be funded, directly or indirectly. Because then you almost lock into a situation where it's a month by month surveillance of the school, the day care centre. Say, one year they might have four or five handicapped children and the next year they might not have any type of thing, if they've locked into staff, and so on. So it becomes a difficult thing to handle, which I'm sure the honourable member recognizes.

At the present time, we're not looking at changing the maintenance grant. I think I indicated that to you. I think the main reason being is that at the present time I believe we have probably the best day care system in existence in Canada and, after we institute these additional spaces and make some revisions and enrichments, we will have the best day care service available in Canada. Up until April 1st of this year we were the only ones that had the maintenance grant of 500 a year, and as of April 1st, the province of Quebec introduced one. The unfortunate problem is one of cost to some degree, that by simply increasing the maintenance grant by 100, we can use up 520,000 just like that, under the existing system. We chose this year, prior to the additional funding, to utilize the funding that we had to the best advantage for everybody, by increasing the subsidies to income, indexing the income that would be subsidized and also increasing the number of spaces, and so on. We felt it was better spent that way than increasing the maintenance grant. We still feel that way, that the money can be better spent by increasing spaces and maybe changing the subsidy level but not the maintenance grant because we still are the best in Canada in that regard.

MR. DESJARDINS: Just to clarify then, the Minister has been doing very well in answering the questions except in the amount of this new program for day care and the amount for Noon and After School. When the Minister comes in tomorrow, I wonder if we could have a guideline for the Noon and After School Program. I just want to verify. The Minister is saying that both programs are the same as of now; there might be some changes. —(Interjection)— Well, both programs. It'll be the same guidelines. There will be more. I'm not talking about added space but it'll be the same guidelines, the same requirements, the same application for both programs.

MR. MINAKER: No, it may be.

MR. DESJARDINS: Well, that's what I said, so far.

MR. MINAKER: I'm working towards that.

MR. DESJARDINS: That's what I said, so far and there might be some adjustment. But so far it's just providing more services and also combining both programs with the same day care. If the group day care wishes to, and if there is a need, to go into Lunch and After School, they might run both programs together. That's a possibility. The Minister said that there is no policy so far for a subsidy for the handicapped, so far. So I guess that's it.

If the Minister then could bring us the guidelines of both programs, the staff must have that. If you say there's going to be the same guidelines, the same

what? You must have something. The guidelines of what the requirements are and now you've qualified because we've had an unlimited thing, the Lunch and After School, but now this is a program that the government is going into. So, could the Minister look to see what he has and ask staff to see if they can find something and bring that tomorrow and give us an idea of what the programs are all about? Because that's what we're going to find out.

MR. MINAKER: Mr. Chairman, I don't believe I'll be able to, primarily because, as the honourable member knows, at the present time the Noon and After School Program is strictly a grant, an unrelated grant to anything really. We would get a budget from the ones that we were funding on an experimental basis, for that three, four or five-year period and they were just sort of arbitrary dollar amounts. They didn't relate to the number of spaces necessarily, or they didn't relate to the income of the parents of the children who utilized this program. So that what I've asked the staff is to bring me forward various alternatives and the reasons for the approach to funding the Noon and After School Program in different ways, and those are still forthcoming. So I really can't bring forward a guideline on how we're going to charge where there's maintenance grants, or what have you, involved in that program because at the present time it simply was a dollar grant given to the Noon and After School Program. So for that reason, I won't be able to because we haven't even presented them to Cabinet at this point in time, the recommendations, so I would say it would be very difficult and well, it would be impossible.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I could ask more questions along the lines that the Member for St. Boniface asked but, frankly, I can see the Minister doesn't have the information and it's obvious that we heard the budgets and the announcement but that the programs are only now being developed. And certainly with regard to the Lunch and After School Program, there's really nothing developed as yet.

With regard to the Day Care Program itself though, we started off back in '77, '78, I think the per diem was 6, the parent might have to pay 6.00. Then it was raised to 6.80 I think in '79. Now it's at 8.50 plus the 1 surcharge which can be charged. I'd like to get something clarified. Can a day care centre charge one parent 8.50 and other parents 9.50? In other words, can there be different rates charged? What about the parents of . . . Let's say there are 20 children in that centre and let's say six of them are subsidized totally by the province; can the day care centre then apply that surcharge or charge that surcharge to all the children, including those who are paid for through the province? I mean, is that what I'm hearing? In other words, you can't charge the 1 unless the day care centre decides that it must have that money and so it's charging everyone 1 more, which is 9.50? Will the province then also pay that extra 1 on behalf of the children who are paid for by the province?

MR. MINAKER: Mr. Chairman, the regulations are such that there's one rate charged for space or per child, regardless of whether the space is subsidized or whatever. If they decide they're going to charge 8.25, then everybody will be charged 8.25, whether the spaces are subsidized or not. If they charged the additional fee of 1, then that would be charged to everybody.

I might point out at the present time nobody is charging that optional 1, not even the Manitoba Health Sciences Centre Day Care, who originally were the ones that had indicated they would like to have an opportunity to have an additional charge if the option was there. I might point out, at the present time, that the 8.50 is a maximum and not all of the centres have gone up to the maximum. The other thing that was very important was the fact that we changed the board structure of the day care centres to make sure that there would be more input from the parents that are involved with their children going to day care centres, that they would get involved in the operations of it. We've said that the maximum of 20 percent of the board members can be salaried staff and they have to have a minimum number of five on their board. So that that way we feel that then the non-profit approach will become more serious than ever, that they will look at where the moneys are going and where they should go. The parents would have a better input into it rather the staff saying, well, we're going to up our salaries, we're going to do this and that and then the other qualities of the day care program would go down possibly.

At the present time I believe there's about 50 percent of the centres are at the 8.50 mark and 30 percent are still at the 6.80 that were original. About 20 percent of them are between 6.80 and 8.50. Now, how does that compare to other provinces? To give an idea, the province of Nova Scotia, the province of Quebec, the province of Ontario, and the province of Saskatchewan have a fixed user's fee of 1.00. Whether it's subsidized or not, this is the user fee required in the total, and in Alberta they have a user's fee of 2, whereas we an optional fee of 1.00. The actual maximum subsidized daily fee that could exist: Newfoundland's at 10; Prince Edward Island at 8; Nova Scotia is 8.30; New Brunswick is at 6 and I don't know whether that's — we could be comparing a rate for a noon and after school program there. The province of Quebec is 13; Ontario is 13 for the average child, if it's an infant, it's 20.00. In Saskatchewan it's 8, of which I indicated there is a user's fee of 1 included; Alberta is 11.50 a day with the user fee of 2; British Columbia is 9; and we are at 8.50. There was a maximum so that we feel we're in No. 2 spot there, roughly, or No. 3 at the worst. Up until, as I indicated in April of this year, we were the only one with a maintenance grant of 2 per day or 500 per year until Quebec introduced it on April 1. So that we compare pretty good across the board when we compare to other provinces in that regard.

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

Monday, 26 May, 1980

MR. DESJARDINS: Mr. Chairman, I think there was an arrangement or an agreement that the committee would arise at this time.

MR. CHAIRMAN: Prior to passing this?

MR. DESJARDINS: Yes. I move that committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.