

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Friday, 6 February, 1981**

**Time — 10:00 a.m.**

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . .

**READING AND RECEIVING PETITIONS**

**MR. SPEAKER:** The Honourable Member for Rhineland.

**MR. ARNOLD BROWN:** The Petition of the Montreal Trust Company and the Montreal Trust Company of Canada, praying for the passing of an Act respecting the Montreal Trust Company and the Montreal Trust Company of Canada.

**PRESENTING REPORTS BY STANDING  
AND SPECIAL COMMITTEES**

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. ABE KOVNATS:** Mr. Speaker, the Committee of Supply has considered certain resolutions, directed me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Dauphin report of Committee be received.

**MOTION presented and carried.**

**MINISTERIAL STATEMENTS  
AND TABLING OF REPORTS**

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT D. BANMAN (La Verendrye):** Mr. Speaker, I have a Ministerial Statement to make and I have copies for members of the Opposition.

Mr. Speaker, it is my pleasure to announce that \$2 million from lottery funds has been allocated to Recreation Facilities '81 Program to assist communities outside of the City of Winnipeg. The Recreation Facilities '81 Program is a Capital funding program offered in response to demands from communities and we hope will contribute . . .

**MR. SPEAKER:** Order please. The Honourable Minister.

**MR. BANMAN:** As I mentioned, Mr. Speaker, the Recreation Facilities '81 Program is a Capital funding program and is offered in response to the demands from communities and will hopefully contribute and assist in increased utilization of facilities; in assisting in energy conservation; in assisting in meeting some of the safety standards of the different buildings in rural Manitoba; in extending the life of some of these structures; and hopefully, also, will help to increase revenues in the operation of these facilities.

The grants will be awarded on a 50-50 basis, cost-shared basis, and will be approved in the following

amounts: Up to \$3,000 per municipal corporation with a population of 1 to 500 people; \$8,000 per municipal corporation with a population of 500 to 1,000 people; \$12,000 per municipal corporation with a population of 1,000 to 5,000 people; and \$20,000 for municipal corporations which have a population over 5,000 people. The brochures will be distributed this morning. There is an application form enclosed in those brochures and the brochures will be mailed out the beginning of next week to all the municipal corporations, as well as all the recreation commissions throughout the Province of Manitoba.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, we thank the Minister for his statement. There are two comments that ought to be made at this point. One, we note that the grants will be awarded on a 50-50 cost-shared basis up to certain maximum limits. Mr. Speaker, we have concern in respect to those municipalities with small population as to their ability, in fact, to effectively match a grant formula. We believe that should be reviewed by the Minister.

Secondly, Mr. Speaker, there are large centres that form a regional purpose within the province and we are quite aware of those, Dauphin, Portage, Steinbach and others, serving a much larger area, but because of their increased tax burden at the local level, other additional costs often introduced by the fact that they are required to serve more than their own particular town, are unable to meet recreational costs. So I say to the Minister that he must re-examine the formula, the schedule that has been used, in order to ensure that there is some input to recognize the regional recreational service that ought to be provided in such a community.

Thirdly, Mr. Speaker, we will be dealing with this later during the question period, but the labour force statistics certainly call for some additional type of activity on the part of the government this morning. And I would trust that the government in ascertaining additional activity in order to pull us out of the job creation slump which this province has suffered from in relationship to the rest of Canada ever since 1979, would examine additional input in respect to this as well as health and educational facilities that are long in need.

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

**HON. GARY FILMON (River Heights):** Thank you, Mr. Speaker.

I wish to table the Annual Report for 1980 pursuant to Section 13 of The Trade Practices Enquiry Act.

**RETURN TO ORDER NO. 13**

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. BRIAN RANSOM (Souris-Killarney):** Mr. Speaker, I would like to table a Return to an Order of the House No. 13.

**MR. SPEAKER:** Notices of Motion . . .

### INTRODUCTION OF BILLS

**HON. GERALD W.J. MERCIER (Osborne)** introduced Bill No. 13, An Act to amend The Real Property Act and The Registry Act.

**MR. SIDNEY GREEN** introduced Bill No. 14, An Act to amend The Medical Act.

**MRS. JUNE WESTBURY** introduced Bill No. 15, An Act to amend The Landlord and Tenant Act.

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we proceed, I should like to draw the honourable members' attention to the gallery on my left where we have 24 students of Grade VII Standing from the Ile des Chenes School. This school is under the direction of Mr. Berard and the school is in the constituency of the Honourable Member for Springfield.

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

### NON-POLITICAL STATEMENT

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. GEORGE MINAKER (St. James):** Mr. Speaker, I would ask leave of the House to make a non-political statement.

**MR. SPEAKER:** Has the honourable member leave? (Agreed)

The Honourable Minister.

**MR. MINAKER:** Mr. Speaker, I would like to draw to the attention of the House that yesterday in Brandon, at the 1981 Lassie Championships for curling in Manitoba, the champion was decided and it was the Joan Ingram's rink from Deer Lodge Curling Club and the rink was made up of Laurie Bradawaski, Lorraine Byrnes, and Elaine Jones. I would like to formally congratulate the rink and to wish them the best in the coming Championships, which will take place in St. Johns, Newfoundland. I am sure that as representatives of Manitoba they will do a good job and they will come back the champions.

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. DAVID BLAKE:** Thank you, Mr. Speaker. I, too, would like to ask leave of the House for the opportunity to make a non-political statement.

**MR. SPEAKER:** Has leave been granted? (Agreed)

**MR. BLAKE:** Last weekend, at the Dominion Figure Skating Championships in Halifax, Diane Mae Ogiowski from Minnedosa, part of my constituency, skated to the Junior Canadian Championship, which followed her Championship as a novice last year. It is the first time, I believe, in figure skating records that this Championship has been won handrunning, the Novice and then the Junior, and hopefully she will go on next year and win the Canadian Seniors Figure Skating Championship.

Also, Mr. Speaker, from my constituency a young skater, Lyndon Johnston from Hamiota, skated to a very respectable standing in the Pairs Competition in the same Championships being held in Halifax, and these young athletes, I think, are just one more indication of the contribution that these people make to bring recognition to the Province of Manitoba. I appreciate the opportunity, Mr. Speaker, to recognize them officially in the House at this time.

**MR. SPEAKER:** Order please. The time for question period has expired. We will proceed with Orders of the Day.

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, we have heard a number of statements, both political and non-political, but we haven't heard a statement from the Minister of Labour and Manpower dealing with the announced Labour Force statistics this morning, so I am wondering if the Minister of Labour at this point would like to provide the House with a statement. If he hasn't one in writing that is quite fine, give us one verbally as to the recent statistics announced this morning.

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. KEN MacMASTER (Thompson):** Mr. Speaker, it has been the policy when the House is sitting that we file the documentation relating to the unemployment stats. That is being prepared this moment. I think it will be filed with all the members before we get out of Question Period.

**MR. PAWLEY:** Mr. Speaker, while the Minister is awaiting the calculations of those statistics, they indicate that the numbers seasonally adjusted by way of increase. January 1981 is higher than in any January since January of 1978, and as a result of that I would ask the Minister whether or not any job creation programs are presently being reviewed, planned, contemplated by his Ministry in order to attempt to reduce those numbers that have been steadily increasing.

**MR. MacMASTER:** I am sure, Mr. Speaker, that the Leader of the Opposition when he was reviewing the statistics noticed that the participation rate is the highest it has been in the history of the province also, which of course will accommodate the two factors of more people being employed and the factor of more people being unemployed. Those are all part of the —(Interjection)— If the Member for St. Johns has something to say, did you want —(Interjection)— I thought the procedure was that you stand on your feet, so I will let the Member for St. Johns stand on his feet.

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

**MR. SAUL CHERNIACK (St. Johns):** Mr. Speaker, I am suggesting to the Honourable Minister that the factors . . .

**MR. SPEAKER:** Order please, order please. May I suggest to the Honourable Member that this is a

time for members to seek information from the Treasury Bench, not to give it.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Aside from the Minister's invitation, I would like to inquire from him as to whether or not he has omitted one third factor, which is important in relation to the statistics on employment, the fact that people are leaving the province . . .

**MR. SPEAKER:** Order please, order please. May I suggest to the Honourable Member that he seek information rather than give it.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, I would ask the Honourable Minister whether, in evaluating the impact of the statistics, there should not be an additional one, that is relating to the number of people who are leaving the province, and thus reducing the number of employables who are unemployed?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I was trying to display some degree of courtesy from myself to the Leader of the Opposition, but we wonder on this side who really has the upper hand to speak over there when a Minister is asked a question by the Leader of the Opposition and you are attempting to deal with that and others insist on interrupting. It's not very courteous by the members opposite. They should show a little more respect for today's Leader of the New Democratic Party.

Mr. Speaker, I will attempt then to — (Interjection)— Well the Member for St. Johns still wants to talk. I wish the Leader of the Opposition would determine who is questioning the Ministers on this side of the House.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Speaker, I must admit I'm somewhat amused, a little saddened by the Minister's obvious oversensitivity and tenseness this morning, and I can only conclude they must be as a result of the statistics just released. Could the Minister advise insofar as the rates are concerned, they demonstrate a steady decrease insofar as unemployment seasonally adjusted over the past several years at the national level, why that steady decrease has not occurred in the Province of Manitoba that we are witnessing at the national level?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I am not sure of the national participation rate. I have attempted to explain — now that we have determined who I am dealing with on the other side — I have attempted to explain to the Leader of the Opposition that there are several factors involved in your fluctuating unemployment rate. We still are the third lowest in the country, of which I would think that the Leader of the Opposition would share my satisfaction with that

particular point. It depends on your amount of participation as to the fluctuation of your number of employed and unemployed, and I think if he will take that into consideration he might have part of the answer to his questions.

**MR. PAWLEY:** Mr. Speaker, the Opposition, as usual, seems to be having difficulty getting any concrete answers from the Ministers to very straightforward questions that are being posed from this side.

Mr. Speaker, further to the Minister, possibly the Minister would enlighten us then as to what efforts are contemplated by his Ministry in view of the fact that the recent release of statistics indicates that Manitoba has the worst of all ten provinces, save none, in respect to job creation in each of 1979 and 1980. Let's for a moment, Mr. Speaker, get away from government's over-sensitivity. Let's deal with facts. What is the government prepared to do at this time in order to deal with that situation which has not improved but has been worsening?

**MR. MacMASTER:** Mr. Speaker, the three-year total is common knowledge and it's public knowledge, the 11,000 new jobs in the first year the Conservative Government was in office, 13,000 the next year, and 6,000 last year. If you add it up, and I think the Leader of the Opposition can do that, I'll help him — 11 and 13 and 6 is 30, and that's 30,000 new jobs. In the last three years that group across there were sitting on this side there was 10,000. I think the job creation isn't really in bad shape, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. DESJARDINS:** That's because we didn't advertise for the people to stay in Manitoba, we missed the boat.

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I would like to direct — (Interjections)

**MR. SPEAKER:** The Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, with the leave of the House, I would like to address a question to the First Minister.

Mr. Speaker, in view of the fact that patriation of our Constitution is being willingly offered by the Government of Great Britain without any reference to a Charter of Rights, and in view of the fact that the provinces have hitherto been an obstacle in providing for and facilitating patriation by insisting that there be an amendment to the redistribution of powers as a condition to a formula for amendment, would the First Minister use his influence and also change his position relative to demanding a redistribution of powers along with patriation and therefore remove an equivalent impediment to the federal government asking for a Charter of Rights along with patriation, so that all obstacles are removed and the British government do what they want to do and patriate the Constitution?

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON (Charleswood):** Mr. Speaker, I welcome the question from the honourable member who has some keen knowledge and understanding of the constitutional problem. It's refreshing to see that displayed on the other side of the House by one member at least.

Mr. Speaker, may I first of all say, in response to the honourable member, that there are two aspects of his question, two assumptions which I could not accept. The number one assumption would be that a number of provinces had attached pre-conditions for the change of powers or the redistribution of powers to a patriation formula. I can tell him that at the First Minister's Conference in September of this year, after the negotiations had proceeded, there was only one province that really was holding to that position, and that was the Province of Quebec.

Number two, Mr. Speaker, I could advise him, and I will be happy to provide him with a copy if he has not already received it, of the submission that was made by the Government of Manitoba to the joint committee, which is presently winding up its sittings in Ottawa, in which we made very much the same proposal that is being propounded by the Member for Inkster this morning and, indeed, in the recent speech that I made in England on this topic, which was filed in the House the other day, I think the honourable member will find that it was one of the suggestions that I made, namely that the Parliament of Westminster send back to Canada, patriate to Canada, the power to amend, either by way of unanimity or by way of the Vancouver proposal or, in effect, to say to the Prime Minister and the 10 Premiers of Canada, you get together and figure out your formula; we will send it back on the basis of the precedents thus far, which of course are clearly unanimous consent.

So I say to my honourable friend that our thinking is parallel, although I do not accept some of the assumptions that he makes with respect to the pre-conditions that some provinces, as he alleges, are placing on patriation.

Indeed, I will be meeting with five other Premiers of Canada in Montreal on Monday next, that is the Premiers of the six provinces who have participated and are participating in the court references, and I dare say that the topic that my honourable friend has raised this morning, namely that of pure patriation by the British Parliament, will be foremost in the discussions.

Mr. Speaker, if I may, I find it rather odd, at a time when we are in discussion in this country and with the United Kingdom Parliament on one of the gravest constitutional matters that has faced this country since 1967, that there are members of the NDP opposite in this House who find it an infringement apparently on their time to have the gravest problem in this country discussed in this House.

**MR. GREEN:** Mr. Speaker, I wish to pursue this question with the First Minister because I believe it is an important question and I believe that the provinces have been a roadblock and that the Province of Manitoba has been one of those roadblocks. Will the First Minister assure this House that when he meets with his fellow First Ministers in

Ottawa, that we can expect a unilateral declaration, without quibbling, without haggling, that the provinces are prepared to accept patriation of the Constitution with the House of Commons having the same power as is now held in Westminster, or by a suitable agreed-upon amending formula, whichever can be facilitated easier?

**MR. LYON:** Mr. Speaker, I would have to disengage myself from my honourable friend's repeated assumption that the provinces have been a roadblock to the matters of constitutional discussion that have been taking place over the last several months. I think it is becoming clear to the people of Canada day by day that there is only one roadblock in Canada today to consensus on patriation of the Constitution, and that roadblock is represented by the Prime Minister of Canada and no one else.

**MR. GREEN:** Mr. Speaker, while I certainly feel that the federal government is now the present roadblock, it has been aided and abetted and assisted by the negotiating position adopted by the provinces and I am glad to see that the First Minister now says that that negotiating position has been abandoned.

May I ask the First Minister also to protest to Ottawa at the present time, in the most vehement terms, about the unjustified, obscene and totally unacceptable anti-English, anti-British feeling that has been stirred up in this country for no reason, Mr. Speaker, vis-a-vis a friendly state, a state that has always been friendly and is in no way responsible for our present difficulties, which are solely attributed to the provinces and Ottawa, and if the provinces now say that they are not negotiating, solely attributable to Ottawa.

**MR. LYON:** Mr. Speaker, my honourable friend is well aware, the recent utterances and those that we heard over some of the late fall months by the Prime Minister and by people from his Cabinet who would try, as I agree with my honourable friend, erroneously and in a totally irresponsible and abusive way to lay upon the Parliament of Westminster some responsibility for their own intransigence and for their own mishandling of constitutional discussions in Canada, I say is a course of action that is totally unacceptable in Canada and it is one that I expect the Canadian people will make their feeling known upon. This is a form of fraud that is being perpetrated upon the people of Canada today by the Prime Minister and by spokesmen on his behalf, trying to indicate that Britain is trying to hold something of Canada's to its breast and here is the Prime Minister of Canada mounting a white horse, so to speak, and trying to clutch away Canadian nationalism.

Mr. Speaker, that is a pure piece of emotional fraudulence and the sooner the Prime Minister of this country stops that kind of particular attack and that kind of particular speech making, the better off we will all be in Canada and the closer we can come to getting to the point where hopefully we can sit down, as eleven governments again, in a civilized way, without this kind of emotional storm that he is trying to create, and solve our own problems in Canada without, as he is trying to do, asking the Parliament at Westminster to launder his dirty linen over there.

**MR. SPEAKER:** The Honourable Member for Churchill.

**MR. JAY COWAN:** Thank you, Mr. Speaker.

My question is to the Minister of Labour in regard to what is perhaps one of the worst set of unemployment figures to come out of this province in quite some time. I would ask the Minister if he can indicate or if he can confirm that when one compares January, 1981 over January, 1980, that the growth in the number of employed persons in this province, in other words, those who were able to find jobs, was one of the worst in the country and, in fact, was one-half of the national average growth in employment? Can he further confirm that if they compare December, 1980 over January of 1981, that it was the second worst in the country and way less than one-half of the national average?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I haven't spent the precise time that the Member for Churchill obviously has trying to find some particular set of figures which delights him. I will tell you, Mr. Speaker, that I am pleased that the number of employed this year over last year is 6,000, and that is certainly never good enough, 6,000 more employed this year than there were last year, but I think it is not a bad run at it when you compare the type of record that we inherited, which was averaging about 3,000 a year.

**MR. COWAN:** Thank you, Mr. Speaker.

Well, if the Minister is pleased with a 6,000 growth in the number of employed in the province, which is one of the worst records in the country for the past year, then he is man of uniquely low expectations. I would ask the Minister then if he can also confirm — and I can run right through the entire list of statistics if he wishes because there's no need to be selective with them, they are all bad — can he confirm that in regards to the increase in the number of unemployed in this province comparing January 1981 over January 1980, that Manitoba's record was the second worst in the country and that it was close to 40 times the national average increase in the number of unemployed?

**MR. SPEAKER:** Order, order please. May I point out to the honourable member that asking for confirmation is really not seeking information. If the honourable member wishes to seek information, I would suggest that he direct his questions in that direction.

The Honourable Member for Churchill.

**MR. COWAN:** Mr. Speaker, in all due respect it is difficult to seek information when the Minister confirms that he knows very little about what's happening in the employment growth in this province right now, but I will ask him what action he is going to take in regard to the fact that in the past year, while there were 9,000 persons who were coming into the labour force in the Province of Manitoba, only 5,000 of them were able to find employment, and what he is going to do; what programs his government is going to put in place in order to able the 45 percent of those entering the labour force who are forced to unemployment lines because there

are no jobs available because of their failure to promote an economy that provides jobs Manitobans . . . What's he going to do now? It's time for action and I would ask him to be very explicit. He doesn't have to read statistics, he just has to come forward with a program of action. What is that program?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I don't know really which portion of the statement to deal with. The member certainly doesn't like the facts of the group that sit in front of him, the one's that he looks at the back of their heads from the backbench over there. They were here on this side for a short period of time, never to return, I should mention, Mr. Speaker, but they were over here for a period of time and I think, Mr. Speaker, that people remember their job creation record. I think they remember it quite well, Mr. Speaker. The very nominal bunch of jobs that were being created within the province during that period of time, with the majority of them I might mention, Mr. Speaker, were at public taxpayers' expense. That in itself has reversed itself quite substantially in the last few years, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Rock Lake.

**MR. HENRY J. EINARSON:** Mr. Speaker, I wish to direct this question to the Minister of Agriculture and my question relates to the movement of grain and particularly wheat to the Port of Churchill. This subject matter also is important not only to the farmers but to future jobs this winter, and I wonder if the Minister of Agriculture could inform this House whether he has had any consultation with the Canadian Wheat Board or the federal Minister responsible for this matter in regards to the movement of grain to the Port of Churchill and whether this is going to materialize this winter or can we be assured of supplies in the port this spring or this summer; that we'll have a much better year in 1981 in regards to movement of grain through Churchill.

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, it is unfortunate that the organization or the federal government I should refer to it as, who are in control of the farmers products and the movement of the products, do not see fit to discuss with the provincial governments in any meaningful way the important issues such as the shipment of grain through the Port of Churchill. However, we have with some of the support of the Member for Dauphin and of course the Port of Churchill Development Board of which the Member for Rock Lake is a member, have instigated a meeting in Dauphin to discuss the Port of Churchill, and we will tour to Churchill to see if there would be some possibility of in fact making grains available to that port for early shipment this year. As I said, I think the unfortunate thing is that the federal government do not see fit to discuss with the provincial governments or the producers of this province such important issues and we will be stressing in the next few weeks and months, that

kind of input that I think is necessary to develop the Port of Churchill.

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. MERCIER:** Mr. Speaker, in response to a question yesterday from the Leader of the Opposition with respect to the implications of the Supreme Court decision involving Section 238 of The Criminal Code, I can advise him, Mr. Speaker, that my department are making application to the Court of Queen's Bench today to determine the status of those persons held in custody under that section, Mr. Speaker, and I expect as a result of those proceedings, some 27 people currently imprisoned for convictions under that section of the Criminal Code will be released today.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** Mr. Speaker, I have a question for the Minister of Health following on my questions of yesterday. Now that we understand that restored, when used by the Minister, means reopened after having been closed and does not mean renovated, would the Minister please advise the House of the 817 beds announced on December 12th as having been increased capacity, how many were restored to service after having been closed for one reason or another; how many were new beds; and how many were a result of renovations?

**MR. SPEAKER:** The Honourable Minister of Health.

**HON. L. R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, I think the information supplied with that press release at that time spelled out the facts of the situation very clearly, but I certainly can provide the Honourable Member for Fort Rouge with a breakdown on that range of beds. I can assure her at this juncture that the majority of those beds as pointed out in a statement, are new beds, new personal care home beds and new hospital beds. A minimal number were beds that had been taken out of the system, closed, and were reopened and restored to the system. Another number was beds in wings or wards of hospitals that underwent renovation and refurbishment. All of that is described in the press release but I can certainly provide her with an actual numerical breakdown.

**MRS. WESTBURY:** I thank the Minister and will look forward to receiving that information. Could he also inform the House whether the backlog of elective surgery which was occurring at the end of the last session and later has now been cleared up and whether in fact now elective surgery is going forward as required or as recommended by doctors?

**MR. SHERMAN:** Mr. Speaker, it depends on where the elective surgery is slated. Certainly there have been improvements and substantial improvements in some hospitals. I can't guarantee that the situation has been entirely resolved in all hospitals. I can tell the Honourable Member for Fort Rouge that chiefs of staff and medical personnel in hospitals in Winnipeg have communicated to me within recent weeks their gratification and satisfaction at the improvement

made in the bed supply situation as a result of the opening of new personal care centres and new facilities in recent weeks, so that the backlog "so-called" of persons waiting for admission to medical beds has been substantially relieved and reduced in recent weeks. I can give the Honourable Member for Fort Rouge that assurance. It's largely due to the opening of such new facilities as the new personal care centre at Deer Lodge and the new personal care centre at the Health Sciences Centre and new facilities at St. Boniface.

**MRS. WESTBURY:** To the same Minister on another matter, Mr. Speaker, I wonder if the Minister can tell the House whether the province has ensured that the X-ray calibration monitoring device is to be developed, despite the failure of the Indus Electronics Limited.

**MR. SPEAKER:** The Honourable Minister of Health.

**MR. SHERMAN:** Mr. Speaker, I will take that question as notice.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** I would like to ask a question of the Minister of Labour with regard to the recent unemployment figures. I thank the Minister for giving us this statement. The Minister points with pride, Mr. Speaker, to the relatively higher participation rate that we experience in Manitoba compared with the rest of Canada. I want to ask the Minister, does this not reflect the fact that in the Province of Manitoba, we have relatively low wage levels in this country, while at the same time we experience as high inflation rates as they do in the rest of Canada, virtually . . .

**MR. SPEAKER:** Order please. Order please. May I point out to the Honourable Member for Brandon East that he is debating rather than seeking information. If the honourable member wishes to seek information, I suggest he frame his questions in that manner.

The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Speaker, I did put a question to the Minister and I will repeat it: Does the fact that we have a higher participation rate, which the Minister referred to in his answer to a question a minute ago, Mr. Speaker, does this not reflect the fact that the housewives of Manitoba are being forced to go out and work to maintain a standard of living in the family?

**MR. SPEAKER:** Order please. Order please. Order please. May I suggest to the honourable member the questions that want a reflection or ask for a confirmation are really not questions seeking information. They are only reflecting the viewpoint of the member that is asking the question. I would suggest to the honourable member that if he wishes to seek information, that he proceed in that manner.

The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Speaker, this is an exceedingly important and vital question and I do seek an answer

from the Minister. Why is it that our participation rate in Manitoba is higher than the national average? We don't seem to be higher than the national average in anything else, but here we are higher than the national average. So my question is, why is it that our participation rate has jumped up ahead of the national average? Does this not reflect some problem in maintaining our standard of living within Manitoba households?

**MR. SPEAKER:** The Honourable Minister of Labour.

**MR. MacMASTER:** Mr. Speaker, I would have thought with the influence that labour has on the NDP Party, that they would have had a little more faith in the negotiating abilities of the unions in the Province of Manitoba. You are talking about the wage rates in this province. What you are really doing, unwittingly as you do most things, you are condemning the very group that financially supports you. That is what you have just done. You don't understand. I will get your Leader to explain it to you. What you have said, in fact, is that the unions in Manitoba are not capable of negotiating good wages. That is what you have said, Mr. Speaker.

**MR. SPEAKER:** Order please. Order please. One of the problems that the Chair has is trying to prevent debate occurring during the Question Period. I would suggest to the Honourable Minister that the answers to the question quite often, if the answers are phrased in such a manner, will lead to debate, which I suggest to the Honourable Minister should occur at another time.

The Honourable Minister.

**MR. MacMASTER:** Mr. Speaker, I am endeavouring to do the best I can. I am a hundred percent better than the Member for Brandon because he has been interrupted by yourself twice and I was only interrupted once, and quite rightly so, Mr. Speaker.

The member asked if the wage levels in the province had anything to do with the participation rate. I was simply replying to him, Mr. Speaker, and I will keep it correct that the wage rates by and large are established in the province by the organized labour within the province, under the conditions in which they live in the province as the circumstances dictate, and I have a great deal of faith in the labour movement in this province to negotiate reasonable agreements under the circumstances that they find themselves in. That's the first point.

The second point about women participating in the work force, I can appreciate the frustration of the members opposite, when they weren't giving any encouragement or assistance to women getting into the work force and allowing them when they get in to have more meaningful employment within the work force, Mr. Speaker. We in fact are working along with women's organizations in this province. We are proud of our record. I think they are doing a fine job. They have a meaningful place and if they wish to participate in the work force, they are doing fine. I think we have a very good, credible day-care program in the Province of Manitoba and maybe that has something to do with it.

I guess the final answer to the final question, I have a feeling that Manitobans are very industrious people who wish to get out and participate in the

work force and by and large, I guess that is really why the participation rate in Manitoba is as high as it is.

**MR. EVANS:** Thank you, Mr. Speaker. One final question. Of course, ultimately if we got to 100 percent participation rate, every mother in this province would be out of the house working.

Mr. Speaker, I don't accept the reply of the Honourable Minister to those last questions, but I would like to seek an additional piece of information, if that is possible. I would like to ask the Minister whether he still has a joint interdepartmental committee, I believe involving his department, the Department of Economic Development, and possibly one or two other departments, of experts monitoring labour force data, and whether he has received from that committee, or from any other researchers or officials that he has, any forecasts of levels of unemployment that we may experience in the coming winter months? In other words, does he have any forecasts of where the unemployment rate is going in this province during the next two or three months and can he share that information with us at this time.

**MR. MacMASTER:** Mr. Speaker, somebody mentioned a Ouija Board. I don't have one. I'm not sure if the members opposite really want me to start —(Interjection)— Well, if the Leader of the Opposition — do you want to get up? Mr. Speaker, quite seriously I can't project the future. I know that the manufacturing industry is up; I know that operations are expanding and we certainly hope that the unemployment rate will drop, as I am sure the member opposite seriously does, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I would like to address a question to the First Minister and it follows his discussion with the Member for Inkster. I would like to ask him what thinks he is contributing to the debate on the Constitution by going to Great Britain to stir up the House of Commons and the members of the Conservative Party of Great Britain to act in a highly partisan manner?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Mr. Speaker, that question calls for a couple of observations. Number one, I am flattered to think that the Honourable Member for Elmwood would think that my speeches in London have such a great effect on the Parliament of Westminster. I regret, however, to have to break that bubble and tell him I don't know that I have that great an effect on the parliamentarians at Westminster.

Number two, I find it an interesting coincidence that the question he poses this morning about inciting rebellion, I think that is the term or the implication of what he said, among the ranks of the Conservative caucus at Westminster is precisely the same question that was put to me at a public meeting by a labour member of Parliament, and I wonder if my honourable friend perhaps read the question and was stimulated by it, because if he was I will give him the same answer. I was in Britain on

other matters but spoke at the Royal Institute of International Affairs and spoke as well at a meeting in the city in the financial community which was attended by Members of Parliament, and the answer that I gave when that question was posed was this: That I was not inciting the ranks of the Conservative government to break with the Prime Minister or with the Party Whip at all. What I was merely saying, and I would say it to the Leader of the Labour Party if he were the Prime Minister of Britain, I would say it to the present Prime Minister of Britain or to any other person who would be the Prime Minister of Britain, that they should not be asked first of all, and if asked they should not countenance the passage of an illegal act from Canada. That's precisely what I told them and that's precisely the advice that not only I but the publisher of the Globe and Mail and countless other people are giving. That is the advice the Kershaw Committee gave to the House of Commons in a report which came down when I was in Britain, namely that the Parliament of the United Kingdom could not act as a mere automaton for the whim of the current Prime Minister of Canada. If my honourable friend is suggesting that I was wrong or I was not contributing in any way to the welfare of the constitutional debate by making those statements in Britain, then he must include in his indictment many other people from Canada who are saying precisely the same thing, many other people in Britain who are thinking the same thing, and he must include eight Premiers of this country who are opposing fundamentally the Prime Minister's proposals, and he must if he pays any attention, as I am sure he does to public opinion polls be saying to two-thirds of the people of Canada that they are wrong as well.

**MR. SPEAKER:** Order please. The time for question period has expired. We will proceed with Order of the Day.

## ORDERS OF THE DAY

### ADJOURNED DEBATE — RESOLUTION

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, would you call the resolution in my name.

**MR. SPEAKER:** The Resolution of the Honourable Attorney-General standing in the name of the Honourable Member for Logan.  
The Honourable Member for Logan.

**MR. WILLIAM JENKINS (Logan):** Mr. Speaker, I adjourn this debate on behalf of the Honourable Member for Burrows.

**MR. SPEAKER:** The Honourable Member for Burrows.

**MR. BEN HANUSCHAK (Burrows):** Mr. Speaker, I wish to make a few comments with respect to the motion presently before us.

Firstly, Mr. Speaker, I would like to point out or draw to your attention the lack of courtesy of this government in bringing in this motion in this fashion at this time.

You may, no, you will not recall, Mr. Speaker, because you were not in the House at this time, but a similar motion did appear on the order paper or was dealt with by the House in December of 1966, and I want to remind you, Mr. Speaker, that at that time, the then House Leader had the courtesy to ask the House for leave to bring in the motion. He brought it in at the proper time. He brought it in on the last day that the House sat before it rose for the Christmas recess, and the reasons that the then House Leader, who now is the First Minister, gave for the motion on the basis of my understanding of what the Honourable Attorney-General said yesterday, were somewhat different from those offered by him.

I understand that the Attorney-General is somewhat concerned about the legal requirements for the tabling of documents and in view of the recess that a problem might arise, hence the need for this motion to avoid any contravention of the law.

Mr. Speaker, I would like to read to you, what the then House Leader, who today is our First Minister, gave as the reason for his resolution at that time, and it was, again I repeat to you, Mr. Speaker, it was introduced by leave. The then House Leader said, "not to prolong the debate, I can assure my honourable friend the Leader of the Opposition that the main purpose for this motion was to permit those reports that are made on a calendar year basis rather than on a fiscal year basis to be completed to the end of December 1966, then they could be presented to the House." In other words the purpose of it was to accommodate the members, to offer the members the most up-to-date reports, that for the fiscal year ended on December 31st, to immediately table the reports or as soon as may be possible. I can assure him as well that his remarks concerning no delay in the presentation of the reports will be followed and I will deal with that point a bit later.

Mr. Speaker, there is absolutely no relationship between when the House goes into the Session and the time for tabling of reports. The reports for the fiscal year ended last March 31st, surely the Minister has had ample time and his colleagues have had ample time to table them. There was a six week recess. There was no evidence of any of them being involved in their mega projects so they could have sat in their office and stuffed and addressed envelopes and licked stamps and got the reports out. When the House resumed sitting after Christmas has absolutely nothing to do with it. Insofar as the reports for the fiscal year ended December 31st, 1966, or 1980 is concerned, if at that time in the government's wisdom, they felt that they could table those reports by February 15th, then surely you can do the same thing today.

In other words, the then House Leader said, that I need six weeks to table all the reports for the fiscal year ended with the calendar year, 1966, and by the 15th of February I'll be prepared to table them. So why in 1981 do you need an additional two weeks? If you were able to do it within the six-week period then, surely you can do it today also. Mr. Speaker, there is absolutely no justification for that resolution.

Mr. Speaker, I also want to draw to your attention a further commitment that the then House Leader and the government made. It seems, Mr. Speaker, that the House Leader that we had in 1966-67 was a

nicer House Leader, in fact he was nicer then as a House Leader than he is as First Minister today. Now it could be, Mr. Speaker, that when today's First Minister was House Leader, that he was under the thumb of the then First Minister who probably made him tow the line and made sure that he showed a certain amount of respect for the legislative process, which this government seems to forget and ignore. This government which is so concerned about custom, tradition and precedent when they talk about the entrenchment of human rights and our charter, but when it custom and precedent in our House they forget it. They just choose to follow and adopt that custom and precedent which suits them and ignore all the rest.

Mr. Speaker, I said at that time when a similar motion was made to the House, now the Attorney-General isn't interested in listening and that's his privilege. I'm glad that he is. At that time, when the then House Leader made this motion, the then Leader of the Official Opposition, Mr. Molgat, said the following. He said, "There are some reports which are due when the House opens which I think are of extreme importance to the members, which I hope the government will not delay, because this means that they can now go to the 15th of February. In particular, I would refer to the report of the Manitoba Development Fund. We were treated tonight to a lengthy reading of last year's report by the First Minister and it certainly was an interesting exercise."

Then, I am skipping the rest of the paragraph and going on to the next: "There are some other reports as well that I think are of importance to the House, so I would be prepared to support this resolution on the understanding that the government will not delay the production of any of the reports, that wherever possible, the reports shall be submitted to the Members of the House between now and the next time we sit. There is always a problem when the reports are given to us once the House meets. That is the question of time taken to read these. Enough comes in the way of bills and other things that the members have to do. I think it is essential that they be given to us in advance. This year the House has had some two weeks of debate prior to Christmas. If the members could now be given all the reports that are due between now and opening of the House, whenever we are to meet next, I think it would help very much the business of the House and give the members a better opportunity to do their work."

Do you know, Mr. Speaker, what the government's response to that request was, the then government's? The then House Leader — like I said, he was a pretty nice guy then — he said, "I can assure him as well that his remarks concerning no delay in the presentation of the reports will be followed. In fact, many of the reports, the fiscal year reports, have already been tabled or mailed already to members, and we will continue to follow that practice."

Now, Mr. Speaker, how many reports did this government mail to us during the six-week interval between the time that we last sat before Christmas and last Tuesday? Not one. Not one, Mr. Speaker. In fact, Mr. Speaker, I also want to point out to you that when we met in 1966 before Christmas, and the

government then also said that the purpose of meeting before Christmas is to speed up, to accelerate the legislative process, that giving the two-week headstart should lead to the more efficient management of government business.

Well, Mr. Speaker, let's compare the track record of the two-week Session, or the eight-day Session, rather, in 1966, with the eight-day Session that we sat through last calendar year. Mr. Speaker, I just want to draw to your attention that in 1966, during that eight-day period, there were four Orders for Return tabled; there were 17 reports tabled, which is far more than were tabled in December of 1980; there were 13 bills introduced, Mr. Speaker, 13 bills during the Throne Speech Debate. What happened to those 13 bills? Was it the same as Bill No. 2 that just appeared on the Order Paper and continued reappearing and reappearing. You know, that bill to cover up the bungling of the administration of government's and Legislature's affairs, because really that is all Bill No. 2 is all about. But no, in 1966, of the 13 bills that were introduced, the House dealt with them; the House dealt with them. Three bills that were of some significance to the then government, and they were of significance because the government in 1966 made certain commitments to the people of Manitoba. We disagreed with the action taken by the government, the course of action followed on mineral taxation, income tax, and I have forgotten what the third one was — Workmen's Compensation, I think. But nevertheless, Mr. Roblin, he kept his word and he said to the people, if I am re-elected government this is what I am going to do for 1967, and he did that, and he brought in the bills in December of 1966. So those bills were passed and they received Royal Assent.

Of the remaining bills, nine passed Second Reading. Nine bills passed Second Reading during the Throne Speech Debate. You know, Mr. Speaker, we were promised, we were given similar promises when we went into Session in December and was that promise honoured? Mr. Speaker, in speaking to the press, the First Minister indicated that he intended to introduce some legislation before the Christmas break. That appeared in one article and, you know, the press believed him. In fact, an editorial appeared praising the First Minister for commencing the Session before Christmas and promising to introduce legislation and this would give members more opportunity to consider the legislation, study the reports and so forth. The press believed him and I thought, well, maybe the press misunderstood the First Minister, maybe the First Minister really didn't make those promises.

Well, then out comes the blurb from his propoganda office and, yes, this is the official statement from the propoganda office. Premier Lyon said the intention is to have the Throne Speech Debate completed and certain legislation introduced before the Christmas break, none of which happened. Very few reports were tabled. One that I recall — the Minister of Highways learned his lesson last year. You will recall, Mr. Speaker, the delay in receiving the Highway Department Report and we did not receive his report during the consideration of his Estimates. We did receive some typewritten copy of a report and I'm not sure whether it's the same as was eventually tabled in the House of not, but he did

learn his lesson. But other Ministers haven't, other Ministers haven't, because up to this point in time, we do not have the number of reports tabled which had been tabled in a previous similar occasion by a government which, by its record, seems to have had more respect and consideration for the legislation process than this government has.

Mr. Speaker, the Minister, the Attorney-General has to offer a better explanation for the rationale, for the reason for this resolution than he has. I will remind you again that when the House Leader in 1966 introduced it, he said, well, we want you to have the most up-to-date information. The fiscal year of some agencies ends with the calendar year, which is December 31, and we are meeting again mid-January, so by February 15, I want the members to have all of the reports. That was a good reason. The Opposition said, fine, in the meantime those reports that you already have for the fiscal year ended March 31, which was nine months ago, send them out now. And the then House Leader said, fine, I'll do that. But now he seems to have acquired a bit more cockiness and is demonstrating a much greater degree of disrespect for the legislation process than he did then, although he displayed some of those tendencies then also, but not to the same extent as he and those who are under his thumb have demonstrated over the past three years. So the Attorney-General ought to offer that explanation.

Secondly, if there is some legal problem that he speaks about, that if this motion doesn't pass, that some departments may be in contravention of the law with respect to the timing for tabling of reports, the Attorney-General in closing debate, and it appears that he won't be closing debate today because he is not in his seat, so I would hope that somebody would remind the Attorney-General to indicate to the House which department or agencies or boards or commissions required by law to table reports in this House would be in default of the law. How many reports does the Minister have ready for tabling? How many are not ready for tabling and require this extension of time in order to comply with the provisions of the legislation? The Attorney-General ought to offer us that explanation.

In summing up, Mr. Speaker, I want to impress upon you again that here we have a further example of disregard for the legislation process, a further example of administrative bungling. In 1966, and in history that's the nearest session that we could make a comparison with, when the House rose before Christmas, the business of the House was neatly tidied up. The First Minister at that time indicated his reasons why he was not prepared to table the Estimates and he asked the House for leave to table the Estimates when the House resumed its sitting after Christmas. You will recall, Mr. Speaker, the reaction, the catcalls from this government, when I asked them about the Estimates last December. They thought it was hilariously funny. But this was a practice of this House at one time and the First Minister asked the House for leave because the First Minister recognized that the one action followed the other as night follows day, that when you complete the debate of the Speech from the Throne, that then it is only proper that the government demonstrate that it is prepared to put its money where its mouth is and table the damn Estimates, which this

government was afraid to do, which it was afraid to do, Mr. Speaker.

Then when I asked; oh, they thought that was a big joke. This First Minister, who waves the flag of tradition when he talks about the Canadian Constitution, but when it comes to procedure in our own House, to hell with tradition. He is going to set his own rules, and that is the way he is running this House and all his cohorts in the front — no, not only the front bench because there is also a Minister in the third bench. Whether he is a full-fledged Minister or not, I don't know, but I guess a Party Whip takes precedence over a Minister.

Mr. Speaker, the Honourable Minister of Transportation, I guess he wants to enter the debate, Mr. Speaker. (Interjection)— That's right, he was one of the delinquent Ministers in tabling his report last year, so I suppose there are some other delinquents this year and to accommodate them, hence this motion.

Mr. Speaker, there is really no justification, no rationale for the extension of time asked in this motion and, secondly, as I said before, the manner in which it was brought in. When it should have been done, if the government needed that time, it should have been done last December and not now, and it should have been done — if it were for the reason it was done in 1966, I would be quite happy to give approval. If the Attorney-General would stand up and say, well, look, I want this motion because I really want the members to have up-to-date information, have information as recent as six weeks old, or it will be eight weeks. Then I will say, by all means, fine, we want recent information to enable us to deal with the Estimates.

But in this case, the Minister didn't say that and in actual fact, you know what will happen, Mr. Speaker, because even with the extension of the time, on the basis of this government's track record, we don't know whether the Ministers will table their reports on time or not. You will recall the experience that we had with the Minister of Highways last year, who has since learned his lesson, I hope.

We need the reports to deal with the Estimates in a proper manner, to make proper comparisons with the government's track record. Estimates say one thing; reports talk about the government's actual performance. So we have to see the reports.

The House Leader says, no, we're not going to give them to you; we're not going to make it necessary to table the reports for the next four or five weeks, the next 30 days. That, Mr. Speaker, is just demonstrating a complete disregard for the Opposition, a complete disregard which we have seen demonstrated on many occasions previously, a complete disregard for the legislative process.

If there is some valid reason, if this is to accommodate the Opposition, to provide them with more up-to-date information, then I would hope, Mr. Speaker, that in closing debate, the Minister would say so and would give the House that commitment.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. RANSOM:** Thank you, Mr. Speaker.

There are very few times when I consider that debate put forward by the Members of the Opposition is a waste of time and this is one of

them. This is an absolute waste of time that the members opposite are purposely using to try to delay the procedures of this House on entirely frivolous points. They know very well, Mr. Speaker, what the purpose of the resolution is. They know very well that the time, the dates that reports are tabled on is something that depends upon the administrative process within government and what we have done is far from disregarding the legislative process, Mr. Speaker, we have moved to pass a resolution which will make the later tabling of these reports legal and proper within this House, and that is not something that the Members of the Opposition practised when they were in government.

They talk, Mr. Speaker, about sloppy government. They talk about us not being prepared to proceed with legislation. They talk about us not being prepared to proceed with the Estimates. When they were in government, Mr. Speaker, they couldn't even get the House together before April, before March: 1970, the 12th of March; 1971, the 7th of April. They couldn't get their act together until the 7th of April to have the members come here to consider the record of that government and to consider their plans for the next year. In 1972, the 9th of March before they called the House together. In 1973, the 22nd of February. Talk about us not being prepared, Mr. Speaker.

One year, in 1974, they did call the House on the 31st of January, and that happens to provide some very interesting information, Mr. Speaker, some very interesting information, because as we all know, there are a number of reports that are required to be tabled in this House 15 days after the House assembles. Well, let me give you the list of some of the reports that were tabled in 1974. February 15, Mr. Speaker — this is one day past the deadline: The Department of Health and Social Development; The Trade Practices Enquiry Act; The Manitoba Crop Insurance Act; The Manitoba Centennial Corporation; The Horse Racing Commission; and The Department of Public Works. Those are one day late, Mr. Speaker, one day.

Day 19 — this is four days past the deadline: The Liquor Commission Report; The Queen's Printer Report.

Day 22 — seven days past the required deadline, Mr. Speaker: The Manitoba Public Insurance Corporation.

Day 33 — eight days past the deadline: The Workmen's Compensation Board.

Day 58 — 43 days past the deadline: The Health Services Commission. Something as important as the Health Services Commission, 43 days past the deadline, and you talk about a disregard for the House.

The list goes on, Mr. Speaker. Day 69 — 54 days past the deadline, Mr. Speaker: The Manitoba Housing and Renewal Corporation, the Ombudsman's Report, Mr. Speaker.

Day 75 — 60 days past the deadline, Mr. Speaker, and these members opposite talk about disregard for the House. The Manitoba Design Institute, the Manitoba Export Corporation, the Manitoba Research Council, the Department of Industry and Commerce, and guess what, Mr. Speaker, 75 days past, the Minister of Education. Guess who the Minister of Education was at that time, and he tabled

the annual report of the Public Schools Finance Board, and he stood in this House just minutes ago, and said that any report dealing with a period ending at the end of the previous year could be tabled by the 15th of February of the following year. Seventy-five days past that, Mr. Speaker, the then Minister of Education . . .

The reason they are debating this issue now is purely to waste time. They have nothing substantive to debate and that is why they are dealing with frivolous issues. There is a lot of work to be done before this Legislature. There are estimates under consideration right now. The annual reports are there to consider. I suggest we get on with the business of the House.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, I move, seconded by the Minister of Finance that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Agriculture, and the Honourable Member for Springfield in the Chair for the Department of Economic Development.

## **CONCURRENT COMMITTEES OF SUPPLY**

### **SUPPLY — ECONOMIC DEVELOPMENT**

**MR. CHAIRMAN,** Robert Anderson (Springfield).

**MR. DEPUTY CHAIRMAN,** Mr. Arnold Brown (Rhineland): Resolution No. 48.(c)(1) — the Member for Burrows.

**MR. HANUSCHAK:** Mr. Chairman, when we were debating this resolution yesterday evening, I had asked the Minister on two or three occasions to explain the rationale for the government's change in position from the previous hands-off position, removal of government intrusion, removal of government intervention, which this government had preached for the first three years to the present one, where the government says that the public sector cannot turn a blind eye, as it were, to what is going on in the private sector and it must become involved.

The Minister says that does not constitute or does not indicate any change in government position but, Mr. Chairman, surely you know as well as anybody else that even a grade two or a grade three child, if he or she were to read the Throne Speeches of 1978, 1979, the spring of 1980, on the one hand, and read the one of December, 1980 on the other hand, would see the complete reversal, the complete turnaround in the government attitude toward public involvement in the economic sector, because previously this Minister had been preaching all along that there must be no government intervention whatsoever. We must remove government intervention. Now the Minister says, oh, no, we must

become involved; we just can't leave that to the private sector, we must become involved.

I think that the Minister has to explain to this House what generated the socialist leanings within him. This Minister, the last one of all his colleagues in Cabinet, he is the last one that I would have ever dreamt would move towards socialism, you know, the red Tory that we have over here now preaching socialism, which is so unlike him because, my goodness, previously any mention of government involvement in the economic sector, oh, he saw all sorts of horrible things.

Now, in the Throne Speech, he says, and he is the one who must have said it, Mr. Chairman, because who else, the Minister of Education, of Health, of Highways? This is the Minister who sort of has to orchestrate and co-ordinate the economic development of the province. Now he is saying that the government must become involved.

You know, I think the government has to get some better understanding of these Conservative socialists which have now emerged on the scene. Just what do these Conservative socialists plan to do? So I think that the Minister ought to indicate if he is going to move in the direction of public involvement in the economic sector, could he indicate to us, at least in general terms, the types of industry that he intends to move into.

Now we know that certainly it isn't tourism development, because he gave away the boat, we know it's not that. We know it's not food processing, because he gave away Morden Fine Foods just for the price of the inventory, not unless he has changed his mind on that. But that gives us some indication that those are not the types of industry that he envisages government being involved in. So could he at least define the categories, give some description of the types of industry that he envisages the government to be involved in? That's question number one, type of industry.

Question number two: What type of public involvement does he foresee within the economic sector? Is the government going to become equal partners, minority partners, majority partners, or perhaps it won't be a shareholder in the development project at all, in the economic project at all, but it might have some other form of involvement or control? I think that he ought to explain that. If he envisages the government to become shareholders in economic development, the degree to which we can anticipate such involvement, majority or minority?

Again, I repeat, in line with this, can we look forward to some further mega projects other than the ones mentioned in the Throne Speech? Is he considering some other mega projects, or if not mega projects, perhaps at least micro projects of some kind that will reflect this strange socialist thinking, this strange socialist philosophy which the Minister had expounded in the Throne Speech, within the paragraphs, I think that he has to take responsibility for writing. I think he wrote them, although I find that difficult to believe. You know, strange things happen in this government. Ministers introduce legislation and later say that they hadn't read it. Maybe the Minister of Economic Development hadn't read those paragraphs of the Throne Speech before they were inserted into it. Now

if that happened, well then perhaps he ought to explain that, but the Minister has to explain the rationale for the Conservative Party to be going through the motions of making it appear that they are moving towards socialism. I want him to tell me what types of industry does he intend to move into, the type of involvement that he foresees in those industries, a degree of involvement.

Thank you, Mr. Chairman.

**MR. DEPUTY CHAIRMAN:** The Member for Rossmere.

**MR. VIC SCHROEDER (Rossmere):** Thank you, Mr. Chairman.

I note that under this section we are dealing with central accounting and that brings to mind the matter of the accounting for the province in general.

Back in 1977 when your group, Mr. Minister, were campaigning for election, we frequently heard about the \$3,200,000 of public debt dealing with Hydro and other Crown agencies and that sort of thing, and you have been in power now for more than three years. I would assume that at some time during those three years as a hard-headed businessman you would have sat down and maybe taken a look at your debts and your assets because although we hear a lot about our debts, and of course under your administration while you have done nothing you have added another \$800 million to those debts, we don't hear very much about our assets and when I look at the books of the province it seems to me that in economic development it should be taken account of. Our assets should be taken account of.

I was listening to the radio the other day. It was mentioned that it would cost \$2 billion, that is one-half of our current total provincial debt to start up Limestone. I am just wondering how much do we have then as a province in assets that's never shown on the books. The Minister knows full well that if he was operating this like the business, as the Conservatives kept talking about in 1977, that on the one side of the ledger card would be the debts and on the other side there would be the assets.

Let's look at the assets for a minute. Let's look at the replacement cost of the hydro plant that we have in operation right now. What would it cost the province to replace all of the plant that we have in operation right now? Forget about what we paid for it and take a look at what it would cost to replace it. I would suggest that \$4 billion would be a ballpark figure. Maybe I'm out by a billion or two billion one way or another. But let's look also then at other assets. For instance, the Woodsworth Building, where does it show up on our asset picture on this business of ours? I would like to see that on the picture. I would like to see the extra lane on Highway 59 that was built, both by the previous government and partially by the present government. Surely that is an asset for the province. If it wasn't there, we wouldn't have the same amount of traffic, we wouldn't have the same amount of trade and commerce. That is an asset which, if it wasn't there, we would have to provide, and if we had to provide it, we would have to provide it at current cost, and that would be very expensive for the province.

Let us take a look at the, what, 10,000 units of public housing built under the previous administration. How much would that cost to replace

it? How much? I would like to see that type of an accounting. I would like to see the accounting on schools, their replacement costs; on hospitals, their replacement costs. Let's go through it item by item and see. I am sure you have done that, Mr. Minister. You are, after all, a businessman, and you kept talking in the mid-Seventies about running this place like a business. Well, any business that I know of, any hard-headed capable businessman that I know of has always had year-end books indicating approximately where we are, and I think this would be a very good time for you to tell us where we are as a province. Do we have, \$4 billion in total of assets versus \$4 billion in debts, or is it two billion of assets versus four billion in debts, or is it 10 billion in assets, or even more, versus four billion in debts? We have, for instance, this very building we are sitting in. Where is it shown in terms of a replacement cost?

There are so many other items of equipment, vehicles, buildings, garages, etcetera, that are owned by the province. Where are they shown as assets? We would like to see that.

Mr. Minister, when I talk to a person, when someone comes to see me and says, "I've got a hundred thousand dollars worth of debt," I don't say, "My, my, you are going to be bankrupt tomorrow." I ask him, "What are your assets?" If the man's assets are \$90,000, he has got a problem. If his assets are a couple of hundred thousand dollars, he may have a problem in terms of short-term viability because there may not be sufficient cash flow, but at least there is an out. There is the out of sale and one would say that he was in pretty good shape compared to the man who has no debts and no assets.

When the hydro projects were built in the Seventies, for example, and we are talking here, after all, about economic development, when they were built in the 1970s, one of the considerations was inflation and if we were to try to start from scratch now as opposed to when it was done, could you imagine the cost? I am just wondering, maybe you have done your accounting because you keep complaining about the debt, or you did. We don't hear so much about the debt any more now that you have been in office for three years, have done nothing and managed to drive it up by \$800 million. We haven't heard much about the debt, especially in the last few months. All of a sudden it doesn't seem to be a popular item on your agenda.

I certainly would like the Minister to respond with respect to an inventory of the assets of this wonderful province.

**MR. CHAIRMAN:** Mr. Minister.

**MR. JOHNSTON:** Mr. Chairman, I answered the questions of the member last night. I told him I didn't believe there is any change. I told him I have never seen the word "must" in the paragraphs he is reading and I don't intend to answer the question again. If he wants to bring it up under my Ministerial Salary, I think that is the logical place to bring it up.

I would say to the Member for Rossmere that your questions are directed to the Minister of Finance. The word "accounting" in here means to provide legal administrative requirements for the Department of Industrial Central Services such as specialized

clerical support, central registry, and delivery of photocopying, reference library, pool vehicles; to provide services such as accounting, financial management information, personnel management, travel management; to provide goods and stocks such as office space, furniture, communications equipment, stationery supplies, computer facilities, and to meet all government legislative and regulatory requirements pertaining to the expenditures, records, revenues, procurement personnel, reports and returns for this department.

**MR. SCHROEDER:** Thank you, Mr. Chairman.

To the Minister, I can read as well as he can. What I was suggesting was that this central accounting division might be an ideal area to have expanded, or it may not need expansion, I don't know what they are doing. It may be that they would be able to provide the kinds of figures that I had suggested. We are talking about, in this department after all, Economic Development, we are talking about a department which is spending some \$60,000 in the Province of Manitoba telling us how wonderful Manitoba is, and I would suggest that before you do so, you should be looking at some of these factors that you have spent a great of your time, Mr. Minister, a great deal of your personal time on detracting from Manitoba. It has been you, sir, who has been going up and down this province in the mid-1970s telling the people of Manitoba that there was some kind of a disaster because of the debts. It is you, sir, who now has responsibility for economic development and I suggest that rather than just standing up and telling us how wonderful Manitoba is, you should come up with some rebuttals to your previous arguments in order to convince people that in fact we really do have a wonderful place. I believe we have a wonderful province. I believe that you personally were responsible for convincing some that we did not.

For instance, how many times, when you were talking about the deficit in the good old days, did you mention the fact that although some other provinces don't have the same kind of deficit, such as Alberta, they also don't own their own hydro power and that it is in private hands, and that there are deficits, there are debts. In Alberta, you have to borrow money to build systems, just like in any other province, and the fact that the debt is in private hands in no way changes the cost to the public of that service, and similar things happen in other provinces with telephones. Ma Bell has the debt rather than the Province of Ontario.

**MR. DEPUTY CHAIRMAN:** The Minister on a point of order.

**MR. JOHNSTON:** Mr. Chairman, on a point of order, if the member wants to continue talking all day, that is certainly up to the decision of the Chairman, but the administration as shown in the estimates under 1.(c) is the Accounting and Administration of the Department of Economic Development.

**MR. DEPUTY CHAIRMAN:** The Minister's point is well taken. If the Member for Rossmere would address himself to the particular item at hand it would be appreciated. I have allowed a very wide-

ranging debate so far and we should get down to discussing this specific item.

**MR. SCHROEDER:** Mr. Chairman, what I was suggesting as I started out, both times, is that although I see that the Minister has a specific role for this accounting department, what I am suggesting is that the role be expanded, and surely during the estimates it would be appropriate to indicate which parts of these estimates we accept, where we say yes, this is the proper function, it's the proper degree; where we say no, maybe this role should be narrowed down somewhat and other roles should be widened. What I am saying, Mr. Chairman, is that in my view this particular area appears to be an ideal place to widen the role, to take a look in total at what the Department of Economic Development should be concerned about and that is the total economy of the Province of Manitoba and especially the total assets and liabilities of the province. And that, of course, is why, when I'm asking for this type of an accounting, I am very serious. I believe that the accounting could come under this specific provision, under administration, providing a central accounting system, and it would simply widen it to a central accounting system indicating the asset values as well as the liabilities that the province faces.

Again back to Ontario with Ma Bell, Ma Bell has considerable debt financing, just like Manitoba Telephones does. The only difference is that in Manitoba, Manitoba Telephones comes in to that \$4 billion figure. In Ontario Ma Bell's debt financing does not show up anywhere on the public accounts. Now, of course, in Ontario, the assets do not belong to the public whereas in Manitoba they do and when you add in, when we talk about the 4 billion, I am suggesting that this new and improved accounting system, indicate to us what it would cost to replace the Manitoba Telephone System and those various other government departments. I believe that if the Minister could show that then he would in fact be demonstrating to Manitobans another of the great advantages of this province. He would, of course, have to pierce the myth that he was raising during the mid 1970s about the terrible shape of our economy by showing that in fact the previous government was a very, very good manager and in fact the investments made by the previous government would be extremely costly for this government to now come up with to purchase because of inflation, so I would ask the Minister to respond to that.

**MR. JOHNSTON:** There is no legislative authority for this department to do the accounting for the whole province. The Finance Department is the central accounting branch for the whole, all of the province, and as I mentioned before, your questions are quite properly directed to the Minister of Finance when you are talking debt of the province, etc. Again, I can tell you that the expansion of — not again, I tell you that this particular section refers to the administration of the Department of Economic Development, it's done under the setup and the regulations laid down by the Department of Finance and I don't think that it would be expanded in this department because it would be a duplication.

**MR. SCHROEDER:** Thank you, Mr. Chairman. The Minister indicated that this would be a duplication. Is he then saying that it is being done somewhere?

**MR. JOHNSTON:** As I said the central accounting for the whole province is done under the Department of Finance.

**MR. SCHROEDER:** Yes, Mr. Chairman, the question that I have then is: Although obviously we know what our liabilities are, is there, in this other accounting system, does that accounting system provide a replacement cost for the assets we currently have or a book value, or any other calculation on the value of assets owned by the Crown in right of the Province of Manitoba?

**MR. JOHNSTON:** That question is properly directed to the Minister of Finance.

**MR. SCHROEDER:** I could take it then that the Minister will withdraw his answer indicating that it would be duplicitous for this department to do the accounting as to assets if no other department is doing the accounting as to assets.

**MR. JOHNSTON:** As I said I believe and I know the central accounting for the province is done by the Department of Finance.

**MR. DEPUTY CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** Mr. Chairman, I'd like to ask some very specific and detailed questions on the administration of the department.

First of all, can the Minister advise us, give us some idea as to what has happened to the staffing patterns in the department? What are the numbers of SMYs that you have in the Department of Economic Development and how does this compare with the previous year? In other words, is the number of staff on the increase, has it been maintained, or has there been a cutback in the staff of this department, and if he could elaborate on that in any way he likes? I'm not suggesting very itemized details but we'd like to get some idea of the staffing pattern.

**MR. JOHNSTON:** Mr. Chairman, I think the member would probably appreciate having this breakdown of the staffing pattern of the whole department. I wonder if that could be passed out to the members of the committee.

**MR. EVANS:** Thank you, I'll look forward to getting that, Mr. Chairman.

I have another question regarding travel, travel not only within the province but out of the province. I know in this section, Administration, that control is kept over motor vehicle usage. I would like to know to what extent is the departmental staff being required to use their own vehicles for departmental business, as opposed to using government vehicles and to what extent do we use government vehicles? How many government vehicles are being used and just how does the personal usage of automobiles compare with previous years?

**MR. JOHNSTON:** I can get the member the breakdown of how many provincial cars are used in our department versus private. I don't know how many private cars, but I can get the breakdown of

the number of provincial cars being used in our department and who is using them.

**MR. EVANS:** That's fine, and we would welcome that information. With regard to private usage, I am sure there is data available. Financial information has got to be available on how much the taxpayers paid to civil servants in the department having to utilize their own vehicles on departmental or government business. That information was surely kept.

**MR. JOHNSTON:** Yes.

**MR. EVANS:** I would like to have an idea of what is happening there. Again, comparison proves, and I would like to get an idea of what we are spending now as opposed to a previous year.

**MR. JOHNSTON:** That information is available and I will see that the member gets it. I know that the people who have personal cars are paid a mileage. How much was paid out by our department for use of personal cars, I am sure is available.

**MR. EVANS:** With regard to travel out of the province, does the Minister require his administration now to keep tabs on how much out of the province travel is occurring by the staff?

**MR. JOHNSTON:** Yes, there is a report given to me monthly on the out-of-province travel within the department. I might say all out-of-province travel comes across the Minister's desk for approval.

**MR. EVANS:** Is the government still pursuing the policy which I believe the First Minister enunciated upon first assuming office regarding — well, I think at that time there was some sort of a freeze on out-of-province travel, certainly out-of-country travel. Perhaps the word "freeze" is not the proper term, restriction may be a better description of the policy, and my question then is: Is that same policy being implemented today? In other words, is the government taking a very cautious and rather restrictive view on travel outside of the province by personnel in the department and, if not, what is the policy guidelines that the Minister uses?

**MR. JOHNSTON:** The guidelines that are used — there is no freeze — the person requesting travel puts it usually through to his department head and then it is referred, with the reasons why he is wanting to make the trip out of the province or out of the country, and it then is referred on up to the deputy, who checks it, and then to the Minister for final approval.

**MR. EVANS:** Would the Minister be willing to give us a statement of last year's expenditures, showing staff who have travelled, how many trips, and the amount of that expenditure by staff person?

**MR. JOHNSTON:** I know that figure is available; I get the report monthly and the out-of-province travel is a figure that is well-known in the Administrative Department. I don't know how long it will take to put it together. The next meeting, my staff tells me, they can have it.

**MR. EVANS:** I would appreciate that, if they could show it for last year, and broken down by name of

person and the amount spent, and the location or the destination of the trip, and the purpose of the trip.

**MR. JOHNSTON:** I think that will take longer to get that information.

**MR. EVANS:** To facilitate things, we would accept the sort of breakdown that the Minister normally gets so that it wouldn't require staff to do a lot of extra work. In other words, we would be prepared to accept the type of breakdown that he gets, in order to facilitate — I don't want to create unnecessary work, but we would be prepared to take that type of a tabulation.

In the Estimates here, can the Minister indicate if there is an amount that is allocated for out-of-the-province travel? Is there some item in this particular vote? I expect it may be distributed among the various votes here.

**MR. JOHNSTON:** It is distributed among the various votes. Each department, when they present their requirements for the coming year, estimate how much out-of-province travel they will be requiring.

**MR. EVANS:** Although it is distributed among the various sections and branches of the department, could the Minister give us an idea in total what the estimated amount will be on out-of-the-province travel that may be spent in the coming year, because the money is provided here and someone had to make some estimate of the travel expenditure, so I think that is not an unusual or difficult request to make of the Minister and his staff.

**MR. JOHNSTON:** That can be broken down, but I am told that the estimate for travel expenses is not broken down by the departments as to whether it is out-of-province or in-province. There is a total estimate for the travel costs for the department that is broken down within the sections. As I mentioned, travel expenditures for travel out of the province is approved ultimately by the Minister.

**MR. DEPUTY CHAIRMAN:** (c)(1) pass — the Member for Brandon East.

**MR. EVANS:** At any rate, what I understand then, the Minister will give us an estimate of total travel expenditures expected in the next year. Is the Minister saying there is no estimate made of what percentage of that will be spent on out-of-province travel as opposed to within the province? Have you no idea?

Let me ask this question then. Of the total travel expenditure incurred in this past fiscal year — actually we are still in the fiscal year, but say the first 10 months — what percentage was expended in travel out of the province as a percent of total travel costs? I am sure that would give us some idea of the future.

**MR. JOHNSTON:** We can get you that, yes.

**MR. DEPUTY CHAIRMAN:** (c)(1) pass; (c)(2) — the Member for Brandon East.

**MR. EVANS:** Just before we go on, I notice now in the statistics that the Minister gave me on staff

complement, that there is an increase of staff complement of 18 in total, from 221 staff man years at the present time to an estimated 239 staff man years approximately, next year, which is an increase of 18. Most of that increase, I note, is in the Manitoba Research Council. We could perhaps talk about that more later, but is there any specific reason why this particular group is going from 20 persons to 28 in the next year?

**MR. JOHNSTON:** The eight refers to the increased staff, which was estimated when we entered into the agreement on the Interprise Manitoba Program with the two, the Food Research Technical Center in Portage la Prairie and the Industrial Technical Centre in Winnipeg. I believe it's three for Portage la Prairie and five for Winnipeg.

**MR. DEPUTY CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** I note under operations 2(a)(5) Promotion and Information Service, there is an increase of one. Is that a person who will be hired in the role of communicator similar to other hirings that we read about in the paper? We understand from newspaper reports and statements made by members of the government that certain former newspaper personnel among others have been hired to assist the Ministers in communicating with the public at large. I believe a Mr. Marden was hired in that capacity by Mines and Energy. There are others from the former Winnipeg Tribune, I believe, who have been hired also by different Ministers. We know that the Minister of Labour has someone and I believe several departments. Is this additional position to cover someone who may be hired in that role in the Department of Economic Development?

**MR. JOHNSTON:** This person is an informational writer to assist the person that is there at the present time.

**MR. EVANS:** Does the Minister have any plans or contemplate hiring a — I think the term is communicator, I'm not sure what the technical or official title is, but I think newspaper accounts refer to communicators being hired by governments to help the Ministers get their message across to the public. Is the Minister planning or have any intention of hiring a communicator? Or, maybe put it another way, does the Minister already have someone in that position?

**MR. JOHNSTON:** No, we have a director in the promotional Information Services. We have a person that does graphic arts that we do in House for brochures etc. and we are now hiring a writer, an informational writer, to help put those brochures together.

**MR. EVANS:** I want to make this clear. Is the Minister saying he has no person fulfilling that role of communicator — again I'm not sure that's the proper title, but that is one that's stick in my mind. Is the Minister telling us he has no one in that particular role, as some of his colleagues do?

**MR. JOHNSTON:** No, I don't have anybody in that particular role, as I mentioned previously. We have a

director, we have a person that does graphic arts and we now are bringing on a person to assist them with the writing of the brochures, etc. Then the McKim Agencies is the agency that the Department of Economic Development works with as far as advertising is concerned.

**MR. EVANS:** Does the Minister have any intention of hiring at some future time — I guess this would be someone who would be really in the executive group rather than in the Promotion and Information Services Branch — does the Minister have any plans or does the government have any plans of placing someone in the Minister's office to fulfill that function?

**MR. JOHNSTON:** No, Mr. Chairman.

**MR. DEPUTY CHAIRMAN:** (c)(2) pass; (d)(1) pass. The Member for Brandon East.

**MR. EVANS:** Well, I wonder if the Minister can tell us more specifically what have been the accomplishments of this branch in the past year? I can read the little description, I have some idea, but nevertheless, what has been the emphasis in this branch during the past year — what kind of reports. In particular, I'm wondering whether the Minister has been provided with any type of forecast on the economy of Manitoba, whether any forecasting is being done by this particular group?

**MR. JOHNSTON:** This particular group is the branch that provides all the line branches and the executive with research and analysis. This can be — well I'll read it. It can simple information retrievable such as compiling a list of distributors from telephone or other directories. Some projects require contracting of members and of industry, indentifying the size and trends of the market, the structure, number of firms, dominant firms and any constraints on the industry such as supply shortage, regulations, etc. More complex analysis is required for projects such as the estimation of the regional impact of travel expenditures on service industries of the province. Some projects require systematic generation of basic data as well as analysis. The community surveys program being done for the community commercial development program requires the design of a sample of the population to be covered as well as the design of the questionnaire. The logistics of getting the questionnaire out and ensuring the high return rate are the next step and then the answers to the questionnaire must be validated and coded for entry into the computer. Finally the computer output is analyzed.

The branch also reviews applications received from The Foreign Investment Review Act, produces a community report series, and maintains The Department active clients. Since the amalgamation of Tourism with the department, the branch produces the monthly summary of tourism statistics and traffic counts on the Trans-Canada Highway and the analysis for the Minnesota, North Dakota and Manitoba attraction survey. Basically, they are a support research group to the development officers, to the people in Tourism, development officers when they are working with somebody who wants to know

the specific answers, and also they come up with the figures that give us the opportunity to analyze what type of advertising you might say, as far as the Tourism Branch is concerned, has benefitted us and those types of statistics.

The distribution of the project time was Executive, 27%; Program and Development Technical Services, 23%; Business Development is 8%; Market Development, 9%; Small Enterprise Development, 13%; and Travel Manitoba, 20%. The intention for 1981-1982 is 135 projects.

A new area to be entered into in 1981-82 is the Non-Resident Visitors Survey. This is being designed as an administrative or administered for Destination Manitoba. It involves developing a system for estimating economic impact on non-resident, i.e. non-Manitoba travelers, and allocating these by region within the province. The basic data will currently be available data on the Travellers entering the province by car, bus, rail, air. The survey will interview 20,000 of these over the course of the year as they leave the province. Data collected will be reassembled by point of entry to develop economic impact estimates which can be applied to the available entry port of statistics. And, of course, the branch will continue to produce the active client list; Economy of Manitoba Quarterly Reviews; Business Conditions Survey, Quarterly Reviews, Investment Intentions, two Reviews; Capital Expenditures Survey, two Surveys and Reviews; . . . Applications, 45 reviews; Community Reports, 75 up-dates; Community Commercial Development Surveys, 5 communities; Visitors Reception Centers, 12 summaries; Monthly Bulletin of Tourism Statistics, 12 bulletins; Facilities Inventory, 12 up-date cycles; Canadian Government Office of Tourism Survey, 1 review; Foreign Investors Report, 1; Minnesota-North Dakota Vacation Survey, 1; Southern Boundary Survey, 5 monthly up-dates, May to September; Highway 1 Survey, 12 monthly reports and 1 annual review.

**MR. DEPUTY CHAIRMAN:** The Member for Brandon East.

**MR. EVANS:** Well, I asked also, Mr. Chairman, whether the people in this department engage in any economic forecast, which I think is a difficult job but nevertheless, I think, almost a necessary one. Perhaps the Minister partially answered it when he said that the branch engages in an investment intentions, a survey on investment intentions, if not a survey, then some sort of a study on investment intentions. So it seems to me that there you're getting into the area projecting what might happen and as we all know or should know investment spending is very volatile but a very key factor in economic growth. So I'd like to know whether, more specifically then and I repeat I guess, does the department engage in overall economic forecasting, yes or no, but apart from that the survey or study of investment intentions, is that available for others to see or is that strictly for the internal use of the Minister and the Government?

**MR. JOHNSTON:** From your last question I would have to check that. The investment intentions are estimates at best as you know, they do do some economic forecasting and they revise them through the year for the Minister. I think that I would have to

check whether they would be released to the . . . They are in-House documents for the advice of the Minister and they are strictly estimates at the best of time.

**MR. EVANS:** As we know, Statistics Canada does a semi-annual forecast of investments spending intentions. This is available to the whole world who wants to read their reports. To what extent does this work duplicate what is being done by Statistics Canada? Because twice a year, you get a very, very comprehensive resume of investment intentions by the private sector broken down by industry, shown by province, both for new capital plus repair expenditures. I know this staff are very familiar with this. To what extent then are we simply relying on this report and looking in the Manitoba context, or this department going out doing a separate additional survey of the business community asking about their investment intentions?

**MR. JOHNSTON:** I think the staff has supplied me with the proper way to put the answer. The staff does a review of the Manitoba break-out of Stats Canada and that's the basis on which their surveys and economic forecasts are done, which is a break-out as I say of Stats Canada which is available to everybody. I think I mentioned once that we analyze Stats Canada reports and we probably do break-outs of other reports that come through from other areas other than Stats Canada, but mainly it's a break-out of Stats Canada.

**MR. EVANS:** Therefore, just to clarify this then, there is no separate survey, and I use that term advisedly, where you send out questionnaires to the business community done by the branch on investment intentions. There is no separate survey done, the data that used is strictly the data that's available from Statistics Canada. I just want to make that clear and if I don't understand that, then I'd like to be corrected, but as I understand it there is no money spend on an additional investment intentions survey.

**MR. JOHNSTON:** No, there isn't. We have available to us the forms and the surveys that are done by Stats Canada; we know the questions that are asked and we know where they're sent. We don't duplicate that; we analyze the information that comes from Stats Canada.

**MR. EVANS:** In his description of the work done by the branch, the minister covered a lot of items, lots of topics. I wasn't clear though whether included in that was some reference to productivity studies, therefore I ask him a specific question whether the branch does engage from time to time in productivity studies of specific industry or industries in the Province of Manitoba?

**MR. JOHNSTON:** I'm informed that we haven't done any productivity studies.

**MR. EVANS:** Well, Mr. Chairman, maybe I can ask the minister where, if anywhere, does his department look at, if I can use the term economic health of a particular industry. Let me just use one and it's strictly as an example, we could use many other

examples, but the meat packing industry is one industry that has been in trouble as we all know in this province. Swift's Canadian has unfortunately folded up and we have a very very sharp decline therefore in the output, I would imagine, of the meat packing industry in Manitoba.

There are different reasons that have been suggested for the demise of Swift's Canadian. One reason that was suggested is the insufficient supply of cattle, hogs and other animals that a processing plant such as that would require, in effect, as inputs. However, it seems strange, Mr. Chairman, that if one company such as Swift's complains about that, that you have others particularly Canada Packers and Burns who are still able to maintain and hopefully prosper and survive and progress in the meat packing industry of this province. However, it may simply not be a matter of supply; it may have been a matter of productivity of that particular company. I don't know, I don't have that information, but I ask the Minister: Does not someone in the department undertake some studies and attempt to get some information on the relative productivity of the various industries in the province? Again meat packing, I use it because it was one that was subject to some scrutiny a year or so ago by many of us, and it seems to me that productivity is the basis for survival. If you a good, healthy productive industry, if you have productivity, that is output per person or however you want to measure it, that compares favourably with the other locations of meat packing in this country, then we have a chance, we can say this particular or that particular industry is likely to survive and prosper.

I wonder whether we know, therefore, whether the meat packing industry is in a good state. It's possible that this work and this study is being conducted by someone in the Business Development Area of the Department where they look at 16, The Establishment and Expansion of the Manufacturing Services Industries in the province. It's possible that you have technical specialists there who are very familiar with the industry or industries. That's fine, but apart from industry specialists, or commodity specialists, I would have thought that the Economics Branch, among other things, could undertake productivity studies again. A lot of this is available from existing sources and doesn't require necessarily new surveys and additional moneys being spent trying to collect original data.

**MR. JOHNSTON:** We don't do global industry productivity studies. We do specific studies to support the development officers in this department and there is a very large list of the studies that have been done for the specific development officers when they're asking for information while working with a particular industry or a particular manufacturer, or service industry for that matter. When you talked about agriculture as to the future of the meat packing business, we would have available to us if we were requested to do a study on a specific type of meat packing business, we would very likely have to find information from Stats Canada from the Department of Agriculture as to the numbers of the animals that there are available, etc., and probably the markets, and then we would be able to help people with freight rates, etc. But we don't do a global study of any particular market.

**MR. EVANS:** Let me ask very specifically, did this branch not involve itself into research, into the meat packing industry of Manitoba? Because a year or so ago with the Swift's closure — well, prior to the closure, just after the announcement, there was a great deal of concern in the community, a great deal of concern in the province, and I believe the union, among others, approached the government for assistance and asked for a review and so on. Would not the minister be concerned about this? I'm sure he's concerned about it, but he would he not go so far as ask for some very careful economic analysis of the meat packing business so that we can be in a better position to do whatever we could do. Maybe it was a totally hopeless situation; I'm not arguing that point. Maybe there is a just no viability whatsoever for that Swift's operation, but it would seem to me that a very good exercise would be to have your economists look at that industry and prepare reports for the government, for the Minister and the government on that.

**MR. DEPUTY CHAIRMAN:** Mrs. Price.

**MRS. NORMA PRICE (Assiniboia):** Mr. Chairman, I would like to tell the member for Brandon East, I guess he obviously hadn't noticed that the Swift's Plant is not all doom and gloom. There is an industrial park being built there and on its completion, it's started now, and on completion it will be employing some 700 people.

**MR. DEPUTY CHAIRMAN:** Mr. Evans.

**MR. EVANS:** Mr. Chairman, I was asking the Minister a question. I've heard of the proposed industrial park and I hope we can bring some industry there and so on. The problem I always have with these industrial parks is that you open a new industrial park and you see new enterprises or, of course, there are new buildings there, but then you see other buildings close down. And this happens with shopping malls. A shopping mall goes up at one point and other stores close down at another point. So I wonder if there are any more jobs out on a net basis, you know, the bottom line. I hope we get something in the industrial park but, Mr. Chairman, I think the —(Interjection)— It's sure to be profitable and successful.

But, Mr. Chairman, it's really off the point. The point I'm making is not whether I'm not really, while we can lament about the Swift's, that wasn't the point. The point at issue is the economic studies of an industry and particularly productivity studies. Is the Minister satisfied? For instance, let me put it very pointedly, is the Minister satisfied himself that we'll see no further closures in the meat packing industry in Manitoba? There have been a lot of rumours; I hope those rumours are unfounded. I don't the sources of them, but from time to time rumours abound about some other closure that may take place. Is the Minister satisfied? Has he had his economists study the industry, or is this left to the Department of Agriculture — which it could, but I find that strange, because the Agriculture Department surely is, with the growing of food and the raising of the animals, surely this department is the department concerned with the processing of the material. And I would think it's therefore the rightful and proper place for such studies to occur.

**MR. JOHNSTON:** We have not done one on the meat packing industry as such when Swift's closed. The future of the meat packing industry, if you want to talk about the meat packing industry, is dependent on the number of animals available in the province of Manitoba, which is the area of the Department of Agriculture to have the produce available for the meat packing plants to handle them. If they are not there, I would imagine that they would have some problems. But I can only say to you that you mentioned Swift's closing, and in the same breath I tell you that Central Packers from Calgary have got a new plant worth \$782,000 since that time and they're planning an expansion already.

You have Bradleys that are planning an expansion. You have all kinds of smaller sausage-packing manufacturers throughout the rural area and you have all kinds of smaller people within the rural area that are processing food right in the area. So that's one of the major effects that was on the larger plant, such as Swift's. The meat packing industry is changing considerably as far as the marketing is concerned and you'll find that there are more finished types of products being done in the packing industry versus what was done before.

The other area that — we used a very big supplier to Quebec; we are not a supplier to them anymore.

**MR. DEPUTY CHAIRMAN:** The hour being 12:30, committee rise.

## SUPPLY — AGRICULTURE

**MR. CHAIRMAN, Abe Kovnats (Radisson):** This Committee will come to order. I will direct the honourable members' attention to page 9 of the Main Estimates, Department of Agriculture, Resolution 8, Clause 2., Manitoba Crop Insurance Corporation, Administration.

The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I would just like to make a few comments on the Manitoba Crop Insurance. I think it's definitely worth putting on the record what I would consider some important matters affecting Manitoba Crop Insurance.

First of all, I would like to compliment the staff, who this last year, I think, probably had one of their most difficult time periods to work through that they've had had in their 20 years, I guess it's their 21st year now of operation, and I think we've seen staff put in a lot of extra time and effort in trying to make some of the things that had to be done or do some of the things that had to be done to alleviate some of the difficulties. I think, as I said, the staff have done a good job in providing the kind of service that was necessary. There has been some concerns brought forward to me and to the members of the government of some of the difficulties that developed last year and not only last year but have been some of their concerns from previous years' operation of the corporation.

We, in discussion with the board of directors of the Manitoba Crop Insurance, have decided to review the workings of the corporation and have proceeded to have a review done of the types of programs and the way in which it is operating to service the farm

community in Manitoba. I personally had some concerns with it and I know the members of the government's side had some specific concerns. As I indicated in the opening remarks of the Department of Agriculture's Estimates that I also invited the agriculture critic from the members opposite to put forward his thoughts and relay to any of his constituents that he felt wanted to make their concerns known. So I think it would be helpful, it's not an exercise of trying to discredit in any way the operations, but I would say a positive move to have the Crop Insurance provide the kind of coverage that is necessary to assure farmers of a certain level of income after making the investments that are necessary in trying to remove some of the risks.

I could get into some of the historical events, but I don't think it is important at this time, as to just briefly say that the original estimates were somewhat larger than what had been normally anticipated because of, first of all, the late seeding dates that farmers found themselves in a period of late seeding because of moisture not coming in an early enough time to give the farmers a normal seeding date. In fact, I think if we just remember back to last spring that we had probably two growing seasons in one almost with the break-up of winter coming in April and we had in fact almost 90 days before there was much moisture started to come, which in fact did put some of the farmers and the corporation in a difficult situation whether or not crops could be written off or should have been written off or not. Farmers wanted to do some summerfallow work or in fact make other plans. As I say I think we've worked through that as well as we could. We had additional staff put in place to help with the adjusting and all and all the payout that was anticipated to be somewhat larger than what it will be, I think, can be attributed to some of the later harvest that took place. I've made comment that I've read some press article and had some reports that we've even seen some harvesting as late as late December and into January in some communities. So the whole has been somewhat of a difficult one to try deal with.

However, as I've said to the members of the Opposition and members of our Government and the public, we would appreciate any thoughts or recommendations that they to in fact to make a better operation. I think it is also important to note at this particular time that the Manitoba Crop Insurance Corporation is in fact a federal-provincial agreement. Quite often I hear certain individuals from the federal government saying that they don't seem to have enough credit given to them for the work and the effort or the money they put in to Crop Insurance. I'm quite prepared to give them full marks for the work and the effort that was put into Crop Insurance and give full credit for their part in helping to pay the premiums of the producers and also with the reinsurance program which it would be very difficult for a provincial government or a corporation to sustain a reserve during an extreme period of loss. I do think the Federal Government deserve perfect marks.

I also think that the Crop Insurance Corporation could be used as an example of many other areas particularly with federal-provincial workings that we could work towards a positive support program for the agriculture community. It is unfortunate that we

couldn't or haven't been able to see that kind of working cooperation in such areas as stabilization for our hog industry and other commodities that could work into good federal-provincial working relationships. So I do want to give the federal government full marks for their ongoing work in Crop Insurance. I want the public to know that the producers are supported through helping to pay for the premiums, I believe it's a 50/50 cost-sharing with federal government and the producers and in fact when it comes to difficult years, the reinsurance program.

The province, as the members opposite and the members of the government are aware I'm sure, is the administrative costs are what are picked-up by the people of Manitoba, which we are asking for support in voting for the appropriation in the 2,689,100 this year. I think it's demonstrated in the amount of money that is being requested that we have quite a lot more work to do following on last year's drought condition with both extra administration and adjusters. I think that also there's an increase of one staff-man year, I believe, to do crop research. I think there is a need to continually update the crop research, particularly with some of the changing in crops and some of the new crops that are being grown and some of the lower classified soils. There has been ongoing program of updating of the classification of soils and the crop production that can be grown off each type of soil. But with the introduction of particularly of sunflowers and some of the more drought-resistant crops, they are a lot more resistant to some of the drought conditions, particularly drought and are producing at a higher rate than some of the traditional bread wheats or cereal crops or other crops that we have grown.

There have been recent statements made that we have made some changes on the coverages in some of the crops, higher coverage for lower cost premiums. I think there has been a quite major concern as well throughout the agricultural community whether or not the crop insurance would be able to offer or have the funds available to make the payments. The funds are available.

I think it is also important to inform the farm community and the business community that's supported by the farm community that the rates will not be increased at a tremendous hike because of just one year, that they do work the rates out over an average of a period of years, and those people who are concerned because last year was an extreme payout that the rates will automatically go up at a tremendous rate, that is not the case because they use an average period and I do not think that there will be any dramatic increases.

However, I think it is also important to note that those are some of the concerns that the producers have. They say that they, and we know that their cost of production has increased and they want to buy higher insurance coverage for that greater risk or the great investment they're putting into it.

Last year, I think the member has the report of Manitoba Crop Insurance, I think there were some just under 15,000 contract holders in the province. I would hope and will be communicating again to the farm community, I hope that with some of the changes that may not be able to be implemented

immediately this year, I would hope in light the high input cost and some of the difficulties that have carried over from last year that serious consideration would be given to investing in crop insurance this year so that if in fact we were, and God forbid, but if we did run into a year that was similar to last that we would in fact would have those farmers, who are making the large investments that they have to make, would covered.

Those are basically the main comments that I would like to make, Mr. Chairman, and would hope that in asking for this amount that we would have full support when it comes to voting this appropriation.

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

**MR. BILLIE URUSKI:** Yes, Mr. Speaker, I thank the Minister for his comments and I do share with him, I believe, some of the frustrations that I think he's probably felt and also members of the Manitoba Crop Insurance Corporation with respect to the numbers of claims and the sheer workload that has been piled up on them during this last year, in addition to also handling, at least administratively, the Green Feed Program which had to be, I believe, computed by the Crop Insurance Corporation and before the payouts were made by the province.

Mr. Chairman, before I get into specific questions with respect to the numbers of claims that the Corporation has, and maybe the staff can look that up, the numbers of claims to date that have been filed with the Corporation, percentages of payout, what kind of money has been paid out and what is expected to be left over to be paid in future years, I'd like to direct some comments with respect to the review that is been requested and authorized by the Minister. He's made an appointment of one individual to review the operations of the Manitoba Crop Insurance Corporation. I believe the Minister well knows that there has been growing feeling in rural Manitoba that the role of the Corporation has not kept pace, that changes that some producers might have liked, and maybe there is not as a great an understanding or as much an understanding of the workings of the Corporation that the Minister might like and we've seen a sizable reduction in the number of people purchasing insurance over the last two or three years unless it's risen this year. I would hope it is, because certainly last year, the year of 1979, the bulk of the claims that farmers suffered as noted in the Corporation Report, that the major cause of loss in 1979 was drought. The year previous to this past year that we experienced a severe drought conditions so that farmers were already facing drought-related losses in terms of insurance.

I'm a bit concerned, Mr. Chairman, that the appointment of one individual to review the operations of the Crop Insurance Corporation and to suggest changes, that it doesn't become a superficial exercise, that there is some meaning to what the Minister intends to do, so it doesn't become a PR exercise in terms of the operations of the Corporation.

I do know the individual involved, Mr. Chairman, and I believe, in all fairness to him, he's a very upstanding and a very dedicated producer in the Province of Manitoba, but you know putting one individual to look at the entire operations of a

corporation the size of the Crop Insurance Corporation, you know there could have been more assistance given to this individual in terms of the review that is conducted. I hope that there is a look at even the basis for the Corporation's involvement in crop insurance.

One of the things that has consistently bothered me, and there may be a good explanation and a rationale, the Crop Insurance Corporation's being is really to insure farmers' crops against the elements, elements that the farmer has little or no control over: the weather, the rain, the drought, snow, other insect losses and the like, losses to crops that the farmer may not have total control over.

Yet, Mr. Chairman, in reading some of the statements about the operations of the Corporation, we find that if a farmer who has been insured with the Corporation for a number of years and who doesn't have any claims, of course gets a reduction in premiums because of his claims record, but as well gets his coverage increased because for the reason that he has had no claims.

Mr. Chairman, the fact of the matter is the reason for him insuring is precisely the unknown. He really isn't certain as to what the weather conditions will be, what the conditions will be in terms before he plants his crop and that's the reason he's insuring. I'm wondering whether even the basis of the Corporation in practising its long-term policy should not be looked at very seriously as to how the Corporation offers insurance and the way its entire rating system works. It should take people involved in setting the rates and there should be some expertise provided to the individual who is doing the review that a much more in-depth review than I think the Minister has indicated — but he hasn't told us what the scope of the review will be and I hope that he will indicate to us how far he hopes that review will take and what avenues are open to the individual in terms of making recommendations.

There is another area that I've written to the Minister about and I would have hoped he would have passed that information on to the individual investigating, and that deals with the whole question of the tribunal, the appeals against decisions of the Corporation, where we get into the argument of technical advice on the use of herbicides, Mr. Chairman, in terms of farming practices. Albeit it's a very difficult area to administer, there's no doubt about it, but the point being, it seems that what should be looked at is the relationship of the tribunal to the Corporation itself and that really, I think, Mr. Chairman, is something that has to be really addressed to because there certainly is the impression, and it may not be an actual fact, but there is the impression in the minds of many farmers that the relationship of the tribunal with the staff of the Corporation is just too close, that there isn't an arm's length.

I should put on the record, Mr. Chairman, the situation, and the Minister is aware of it, where a farmer in my area, not only a farmer, he was a wheat inspector, he did have some background in terms of the applications of herbicides and the practices of farming in terms of his background knowledge. He happened to be the district wheat inspector and the crop involved happened to be a bad infestation of quack grass, and the fact of the matter is, he took a

crop off in the fall of the year, although the land was frozen over and in the springtime he couldn't get in to spray and he couldn't get in his equipment, but he did by July, because it was too wet, and he did spray in July. The quack grass, he indicated to me, was over two feet tall by that time because of the wet conditions in the fall before and the wet conditions in the spring. The kill with the professional herbicide was 100 percent, Mr. Chairman, a complete perfect kill of the weed infestation. But Mr. Chairman, the claim for unseeded acreage in the spring happened to have been nullified on the basis of poor farming practices. That was the reason, and those arguments, of course, went backwards and forwards. The arguments were that he could have tilled his land and he could have handled the operation and that because of poor farming practices this is the reason why he had no crop.

Mr. Chairman, the advice given to him by the chemical company was that the land should not have been touched. If he was to receive a good weed kill for the quack grass, that the land should not have been touched, that the crop should have been in full bloom or in growing stages for the most effective application of the herbicide, and that's what he did at the soonest time that he could. He received a 100 percent kill of the weed, but he had no claim, Mr. Chairman, because of the determination that it was poor farming practices.

What you're really talking about is arguments between professionals, and I would say the staff of the Corporation are professional and there is apt to be disagreement in professional opinion, and on the other hand, the advice that is given by herbicide companies, by chemical companies, on the most optimum way of applying the chemical to have a control of weed infestation. And there, Mr. Chairman, in that process of the relationship between the tribunal and the Corporation and the feelings of producers as to the end result, certainly should be looked at and if there can be some change made in terms of how the tribunal operates and its procedures, I think that should be reviewed as well.

Mr. Chairman, the area that came up, and during this crop year, although the Corporation wasn't directly involved in the operations of the Green Feed program, I want to raise with the Minister some area of concern about the Green Feed Program as it relates to crop insurance. It's strictly, I'll have to admit, it was strictly a management decision made by producers this year to turn over or place some of their green feed crops, take them out of their insured coverage, and place them under the Green Feed Program. I'll explain to the Minister — Farmer A has a crop of barley. The crop may, in terms of its growth pattern, will exceed a claim under the Corporation, but the crop is good enough that he will not be able to claim under a — due to the drought conditions the crop is good enough. So then he applies, he applies to the Green Feed Program, places the crop under the Green Feed Program, and what happened in the fall, Mr. Chairman? We had the disastrous rains in the northwestern portion of the Interlake. So what happened, he had cut his crop for hay, the crop floated away; there is no hay, there is no coverage, there is 15.00 an acre from the Green Feed Program, and the farmer who really needed the assistance the most ended up getting hurt the worst.

Now, truly, the argument, and validly so, can be made that, look, that was a management decision, he changed his mind from one to the other, and that's what happened. But, Mr. Chairman, had he left that crop to be insured under the Corporation, he'd have had 100 percent coverage, because that crop would have been in two feet of water, and no one would have picked it up, not even with the weather conditions that we had in January. It floated away.

Mr. Chairman, these cases are documented. You know, it's not as if you will now have a rash of claimants that will come forward and say, yes, I'm in that same problem. Those types of claims, I am sure, have been documented by staff who went out originally to appraise the Green Feed Program and appraise the crop in those cases, and I don't believe that there are that many, but there will be probably maybe 100 cases, maybe less, in certain areas of the province where those severe rain storms came, and where farmers who really did try to effect their hay crop, to increase their hay supply, because they had cattle, but they made a management decision to shift from an insured program to the green feed in the hope that they would have the hay and still get the 15.00, which no one argues against. But they are placed in a very awkward position because they ended up with no hay, no insurance because they changed, and the benefit, net benefit was 15.00 an acre of the switch.

I am asking the Minister to reconsider and ask the Crop Insurance to review their files to see how many of those types of claims there are. I know the Western Interlake is one area where those types of claims are, and whether or not the government would be prepared to reconsider these extreme hardship cases because that's the only basis that one can put a case forward, is the extreme hardship that these producers have faced.

So, Mr. Chairman, with those few remarks, I would hope the Minister would respond, and if he could give us some of the statements with respect to claims, numbers of claims and the like, I'd be appreciative and then we can maybe have some further questions a little later on.

Thank you.

**MR. DOWNEY:** Mr. Chairman, I thank the member for his, I would consider constructive comments, I think that's the light in which I have viewed them, and I think there is a desire to make recommendations that will be of meaningful input to the board of directors and also to me and the government and management of the Corporation. I would just like to respond first of all on the numbers of contracts. I believe we were up ten this year from the previous year. (Interjection)— Ten. There was an increase of ten, so it's basically stable. However I do think it was down a few from the year prior, which was a record period three years ago. The last two years were constant, but the year prior to that, and I think if we want to remember back to the spring of that year, it was an extremely dry spring as well and there was a large number of people signed up because of the current weather conditions, so there is a relationship between what is happening with the weather and the numbers of people who are carrying insurance.

I think the member referred to a letter that was passed on in relationship to his concern about the

appeal tribunal. That was forwarded, and I may also add, I have the same thoughts about the operation of the appeal tribunal, and in all fairness to management, I think that they, as managing a corporation, want to try and make sure they do a good job and when you have an appeal mechanism, try and have them as well informed or versed as to why they have made certain decisions. At some case I think it can negate the need for the appeal mechanism, so I also agree I think we could but would probably need a legislative change in The Crop Insurance Act to maybe change the intent or the way in which the appeal mechanism — and I would hope after the review, which I will touch on briefly, that there are other changes. Then we would be prepared to present the Act to the house to make the necessary changes.

That leads me to the point that the member makes as far as the review is concerned, I was aware of the fact that he also knew the individual. I believe they produced one of the same commodities and through working relationship, and I too feel the individual is very credible, very capable and credible. I did not want to overly appear to have, or the Board did not want to overly appear to have a commission of inquiry of some witch-hunt type approach, but in fact felt that with one individual that contacting farmers directly in what I would consider a fairly relaxed farmer-to-review approach, it would more constructive.

The question he raises whether it will be satisfactory, we will judge afterwards. I would also say if there are identifiable areas, and I'm sure the individual doing the review, if there are identifiable areas that should be further looked into or reviewed further or extended, I am quite prepared to see that process take place. I don't think we can say that we're just going to turn our backs and say that the Government have done a review, thank you very much. If there are other areas that have to be looked at more extensively I am quite prepared to do that and I think that is the proper way to approach it.

On the point of the people that have good experience with crop insurance having their rates go down at the same time as their coverage goes up, I think it augers well with me that those types of individuals who are truly using crop insurance as a coverage and not a mechanism to, well just a borderline type of mechanism, that it is a good approach. I think it's good experience. A farmer that's going out with all the effort in the world of putting in a good crop and growing a good crop that he does deserve that kind of a break and I know that there is going to be lot of farmers concerned this year, who have had to collect that they're going to lose the advantage they had by being non-collector, if I can, again over the past few years and their rates as I understand will adjust back to what are normal, and so there is an adjustment factor in there which puts everybody back on equal ground.

Maybe I misunderstood the question of the members, but I do think that they do deserve the break that they're getting.

The other thing that we have to be conscious of, and I didn't follow through or elude to it specifically when we were talking, that when you are looking to change or make changes in agreements with crop insurance there is a third party to the whole program

and that is, as I said earlier, is the Federal Government so there may be some federal-provincial negotiations that may have to take place if it affects them in a dollars and cents way, or at least there has to be an ability to make change within certain limitations.

To deal with the numbers or the hardship cases, I think the member was also fair in indicating that there were some extreme situations where in fact decision on one day could be with a rainfall and a difficult situation the next day made him look like he'd made the wrong decision and in fact had, something that was an act of God and neither the Corporation nor the farmer had any control of. So I will indicate to the individuals, as I think I have done in any communication or correspondence that I have received from him, that there has been a sincere attempt into fully assessing and trying to deal with those situations and I am still prepared to deal that. If there are identifiable cases, they will be further reviewed. I think that is basically one of the difficulties with the appeal tribunal that there is a certain time limit for judgment to be made and if the person misses that time limit then it appears that the files are closed and the farmer just has no recourse. You have to have certain deadlines I guess. What I'm saying here is that those deadlines maybe should be removed or reviewed and consideration given to broadening the terms that the appeal tribunal may have to look at. So basically unless there are some other specific questions I have tried to cover the main points that he has raised.

The member asked how many claims there were and it's in the neighbourhood of 14,000 claims at this particular point. While I'm on that, in answering the numbers of claims, I may also say that there has been some concern over the speed of payout. I have urged the Corporation to move as aggressively as possible. There are some crops that are overwintering in the field and it's difficult to make a final decision, although some farmers indicated, well, at least if they could pay out part of it to me it would help with my cash flow. Now I think there would have to be a mechanism where, in fact, if a farmer, and there is, there's no question that if there was more money paid out then was actually claimed, the claim would indicate in the end, there is ways of dealing with in a gentlemanly-like fashion. I think consideration could be given to that because I believe that it may have been used, but I can't answer that specifically. I again feel that way, that if it isn't being done that I am requesting through my comments here today and in future that that consideration be given, because it would, in fact, help with the cash flow with a person who may not have been able to harvest or retrieve any of the crop that he has in the field.

**MR. URUSKI:** Thank you Mr. Chairman.

The Minister covered some of the points that I raised. I wanted to raise with him once again, and I just want to make sure that I understood him, with respect to those hardship cases that he indicated not dealing with the tribunal, not the case that I mentioned to him with the tribunal, but the cases where I said where the producers did make a decision. Is there some thinking in the department in discussion with the Corporation that you may be prepared to look at those cases and put them in as

an accepted claim in terms of the coverage that those producers had, with, of course, the deduction being made from those claims, the amount of money that those people would have received under the Green Feed Program? Is that a consideration?

**MR. DOWNEY:** Well I'm sure the Member for St. George knows that we are a gentle Government and we are quite prepared to look at those kinds of recommendations and I would be prepared to look at those extreme hardship cases and give consideration to them. I can't make a decision here whether or not there would be a change or approval given, but I will instruct the department to work, and first of all find out how many numbers they might be dealing with and how they might be able to be dealt with.

**MR. URUSKI:** Mr. Chairman, just to follow up on that a bit. Can I assume that the Minister will ask the Corporation to have a dialogue with their field staff and ascertain the extent of it, because I could probably give you names of several farmers that have approached me but that will certainly not cover the situation. I think contracts that are enforced in the field and then they can easily be related to the Green Feed Program because the same adjacent office, the same procedures being involved. I think the Corporation is also making the calculations under the Green Feed Program, although the staff are under different offices but they are close enough together that it can be determined. If that's what's going to happen I certainly appreciate that consideration that that will occur.

Mr. Chairman, you know the Minister raised about the discount in the procedures that the Corporation entails and has historically given in its philosophy, in terms of offering insurance, has used the discount process and the increase coverage system as a basis of offering producers some financial benefits. But, Mr. Chairman, you know what are we really talking about? What are we really insuring ourselves against? If we were insuring ourselves against something that we had some control over other than poor farming practices, which we do, and I think that's probably a separate issue but the bulk of the claims, you know, maybe there should be a breakdown as to how many claims have been, say in the last year, thrown out or not accepted as a result of poor farming practises and I think the Minister will find that a very small number of claims are in that category. So while that can be the issue of saying, look we don't want to pay farmers for bad farming practices for not producing a good product, we don't want that to be a welfare program because that I think is the basis of one's argument against doing away, or at least revising, the present premium structure. One could say, one could have some analysis and some formula whereby, if there still is a desire to provide some incentives, prompt payment could be one of them; it could be a reduction for farmers who pay in time, and I think there is. I think there is a reduction in effect now that if you pay on time for your coverage early enough that there is a discount, maybe that could be a trade-off.

But you see where I find difficulty with the whole concept is that we are covering ourselves for something that we really don't know what will happen, the unknown, weather elements of all sorts. And so if we are covering ourselves for the unknown,

you know, why would we want to give discounts for farmers that don't have claims? I mean because they're covering themselves for what they don't know and the claim that they will put in is as a result of they just didn't know what would happen to them. And that's the point I'm trying to make is that the whole essence of the structure of rates really has to be reviewed, I believe, in the corporation, in the long term, to really provide producers and farmers with a true insurance program because you are insuring yourselves about something that you are not sure of what is going to happen in terms of weather conditions, and that's basically the philosophy of insurance. And what we are doing is that we're saying: well look farmer if you don't have a claim and you're insuring yourselves you will get a reduction in premiums; secondly, then if you don't have a claim for five years you're going to have an increase in coverage. You know at least even that area of coverage if it was left level as to whatever coverage you want to insure yourself and leave that. That's a way of considering it. You know I'm only probably skimming the surface with no great analytical experience in terms of looking at the rate structure but those are some of the areas that I believe really should be looked at.

Now there is an area that I think there is some problems within relations of the corporation and it's field staff and there have been grumbings and this last year wasn't the only year, I believe it's been going on for a number of years, probably you hear it only from time to time, and that relates to the bulk of the staff, the adjusting staff, are part-time and they are paid on an either hourly or per diem, I know not which, and they're paid expenses and mileage. Complaints have come to me and it surfaced moreso this year of course with the part-time staff under the Greenfeed Program but complaints have come that adjusting staff have been in the field for two-and-one-half months and have submitted wage bills and hourly payments for expenses and the like and have waited five to ten weeks and longer for payment of expenses. I had a case where a fellow was out \$1,400.00. He had to go to the bank to borrow \$1,400 to cover his vehicle expenditures and his hotel bills and his meals and they were not covered for such a long period of time.

Mr. Chairman, it may mean more work for the staff but possibly the accounting procedure that the staff should submit every two weeks instead of once a month, because beyond after they have submitted at the end of the month some have waited six, eight weeks, for two months beyond the month that they have submitted their claims. I would hope that there is some move. I went further, I thought that since the payments are being made by the Province of Manitoba, the cheques, that there may have been some problem in the Department of Finance and I did check with the Department of Finance and their turnaround time in terms of when they receive the voucher to make the payment and to issue the cheque is within four or five days of the time that they receive the voucher. So, there should be some review of the payments and dealing with their own staff in the field, because I believe that it certainly, in terms of working relationship, isn't the best in terms of staff when someone has to go out and borrow \$1,000 or \$2,000 to sustain himself after being

employed for eight or ten weeks because he hasn't received his first expense account and his first pay cheque because it's eight or ten weeks behind. I would urge that there be some review in this area made.

Mr. Chairman, I was under the impression, and the Minister raised the issue, and he mentioned the issue that many crops are still left out in the field and have not been harvested. I was under the impression that a part pay-out is made when it's initially adjusted; a percentage pay-out is made, and then in the springtime it's readjusted to see whether or not there is any salvageable crop; and if it can be picked up an adjustment is made and the final terms are made. If I am wrong I would like to be corrected because that's my understanding.

The Minister indicated that there were 14,375 claims in 1980. Could he indicate how . . .

**MR. DOWNEY:** I said approximately 14,000 claims.

**MR. URUSKI:** Yes, right. He gave me the figure of 14,375 — no?

**MR. DOWNEY:** I said approximately 14,000.

**MR. URUSKI:** I'm sorry. Oh, that was the number of contracts. I'm sorry. Could the Minister indicate how that relates to the number of claims that were in 1979, in terms of numbers? Well 1979, I guess the indemnities, \$11 million worth of claims in 1979; there was an original estimate given by the government of approximately \$100 million worth of claims in the early part of spring of last year, however I am sure that has been revised several times throughout the summer and what are we looking at? I notice that there is a reserve of some \$20 million, a provincial reserve, I believe, that's been carried over as the financial statements show of almost \$21 million, 20.8. What is the expected pay-out and the number of claims outstanding? How many claims have yet to be adjusted? Those kinds of statistics would certainly be helpful.

**MR. DOWNEY:** I want to make one more correction for the member. He had 14, 350. The number of insured farmers that I have given him should have been 14,750.

**MR. URUSKI:** 14,750 farmers, okay.

**MR. DOWNEY:** For 1980. The point that the member makes on the assessment of crop insurance pay-out was something like — it started out, it came from the crop insurance directly — the first report was in the neighbourhood of \$100 million. It has had to be assessed because of the long ongoing fall and it is now just between \$40 million and \$50 million is the pay-out. I think there was a recent announcement of estimate \$50 million. I think now it is downwards to about \$42 million is the projected pay-out. On the time pay-outs, I said in my comments a few minutes ago that if some of the money was not being paid out on some of the crops that were still in the fields, that I would see that happened, and I have just been informed that is happening; that they are paying out some of the moneys that are in fact owed to the producer so that they can have some cash flow.

**MR. URUSKI:** Mr. Chairman, the Minister indicated that it was about 14,000 claims. Is there some estimate as to how many claims are still outstanding in terms of those that have not been adjusted at all? Are there any claims that haven't been adjusted at all?

**MR. DOWNEY:** They are all adjusted, but I haven't got the figure on how many are yet to be paid out, but I could probably get that information for the member, but all adjustments have been made to this date.

**MR. URUSKI:** The initial adjustments have been made and just the final pay-out.

**MR. DOWNEY:** Yes.

**MR. URUSKI:** Is there a large number? Would they say 10 percent, 20 percent? I don't want a specific number, but what would it be? Would it be 10 percent of say 1,450?

**MR. DOWNEY:** In the neighbourhood of 15 percent probably are still in the process of being dealt with.

**MR. URUSKI:** Mr. Chairman, does the corporation have figures of the actual pay-out to say, to the first of the year, of pay-outs that have been made in terms of claim settlements, what actually in terms of dollars have gone out to producers?

**MR. DOWNEY:** Mr. Chairman, the corporation haven't got that information available because it is an ongoing process and I haven't got it available.

**MR. URUSKI:** What is the last figure that they would have available, Mr. Chairman, if the Minister would provide it? How far would they have in terms of their accounting, paid out?

**MR. DOWNEY:** A rough estimate is in excess of \$30 million has been paid out to this point.

**MR. URUSKI:** Mr. Chairman, I appreciate the information. So that roughly, from where they stand, although there is about 15 percent of the claims to be finalized, about 75 percent of their estimates have been paid out. Well, certainly, one would have to say, at this point in time is, I would say, fairly reasonable in terms of the work load and the conditions that adjusters have had to work under.

The Minister didn't comment. Has the corporation revised its rates for the coming year and what can be anticipated by producers in the coarse grains, in the wheat, oats and barley rates?

**MR. DOWNEY:** The rates for the coming year are already announced and available to the farm community through the agents and you could pick out some specific differences but in a general statement we could say the coverages are up and the premiums are down slightly, in a general sort of way, but you could pick some specifics out that would make that statement incorrect, but generally, the manager tells me that the coverages are up and the premiums are down slightly. We have made a couple of changes. One, we have removed the feed wheat or utility wheat from being included in the hard bread or hard spring wheat coverages. There is

a division in those types of crops as well there has been a change in the sunflower coverage which was announced not too long ago. There have been some other specific changes with some specific crops that I would say are to the advantage of the farm community.

**MR. URUSKI:** Thank you, Mr. Chairman. Could the Minister indicate with the pay-outs that have been made to date, what impact will this have on the reserves of the corporation? The point that I am making, Mr. Chairman, is that there is no doubt the corporation has reinsurance, and that's the question that I am raising as to where does the reinsurance program cut in in a year like last year. How does the reinsurance program work? Is there a stage at which it cuts in, a certain number, certain thousands of dollars a claim, certain number of claims? How does the reinsurance program work in terms of last years claims count?

**MR. DOWNEY:** Sorry, I missed the last part of the question. I wonder if the member could repeat it.

**MR. URUSKI:** Mr. Chairman, what I was indicating was how does the reinsurance program work. Is it on a dollar amount where it cuts in? Is it on a claims amount and how does the reinsurance program work in this case and what impact does it have on the \$20 million of reserve that the corporation has? Is there a threshold that the corporation has to pay a certain percentage, a certain dollar amount or how does it work? Can that be explained?

**MR. DOWNEY:** The reinsurance program works on a basis of once the corporation reaches zero reserve or does not have any funds, then the federal government pay 75 percent on the reinsurance program and the provincial pay-out amounts to 25 percent. The breakdown on that, Mr. Chairman, is the province pays the first two-and-a-half percent of the coverage and then it is a 25/75 percent breakdown with the province paying 25 percent and the federal government paying 75 percent, and in the reinsurance fund there will be about \$5 million from the province and over \$13.5 million from the federal government.

**MR. URUSKI:** Mr. Chairman, I just want to make sure, now that the Minister has explained it I understand it. Is the Minister indicating that before any reinsurance that the corporation may have, and maybe they don't have reinsurance with outside companies or do they in terms of outside projection? Is it strictly a public fund with no outside reinsurance being held in terms of crop coverage. If it is then I understand it. When you're reserves go down to zero and you pick up the next 2.5 percent of the claims over the zero amount and then the remainder is shared on a 75/25 percent basis?

**MR. DOWNEY:** Mr. Chairman, the province picks up 2.5 percent of the coverage, to pay 2.5 percent of the estimated coverage, and then it is a 25/75 percent split, federal-provincial cost sharing.

**MR. URUSKI:** Coverage? Now I just want to understand the coverage. The coverage in 1979 was \$186 million so you would pick up 2.5 percent, using

that figure as an example, you would pick up 2.5 percent over your depleted \$20 million reserve and you would pick up 2.5 percent of whatever coverage that year, and then the remainder would be shared, the remainder of the claims then would be shared on the 75/25, is that correct?

**MR. DOWNEY:** Yes, but the coverage for 1980 was approximately \$247 million, of which the province had to pay 2.5 percent and then there was a 25/75 cost sharing by federal-provincial government on the loss.

**MR. URUSKI:** 247 million?

**MR. DOWNEY:** That's right, with the coverage. That, by the way, that agreement had been negotiated, in 1965 was the time, and in talking to some of the people who were involved in the initial introduction of it, the Premier of the day, the Honourable Duff Roblin, felt that the province couldn't be put in the position of backing the corporation to the extent that may have to happen and the Federal Government did agree to the cost-sharing program at that time.

**MR. URUSKI:** Mr. Chairman, I understand that that agreement would have been of early signing and so could the Minister indicate what the province, 2.5 percent of \$247 million will be the province's share, if I understand it right, of the \$42 million worth of claims will be the initial amount of 20 million, roughly 23 million plus 25 percent of the difference, say 23 to 42. Am I correct in that assumption?

**MR. DOWNEY:** The 2.5 percent works out to just over \$6 million.

**MR. URUSKI:** Six million.

**MR. DOWNEY:** 6.1, I believe it is and the loss, over and above that, after the reserve is depleted, would be cost shared 25/75 with the federal government and the province.

**MR. CHAIRMAN:** Clause 2 — the Honourable Member for St. George.

**MR. URUSKI:** Mr. Chairman, so that the remaining amount of \$15 million, so that in actual cost to the province will end up as being approximately \$12 million out of the provincial treasury, approximately that over and above what reserves that the corporation has.

**MR. DOWNEY:** Mr. Chairman, the fund that the province draws on is a re-insurance fund, it is not directly coming out of the provincial government as such. It is a re-insurance fund that has been paid into by the corporations and there were funds in that re-insurance fund to provide the 2.5 percent that was required.

**MR. URUSKI:** Can the Minister explain whether that fund is a self-growing fund where the corporation puts away certain amounts of money or is there any outside insurance involved in crop insurance?

**MR. DOWNEY:** No, Mr. Chairman.

**MR. URUSKI:** Then, Mr. Chairman, could the Minister indicate what is in the re-insurance fund?

**MR. DOWNEY:** Yes, in the re-insurance fund, Mr. Chairman, there's over \$5 million of provincial funds and over 13.5 of Federal Government re-insurance funds.

**MR. URUSKI:** Since there is 18 million in the re-insurance fund, would the province have call on the full amount of the 2.5 percent on that 18 million or can the province only use its 5 million as to pick up the — I think the Minister indicated 6.1 million that is the 2.5 percent.

**MR. DOWNEY:** Mr. Chairman, the amounts I provided were after the provincial share was drawn. That is still in reserve, that is still in the reserve, and we could have drawn that full amount.

**MR. URUSKI:** Okay. Just to understand, so there is still remaining 18 million, an additional 5 million in the reserve after we have drawn down the 6.1 million. Now what about the remaining \$15 million of claims that is left over, who picks up that amount in terms of 75/25, where will those funds come from?

**MR. DOWNEY:** At this particular time, as we indicated earlier, they're projected figures and they're already taken into account.

**MR. URUSKI:** Oh. Okay. So I understand it then. Then all the claims have been, as of the projections that have been made, of roughly 42 million, it still may be less. Then the reserves would cover all the claims over and above the standing reserve of 20 million or has that also been reduced to zero already? Would the standing reserve — or maybe I'm not reading the accounts right, Mr. Chairman, maybe the Minister may want to correct me. As I understand it in 1980 there was an asset of 20.824, in terms of reserves, in excess of 20 million. Am I misinterpreting the figures wrong or am I reading them wrong or understanding them wrong?

**MR. DOWNEY:** Maybe to help clarify it. To start off with, Mr. Chairman, the corporation itself had reserves, and I said now they're down to zero and then we were using the re-insurance fund. There were in excess of \$36 million in the crop insurance corporation reserve.

**MR. URUSKI:** Okay.

**MR. DOWNEY:** The re-insurance fund provides the additional money which is used to pick up the short fall between the corporation half . . .

**MR. CHAIRMAN:** Order please. The hour being 12:30, time for Private Members' Hour.  
Committee rise.

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

## IN SESSION

**MR. SPEAKER:** The Honourable Member for Radisson.

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

**MOTION presented and carried.**

**MR. SPEAKER:** I believe the members are still in the other committee.

The Honourable Member for Gladstone.

### **COMMITTEE CHANGES**

**MR. JAMES R. FERGUSON:** Mr. Speaker, I have some changes on the committees I'd like to make please.

Public Accounts: Mr. Ransom for Mr. Craik; Mr. McGill for Mr. Wilson.

Municipal Affairs: Mr. Banman for Mr. Wilson; Mr. Gourlay for Mr. Steen.

Law Amendments: Mr. Driedger for Mr. Wilson.

Industrial Relations: Mr. Galbraith for Mr. Wilson.

Public Utilities: Mr. McGill for Mr. Filmon.

Economic Development: Mr. Gourlay for Mr. Brown.

**MR. SPEAKER:** Are those changes agreeable?  
(Agreed)

The Honourable Government House Leader.

**MR. MERCIER:** Mr. Speaker, following consultation with the Opposition House Leader, I move, seconded by the Minister of Finance that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. Monday.