

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 7 April, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. D. James Walding (St. Vital): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

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

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach question period, may I direct the attention of the honourable members to the gallery where we have 27 students of Grade 9 standing from the Darwin School. These students are under the direction of Mr. Carreira and Mrs. Bishop. The school is in the constituency of the Honourable Member for Riel.

On behalf of all of the members, I welcome you here today.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Speaker, in view of the fact — this question is to the Acting Minister of Environment, Mr. Speaker — that there have been millions of litres of salt water and crude oil being spread across valuable agricultural land and into waterways and ditches in the southwest area of the province, when was the Department of Environment notified of this taking place?

MR. SPEAKER: The Honourable Member for Municipal Affairs.

HON. A.R. (Pete) ADAM (Ste. Rose): Mr. Speaker, in the absence of the Minister responsible for the Environment, I'll take that question as notice.

MR. DOWNEY: Mr. Speaker, would the Acting Minister as well notify this House what measures the Department of Environment are taking to safeguard

against the pollution of water wells, water runoff into the Pipestone Creek and eventually into Oak Lake. With so much of this salt water and crude oil being spread around, the time of the the year being of the spring runoff period, has the department set up a monitoring station or part of his department, to inform the people of what is taking place, Mr. Speaker?

MR. ADAM: Mr. Speaker, I'll take that question as well on behalf of the Minister and bring the information back when it's available.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question would be to the Minister of Labour. Could the Minister of Labour advise the House of the nature of his discussions with Mr. David Thomas of Sherritt-Gordon Mines?

MR. SPEAKER: The Honourable Minister of Labour.

HON. VIC SCHROEDER (Rossmere): Mr. Speaker, there haven't been any discussions between Mr. Thomas and myself lately.

MR. RANSOM: Mr. Speaker, then can the Minister advise the House of the nature of the discussions between Mr. David Thomas of Sherritt-Gordon Mines and officials of his department, being the Department of Labour?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUK (Transcona): Mr. Speaker, I met yesterday with Mr. Thomas. I had asked that he come meet with me and discuss the situation regarding Sherritt-Gordon Mines and we had that discussion.

The discussion revolved around the summer shutdown at Fox Lake and the possible shutdown at Rutan Lake. That matter is being looked at in greater detail. Sherritt expects to be making some further announcements on this within the next two to three weeks. I expect that they went up to Leaf Rapids and Lynn Lake to have discussions with the local management and with the workers there.

MR. RANSOM: Mr. Speaker, does the Minister expect then that there will be layoffs in excess of the, I believe, 650 that have already been announced in terms of Sherritt's operations?

MR. PARASIUK: According to the information that we had given to us verbally yesterday, no, that the layoffs are basically for a summer shutdown period that in some instances, depending upon whether in fact workers take up all the particular and various vacation options they have available to them, that in one case — I think that's the community of Lynn Lake — that the workers employed at the Fox Lake would be receiving in the order of 88 percent of their time off

through vacation pay, Mr. Speaker.

In the other case since the workers at Ruttan Lake at Leaf Rapids are younger workers, some of them with less seniority and experience, that figure would be slightly less — we didn't have the final figures available to us yesterday — but a good percentage of the time that people will be off through the summer shut-down will be made up through vacation pay.

MR. RANSOM: Mr. Speaker, can the Minister advise the House whether or not there are staff reductions taking place at Thompson at the Inco Mine?

MR. PARASIUUK: Inco has informed us that they are not reducing staff; that there are some reductions that are taking place through attrition but there have been no layoffs as such. That is the advise that we have received from Inco. They have laid off, as the member would know and the people of Manitoba would know, very large numbers of people in Ontario. But to date we have not had layoffs in Manitoba of a significant nature. There may be one or two instances but I wouldn't want to say that they haven't laid off anyone but we have received word that they have not really been laying off people at Inco in Thompson.

MR. RANSOM: Mr. Speaker, could the Minister advise the House then what would be the magnitude of the staff reductions that are taking place at Thompson, even though there may not immediate layoffs? Can the Minister advise in total what the reduction will be?

MR. PARASIUUK: Going from memory and I will have to get the specifics on this, Mr. Speaker, but I thought the numbers might have been in the order of 20 or 30, but I'll have to check to get specifics.

MR. RANSOM: Mr. Speaker, in view of the fact that these layoffs are taking place at the Sherritt operation at Leaf Rapids and Lynn Lake and the possibility at Ruttan; in view of the layoffs at Flin Flon and some of the problems, staff reduction, at Thompson as well; in view of the fact that the government has promised workers in the province that they would have job security and that they would be compensated for layoffs that compensation would be required in the event of shutdowns or layoffs involving more than 50 people, that promise being made in the document that's been referred to a number of times in this House being entitled, "A Clear Choice for Manitobans," a policy of the Manitoba New Democratic Party, Mr. Speaker; and in view of the fact the Minister of Employment and Immigration, Mr. Axworthy, in Ottawa has said that he is waiting for initiatives on the part of the province with respect to being able to do something for these people that have been laid off, will the Minister of Energy or the Minister of Labour advise what they are doing to help mitigate the effects upon these people that are being laid off? Will they be taking the initiative that Mr. Axworthy is waiting for them to take?

MR. PARASIUUK: Mr. Speaker, we have in fact been in contact with the Department of Manpower and Immigration with respect to possible forestry programs.

When we met with Mr. Thomas yesterday, we said we wanted to sit down and work with them to develop

proposals to put forward to Mr. Axworthy's department. That was one of the items that we raised yesterday.

We have at the province's initiation, Mr. Speaker, caused to have been established a Federal-Provincial mining union committee which is looking at this very major problem which is affecting the mines right across this country. That committee has been established; Manitoba is co-chairing that committee; they have had some very productive meetings to date. We are expecting to get a report to the Mines Minister's Conference which will be held in September. Those are the initiatives that we have undertaken to date within the course of four short months, Mr. Speaker.

I must add that until our proposal was made to the Mines Ministers, no province had ever raised this topic of mine closures and mining layoffs, even though Thompson had been affected by a fairly substantial layoff, Mr. Speaker, with no action being taken in the fall of 1977. When this government took office we did make this topic known immediately and our concern about this major problem made known immediately to our fellow Ministers in other provinces and the Federal level and work is being undertaken on this problem.

MR. RANSOM: Mr. Speaker, will the Minister advise the House what immediate impact this study will have upon the people who have either been laid off or are threatened with layoffs? Perhaps he could also advise at the same time what promises, what impact the visit of the First Minister had when he went North to tell the people firsthand that he was concerned about them? When can those people expect some concrete action from the government?

MR. PARASIUUK: Mr. Speaker, there has been a committee working to determine the extent to which the Mining Community Reserve Fund can be used to deal with some of the financial problems caused in the communities by these layoffs.

I have heard from local people that they were extremely pleased and gratified that my Premier would go up and meet with them firsthand when they had these major problems.

They recall that after the big layoffs by Inco in Thompson in 1977 that they tried to meet with Mr. MacMaster, the Minister at that time, and they couldn't get the time of day with that government, and yet they found that my Premier was prepared to go up there and meet with them directly. Mr. Speaker, I must say that in terms of major concrete action that can be undertaken right now, I must admit that we cannot provide immediate concrete action within the short time of two to three months. If some of this work that we are undertaking now, Mr. Speaker, had been launched three and four years ago by our predecessors maybe we would have a set of programs and projects in place to deal with these particular problems. But, Mr. Speaker, it takes a bit of time to deal with four years of neglect.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Thank

you, Mr. Speaker. After that one wonders whether or not one would like a visit from the Premier in one's constituency knowing what happens when he visits you. However, Mr. Speaker, I direct a question to the Minister of Municipal Affairs and would ask him whether the guidelines and eligibility criteria are available to municipalities who are interested in the Manitoba Main Street Project?

MR. ADAM: Mr. Speaker, we are now putting a package together and —(Interjection)— Mr. Speaker, the Honourable Member for Minnedosa is answering the question, I don't know whether I should answer it, but I am attempting to advise the House that we are now working on alternatives for the program and it will be announced in due course.

MR. BANMAN: Mr. Speaker, I wonder if the Minister could inform the House whether the program that's being introduced will correspond with the legislation that was passed by this House last year?

MR. ADAM: Mr. Speaker, we will be looking at different alternatives for the program and when we have them in place we will announce those programs.

MR. BANMAN: Mr. Speaker, in light of the fact that the government has put \$1.5 million in the Estimates for this particular program, and in light of the fact that towns or villages throughout the province such as the Town of Steinbach is contemplating a major Main Street renewal program, I wonder if the Minister could inform the House whether towns in this particular position, who are now formulating their Public Works budgets and Public Works program for this coming year, should hold off with finalizing these projects or bringing them to tender until they have a chance to put in an application for this particular program.

MR. ADAM: Mr. Speaker, I hope to have some information, probably before the 15 April and I'm hopeful that I will have something to announce by then. That is not too far in the future, and perhaps the Town of Steinbach may wish to consider waiting until the program is announced. I'm sure that they will be affected by this program as well as many other towns in the Province of Manitoba. It is only a start of the Main Street Program. It's a very exciting program as I mentioned previously. There's a lot of people inquiring about it, a lot of towns, and we're hopeful that it will be a very successful program.

MR. BANMAN: A final supplementary then. I appreciate that the Minister within a week's time will probably be announcing this and I would urge him to do that. I guess my final supplementary question would be that, does he envision that the reconstruction and replacing of such things as curbs and sidewalks in downtown areas that have been deteriorated over the last number of years, will that be considered as part of the program?

MR. ADAM: It may be and it may not. It depends on —(Interjection)— Mr. Speaker, there are some of the towns that indicated that they would like to put ramps for wheelchairs in addition to their sidewalks to assist

the handicapped people, and such things of that nature, I think, would qualify. I must point out however, Mr. Speaker, that I hope the Minister will assist me in passing the Estimates of Municipal Affairs as soon as possible when they come up for review so I will have the authority to spend the money.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. In view of the headlines in one of Winnipeg's daily newspapers this morning, it says, "Municipalities Land Tax Sale List Doubles." I wonder if the Minister of Municipal Affairs could inform the House as to whether he has had discussions with any of the municipalities and whether this is a general problem throughout the province.

MR. ADAM: Mr. Speaker, I have not had any information coming from the municipalities of a problem that has been reported in the press and so I don't consider that to be widespread since none of the municipalities have contacted my office expressing a concern that there were a number of arrears much larger than previous years. I'm not sure that that's prevalent, but I would certainly be happy to meet with any of the municipalities. Our policy is an open-door policy and should any municipality wish to contact me and express their concerns, I'd be very happy to meet with any and all of them.

MR. GOURLAY: Well, Mr. Speaker, I thank the Minister for his answer, but going back to some of the election promises that were published, it mentions here: "Ease the property tax burden," and we all know that the education taxes in most municipalities has gone up at least 20 to 30 percent. We've had examples quoted here in recent weeks. I'm wondering if the Minister could advise the House as to what types of easement programs that he has for the municipalities in view of the increased tax burdens that the municipalities are obviously facing.

MR. ADAM: Mr. Speaker, there were some suggestions that perhaps some of the people were not paying for their taxes because the interest rate was not high enough on penalties, so it is difficult at this point in time to analyse the reason for the increase in number of tax arrears this year. It may be because some people prefer to delay paying them. So until such a time as I can have some feedback from municipalities in different parts of the province to find out if there indeed is a major problem out there, it's difficult for me to give the honourable member a comprehensive reply to his question.

MR. GOURLAY: Mr. Speaker, I'm just wondering if the Minister of Municipal Affairs is contemplating then raising the interest rate on tax penalties.

MR. ADAM: No.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Thank you, Mr. Speaker. I direct a question to the Minister of Municipal Affairs.

Can he indicate whether the Minister now has in his possession the Weir Report on assessment, the commission that was undertaken by the former Premier?

MR. ADAM: Mr. Speaker, I'm happy to inform the members in the Assembly that the Chairman of the Assessment Review Committee presented copies to me the day before yesterday, I think it was, and as soon as I have sufficient copies for distribution — there is a second copy that will be tabled as well as the original copy — an overview or an abridgement of some of the sections of the report, I expect to have those shortly. As soon as I do, they will be tabled in the House.

MR. ENNS: I thank the Minister for that answer, Mr. Speaker. I wonder if he could also indicate, is it in the intention of his Ministry to distribute this report somewhat more widely, specifically to municipalities, who I know are anxious to look at some of the recommendations?

MR. ADAM: Yes, Mr. Speaker, I intend to have sufficient copies to provide all municipalities and school boards. There will be two copies because the main report is 375 pages, it's quite complicated and that is the reason that the committee have printed another secondary report along with the main report so that people can refer to it more quickly on the main recommendations in the report. We will distribute these reports as widely as possible and I will be making some announcement in the House when I table the report on how we're going to deal with it.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, my question is to the Minister of Labour.

Yesterday in the House I questioned the Minister of Economic Development and Tourism as to the participation, if there was any, with her department with Wolch Limited, Sun Valley Pools, Creative Fiberglass, Water Closet, Kenway Distributors who filed bankruptcy, if the Minister of Labour's department has had any contact with these companies. Are the people working for these companies to ascertain whether they can be of assistance to helping those people who have lost their jobs find work because of the promise that was made by the First Minister that there would be not any jobs lost in this province?

MR. SPEAKER: The Honourable Minister of Labour.

MR. SCHROEDER: Thank you, Mr. Speaker. I'm sure that the member is aware that a number of the corporations he has referred to, a number of the businesses he has referred to, are businesses that went into receivership when he was the Minister of Economic Development and when Mr. MacMaster was the Minister of Labour. He didn't tell us yesterday when he was standing there and talking about Sun Valley Pools and the Water Closet organization that they had gone

into receivership before the elections and well before we had taken office. But certainly I can tell the member that the Minister of Economic Development and the Department of Economic Development is doing what it can to ensure that people will be looked after in this province to the best of our ability.

MR. JOHNSTON: Mr. Speaker, my question is to the Minister of Labour and I quote from the Minister of Economic Development's statement yesterday. "The department has not had in place an active program for dealing with retail businesses," and I'm aware of that, Mr. Speaker, but because of the promises made by the previous government and because of the questions that I received in this House over four years about retail businesses and bankruptcies, etc., with requests from the people on the Opposition side that at that time, and they are now government, to actively do something and investigate to see what we could do, can I ask the Minister of Labour, has he set up a group within his department because of the present situation of bankruptcies and job losses in the Province of Manitoba, to contact these organizations to see if there is any possibility of helping these people find other positions, the same I might add, Mr. Speaker, as the previous government did when Swifts went out and when Maple Leaf Mills went out, those kind of situations were set up to assist people?

MR. SCHROEDER: Mr. Speaker, as I indicated before, the Minister of Economic Development has answered yesterday that we are looking into it. We surely wouldn't want the member to have each department of government contacting each company that goes out of business because of difficult economic circumstances.

If we are going to get into that kind of a program, then the appropriate Minister is the Minister of Economic Development. The member himself recognizes that in those years when he was on this side, the questions about those issues were directed to him and although he answered, he never answered in a way that was satisfactory to us, and that is why our Minister of Economic Development is now talking about the possibility of forming some kind of a group which would look at retail closing. There was nothing in place over four years.

There was clear evidence over that period of time that bankruptcies were becoming a more difficult reality in this province and in this country and they sat back and did nothing, now they're referring specifically to companies that went into receivership before the election and saying, what did you do to prevent the receivership? We did everything we could. We won an election as quickly as we could in order that we get a government that will be concerned and will attempt to formulate policies that will assist people.

MR. JOHNSTON: Mr. Speaker, my final question to the Minister of Labour is that, first of all he does not know the structure of the Department of Economic Development nor has he taken the time to find out.

There is an advisory capacity within that department to consult with small business that has been there for many years. Mr. Speaker, I ask the Minister of Labour if he in his capacity as Minister of Labour,

not the Minister of Economic Development but Minister of Labour, who is concerned with people having jobs in this province, is concerned with layoffs from bankruptcies in this province, does he intend to have a department that will see that those people have an opportunity to find other employment as promised by that government?

MR. SCHROEDER: Mr. Speaker, we are doing our utmost to ensure that all people in this province will be able to find employment. We are currently negotiating an Adult Occupational Training Agreement with Ottawa and we are in fact going into new initiatives with respect to training.

Each week I am able to sign new agreements allowing people to get into training in this province, adult people. We are in a position right now where we are involved in other —(Interjection)— The former Attorney-General says, answer the question. That is exactly what I am doing.

The member is asking what we are doing, is he not? Isn't that the question? Aren't you asking what it is that we are doing to ensure that people have work in this province? Isn't that what you are concerned about? If that isn't, then please tell me what you are concerned about.

MR. JOHNSTON: My question to the Minister of Labour is — and to jog his memory a little bit — there was in the Province of Manitoba an organization put together by the previous Minister of Labour to assist people who lost their jobs because of closures or bankruptcies in specific industries that closed. I mentioned two of them. Because of the number of bankruptcies and the total people that will be unemployed by at least four companies that I have mentioned going bankrupt and the reports at the present time that bankruptcies have increased in 1982 over 1981, is the Minister going to have in place within the Department of Labour in the Province of Manitoba a group of people who will contact these companies and the people who have lost their jobs to assist them or advise them where there might be other work available for them? Very simple, Mr. Speaker, is he going to do that in the Department of Labour?

MR. SCHROEDER: Mr. Speaker, I've already indicated twice that it is the Department of Economic Development which would be specifically looking into that issue and I think that it would be inappropriate to have every department of government phoning these people up. It seems that if we're going to have someone doing it, that is the appropriate department, that is the department which would do it.

You could just as easily argue that it could be the Department of Social Services; it could be any other particular department. I think that we have chosen the most sensible department to do it and I would trust that that answers the question.

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

TABLING OF REPORT

HON. EUGENE KOSTYRA (Seven Oaks): Mr.

Speaker, on Monday the Honourable Member for St. Norbert asked me if I had received a copy of the Interim Report from the Commission of Inquiry with respect to the Logan Avenue Industrial Park. I have received that report earlier this morning. I am prepared to table a copy of it and just outline the four recommendations that are made in the report and the province's response to those four recommendations.

The Commissioner has recommended that the province instruct its staff to refrain from initiating any contact with respect to property owners in the area. That recommendation has been in force some time that the province has not been actively initiating contact with residents in the area, be it residents or businesses, so there seems to be some misunderstanding with respect to that recommendation, but we are prepared to continue with that policy of not initiating any contact and just responding to any contacts from the community.

The second interim recommendation was with respect to the time required for persons, both homeowners and businesses to stay in the area subject to the final recommendations coming from the Commission of Inquiry and the decisions based on those recommendations by the Core Initiatives. There was a guarantee that both homeowners and businesses could stay in the area until at least June 25th. She has requested an extension of that time and I am prepared to recommend to my two partners on the Core Initiative, the Federal Government and City of Winnipeg, that they be extended until at least September 1st of this year.

The third recommendation was that if the Core Initiatives decide not to proceed with the expropriation or to renegotiate the plans for the Logan-CPR area that the businesses, homeowners and tenants in the area be informed that there be an effort to accommodate them in the area. Again, Mr. Speaker, I am prepared to recommend the province's position and I would be prepared to recommend to the city and the Federal Government that if plans are altered for the Logan-CPR that present tenants, businesses and homeowners be allowed to stay in the area.

The fourth recommendation was that tenants who want to stay in their rented premises, even though the properties may have been expropriated and are in the control of the province, be allowed to stay in the area. That recommendation has also been in place and through the Winnipeg Regional Housing Authority, tenants are allowed to stay in their places.

MR. SPEAKER: Order please. We have had one or two instances over the past few days when Ministers have Tabled Reports or made Ministerial Statements at times other than that provided for on the Order Paper. I'm sure the House would appreciate it if all members used the proper time for making Ministerial Statements or for Tabling of Reports. It is on the Order Paper and as long as the House wishes it to be there, that's the way it should be.

The Honourable Minister of Consumer and Corporate Affairs.

MR. KOSTYRA: Mr. Speaker, on a point of order. There was a question raised to me by the Honourable Member for St. Norbert on Monday asking whether or

not that report was received and that if the report was received, whether or not I'd be tabling a copy, so I was responding to that question since the report was received this morning and answering his question.

MR. SPEAKER: The Honourable Member for Turtle Mountain on the same point of order.

MR. RANSOM: Yes, on the point of order, Mr. Speaker. I believe that the Minister should know that when the Speaker has admonished the Minister, the members, or has made a ruling, there is an option open to the Minister if he's not satisfied with that ruling.

MR. SPEAKER: For the benefit of all members I was merely bringing it to their attention as a reminder that we do have rules that do set down that certain things should be done at certain times. If the House wants to change that they're able to do so either directly or through the Rules Committee.

The Honourable Member for Roblin-Russell.

MR. J. WALLY McKENZIE (Roblin-Russell): Yes, Mr. Speaker, I have a question of the Honourable Minister of Co-operative Development. I wonder can the honest Minister of Co-operative Development describe to the House, what's a small business.

MR. ADAM: Well, Mr. Speaker, I was in business from the time I was 18 years old and I would consider myself to be a small businessman —(Interjection)— and a small businessman by the same token, you know, I'm sure maybe if the Leader of the Opposition had a grocery store on Main Street, I'm sure they would call him a small businessman too. And I don't know what the import of the question is, what I consider to be a small businessman, I would consider it to be a merchant in a small rural town, a small businessman; I would consider a trucker in a rural area would be a small businessman; I would consider a fisherman to be a small businessman and a fisherman as well. Mr. Speaker, there are numerous numerous people, entrepreneurs, who are small businessmen and I would say they are far in the majority, Mr. Speaker, in the Province of Manitoba. And I'm sure that the province would be in a very, very poor situation if we didn't have our small business community out there. They are the backbone, along with the farmers —(Interjection)—

MR. McKENZIE: Mr. Speaker, I thank the Minister for his answer. I wonder would the Minister describe the MANCO Plants at Pilot Mound and Rosburn that's closed as small business.

MR. ADAM: Well, Mr. Speaker, I understand they have plants in four communities and it's unfortunate — that's a very serious question and we are very concerned about that — that four were closed and two were subsequently reopened. There's a very, very weak market at the present time for the products that they produce. Fortunately, Mr. Speaker, some of the dairy men who were supplying milk to those cheese factories, I understand are delivering their milk into socialist land over there in our neighboring province, that are accepting some of the milk that is not being

used by the closed plants. Hopefully, the market will improve and they will be able to open again. I'm not sure whether you would refer to them as small business. I think they're a co-operative and they have branched out in four areas. I suppose if you looked at them individually, you would probably say they were small businesses. But the four of them together, maybe they'd be a medium-sized business, Mr. Speaker.

MR. McKENZIE: Thank you, Mr. Speaker. In reading from the gospel from Howard Pawley again —(Interjection)— Mr. Speaker, where it says in here that we can provide an economic climate to ensure that small businesses stay in business, can I ask the Honourable Minister what he or his government has done in the last two weeks to reopen those plants at Rosburn and Pilot Mound and put those 35 people back to work.

MR. ADAM: Mr. Speaker, I'd like to advise the honourable member that the MANCO people have not contacted my office at any time to discuss the problem. I know that they have met with some of the people I've met with. I'm not sure whether MANCO have or whether the dairy producers have met with the Minister of Agriculture. But I'm prepared to meet with the MANCO people anytime that they want to come to visit me in my office. It's room 330 on the third floor. Mr. Speaker, I have said I have an open door, they can come anytime and I'm prepared to meet with them and see if we can't find a solution for this problem. I think that there may be some alternative. We should be contacting CIDA maybe perhaps, and see if they can't ship some overseas. There's a lot of need for food overseas, Mr. Speaker. But they have not approached me as yet, Mr. Speaker.

MR. McKENZIE: A final question, Mr. Speaker. Can I ask the Honourable Minister, is he agreed that the New Democratic Party and the First Minister of this province has misled the people at Rosburn, misled the people at Pilot Mound, and misled all those people that are sitting out there unemployed today?

MR. ADAM: Mr. Speaker, that statement is as far from the truth as is possible. The First Minister has never misled the people of this province. There were 15 major commitments made in the Province of Manitoba and I think that at least 10 of them have been brought into place now. And we're going to run out of commitments, Mr. Speaker. We've only been here for four months and we're going to run out of commitments before the year's out. I hope the First Minister will slow down a bit and keep some for next year, Mr. Speaker.

MR. RANSOM: Mr. Speaker, my question is for the Minister of Natural Resources. Does the Minister of Natural Resources intend to have the Manitoba Water Commission involved in any way in studies with respect to the Garrison question?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. AL MACKLING (St. James): No, Mr. Speaker.

MR. RANSOM: Well, Mr. Speaker, that I guess just raises a small question about what's the relevance then of quoting an appointee's qualifications to the Water Commission as being in any way relevant to that appointment if they're knowledgeable about Garrison. But, Mr. Speaker, would the Minister advise the House of the nature of the meeting which has taken place between the Minister of the Environment and the Minister of External Affairs concerning Garrison?

MR. MACKLING: Mr. Speaker, there will be a meeting tomorrow of the committee that I've alluded to earlier in announcements in this House, and I will be indicating sometime after that meeting the results of the meeting.

MR. RANSOM: Mr. Speaker, can the Minister advise the House whether or not the Minister of the Environment and the Minister of External Affairs will be discussing the report of the International Joint Commission and its recommendations?

MR. MACKLING: Mr. Speaker, I've indicated that the committee — that I announced sometime earlier — the committee comprised of: the Minister of the Environment, that is the Manitoba Minister; the Federal Minister of the Environment; the Federal Minister of External Affairs; the Minister of Natural Resources; and the Honourable Lloyd Axworthy, Minister of Immigration and so on; and Manpower, will be having a meeting tomorrow and the results of that meeting will be announced in due course.

MR. SPEAKER: Order please. The time for Oral Questions having expired, Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. ROLAND PENNER (Fort Rouge): Mr. Speaker, before calling government business I would like to make two announcements: firstly, as agreed yesterday between both sides of the House we will be dispensing with Private Members' Hour and there will be a showing and description of some technical information on the Crow in Room 254 at 4:30; secondly, I should like to announce for members of the House, and I hope that all members are hear, that shortly following third readings with respect to those bills which are passed on third reading that we expect the Lieutenant Governor to be in attendance for a Royal Proclamation and thereafter we'll be going through second readings as on the Order Paper.

One further announcement if I may. With respect to committee meetings, I have a list of some proposed times for committee meetings and the first three or four are definite, the others may be changed. But to try and give members of the House sufficient advance notice, the Public Utilities and Natural Resources Committee will be meeting on Thursday, April 15 — well, I think we'll have to change that, we'll scratch that because I now recall that Thursday by agreement

is going to be Friday and it'll be a House sitting — (Interjection)— yes, well I don't have one of those fancy watches that have the days on them.

Thursday, April 15, will be Public Utilities and Natural Resources; Manitoba Telephone System on that day; Tuesday, April 20, Public Accounts, Provincial Auditor and Public Accounts, that's finished; Thursday, April 22, Economic Development, Channel Area and Mooselake Loggers. There may have to be some revisions in this, but I will make a further announcement on this tomorrow.

With respect to the Estimates review in the House following Agriculture, there will be Health, followed by Education. In committee, following Highways, there will be Co-op Development, followed by Economic Development and Tourism, followed by Cultural Affairs and Historical Resources, the other departments to be announced later.

Mr. Speaker, I'd ask you to call third readings.

MR. SPEAKER: The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Mr. Speaker, I would just like to advise the Government House Leader and the House, that it was my understanding that the discussion yesterday with the Government House Leader that he was going to provide the Opposition with a tentative schedule for committee meetings and that we would together decide what times would be appropriate. Since the Government House Leader is placing it on the record now, I have to advise him that to my knowledge I have not received that tentative schedule and certainly I have not had an opportunity to review it and respond.

MR. PENNER: I will discuss the proposed schedule with the Opposition House Leader later on today and make a further announcement in the House tomorrow.

Mr. Speaker, would you call the third readings in the order in which they appear on the Order Paper with the exception of No. 9?

MR. SPEAKER: The Honourable Member for Pembina.

HANSARD CLARIFICATION

MR. DONALD ORCHARD (Pembina): Mr. Speaker, I just want to take this opportunity to point out to you, Sir, a missing section in Hansard of Monday, April 5, 8:00 p.m. At 10:00 debate and discussion on the Estimates of the Minister of Highways and Transportation were proceeding quite well when the Member for Inkster moved adjournment, and some concern on the part of Her Majesty's Loyal Opposition ensued as to why we were adjourning at that hour. In fact, we called yeas and nays and in fact ended up with a recorded vote that evening. Neither the yeas and nays nor the recorded vote are shown as following the motion put by the Member for Inkster and I would like to have the record show that a recorded vote was taken.

MR. SPEAKER: I thank the honourable member for bringing that to my attention.

THIRD READING

Bill Nos. 3, 5, 7, 11 and 13 were each read a third time and passed.

MR. SPEAKER: The Honourable the Attorney-General.

MR. PENNER: Yes, Mr. Speaker. While we're waiting for the Lieutenant-Governor, could we just call the Adjourned Debates on Second Reading as they appear on the Order Paper.

ADJOURNED DEBATES ON SECOND READING

BILL NO. 6 - AN ACT TO ABOLISH CERTAIN ACTIONS CONCERNING STATUS OF INDIVIDUALS

MR. SPEAKER: Proposed motion of the Honourable the Attorney-General standing in the name of the Honourable Member for Springfield.

The Honourable Member for Springfield.

MR. A. J. (Andy) ANSTETT (Springfield): Yes, Mr. Speaker, I adjourned this Bill on behalf of the Honourable Attorney-General.

MR. SPEAKER: The Honourable the Attorney-General.

MR. PENNER: Mr. Speaker, I was away on the day when this Bill was called and as I understand it the members of the Opposition were prepared to allow this to go to committee and I would therefore ask that the Bill receive Second Reading. I would move, seconded by the Minister of Energy and Mines.

QUESTION put, MOTION carried.

BILL NO. 10 - THE RECIPROCAL ENFORCEMENT OF MAINTENANCE ORDERS ACT

MR. SPEAKER: Bill No. 10, standing in the name of the Honourable Member for Springfield.

The Honourable Member for Springfield.

MR. ANSTETT: Mr. Speaker, once again I adjourned this Bill on behalf of the Honourable Attorney-General.

ROYAL ASSENT

SERGEANT-AT-ARMS (Mr. Myron Mason): Her Honour, the Lieutenant-Governor.

Her Honour, Mrs. Pearl McGonigal, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed Her Honour, the Lieutenant-Governor in the following words:

MR. SPEAKER: May it please Your Honour, the Legislative Assembly at its present Session passed

several Bills which, in the name of the Assembly, I present to Your Honour and to which Bills I respectfully request Your Honour's assent.

Bill No. 3,

An Act to Amend An Act Respecting the Operation of Section 23 of The Manitoba Act in Regard to Statutes. Loi modifiant la Loi sur l'application de l'article 23 de l'Acte du Manitoba aux textes législatifs.

Bill No. 5,

An Act to Amend The Law of Property Act.

Bill No. 7,

An Act to Amend The Arts Council Act.

Bill No. 11,

An Act to Amend The Highways Department Act.

Bill No. 13,

An Act to Amend The Public Trustee Act.

MR. CLERK: In Her Majesty's name, her Honour the Lieutenant-Governor does assent to these bills.

Her Honour was then pleased to retire.

ADJOURNED DEBATES ON SECOND READING (Cont'd)

BILL NO. 10 - THE RECIPROCAL ENFORCEMENT OF MAINTENANCE ORDERS ACT

MR. SPEAKER: On the Second Reading of Bill No. 10.

The Honourable Attorney-General.

MR. PENNER: Yes, Mr. Speaker, I've read the comments of the honourable members opposite on this Bill and I'm prepared to discuss it further in Committee.

QUESTION put, MOTION carried.

BILL NO. 12 - AN ACT TO AMEND THE FAMILY MAINTENANCE ACT

MR. SPEAKER: On the adjourned debate of the Honourable Attorney-General, Bill No. 12.

The Honourable Member for Springfield.

MR. ANSTETT: Once again, Mr. Speaker, I adjourned this Bill on behalf of the Honourable Attorney-General.

MR. SPEAKER: The Honourable Attorney-General.

MR. PENNER: Yes, Mr. Speaker, I've read the comments of the members opposite and I'm prepared to discuss this bill further in Committee.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Yes, Mr. Speaker, would you call Second Readings please on Bills 16 and 17?

SECOND READING

**BILL NO. 16 - AN ACT TO AMEND
THE FATALITY INQUIRIES ACT**

MR. SPEAKER: The Honourable the Government House Leader.

MR. PENNER presented Bill No. 16, An Act to Amend The Fatality Inquiries Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Attorney-General.

MR. PENNER: Mr. Speaker, by way of explanation, The Fatality Inquiries Act requires a medical examiner to take charge of the body, inform the police and make diligent inquiry respecting the cause and manner of the death of any person who dies in a mental hospital.

The experience over the years indicates to us that well over 90 percent of the persons who die in mental hospitals die of natural causes. Where the medical examiner is satisfied that a person in a mental hospital has died of natural causes, there is no need for any further inquiry in accordance with The Fatality Inquiries Act.

Last year and again this year — in fact just yesterday — the report of the administrator required under Section 29.1 of The Fatality Inquiries Act has included the names of all persons who died in correctional institutions, jails, prisons or while in voluntary residence of any institution in the province and, of course, that would include certain mental institutions.

Now this, that is the revelation of the actual names, has caused unnecessary and embarrassing publicity for the relatives and family of the deceased. It's an invasion of their privacy and unfortunately, prejudice still exists as we know, with regard to mentally ill persons.

Mr. Speaker, we propose to amend the Act to repeal the requirement that the names of these persons must be reported. That is, there would still be a statistical report, but the actual names would not be reported.

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

MR. MERCIER: Well, Mr. Speaker, unless there is anyone else who wishes to speak at this time, I would move adjournment, seconded by the Honourable Member for Fort Garry.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Government Services.

**BILL NO. 17 — THE PROCEEDS OF
CONTRACTS DISBURSEMENT ACT, 1981**

HON. SAMUEL USKIW (Lac du Bonnet) presented Bill No. 17, The Proceeds of Contracts Disbursement Act for Second Reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Government Services.

MR. USKIW: Mr. Speaker, under terms of the construction order, namely No. 4055, with D&D Sand and Gravel and Rental Ltd. for gravel base course on the St. Laurent access road and Construction Order No. 4535 with respect to Golden Gate Homes Limited, again for the supply, crushing, loading and stockpiling of aggregate for bituminous pavement, an amount of \$17,167.34 and \$2,930 respectively, was held back until the contractors had paid certain debts arising out of the construction orders.

In the case of D&D Sand and Gravel, the work contracted was completed in September of 1979. In the case of Golden Gate Homes Limited, it was completed in 1981. Because of the subsequent claims made against the contractors related to work done under the construction orders, the holdback proceeds were not paid out and are still retained by the department. Insofar as can be ascertained, neither contractor has taken any steps to satisfy the claims made against them.

In the case of D&D Sand and Gravel, the department has received notice of 11 claimants with claims totalling \$56,647.88. Three of the claimants have obtained a judgment. In the case of Golden Gate Homes Limited, there have been three claims filed amounting to \$4,451.00.

This bill, of course, facilitates the department in disbursing of those holdback funds in a way that will be fair to those who are making claims and indeed to all concerned, via the trustee.

I commend the Bill to the House, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Virden.

MR. HARRY GRAHAM (Virden): Would the honourable member permit a question? Would the Honourable Minister tell us why it is necessary to bring forward a Bill to pay out monies that have been held up under a standard contract that has been in use for years?

MR. USKIW: Well, Mr. Speaker, my advice on that question is, that this is the only proper and legal way in which we can discharge our responsibility and at the same time ensure equity of treatment as between the claimants. That is via trustee pursuant to the Act that we are now introducing.

MR. SPEAKER: The Honourable Member for Pembina.

MR. ORCHARD: Just another short question. The Minister mentioned that in the claim against D&D there were three secured creditors, or pardon me, have judgments. Will those three claimants who have judgments have their claims entirely satisfied from the proceeds of the \$17,000 or will there be a disbursement of so many cents on the dollar to all of them?

MR. USKIW: Well, perhaps it escaped the member when I mentioned the figure but the — well, I'm not

sure about the three — the total claims are \$56,000.00. I can't answer the question with respect to the three claims that have judgments. I don't know the totality of those claims, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Virden.

MR. GRAHAM: Mr. Speaker, I beg to move, seconded by the Honourable Member for Tuxedo, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

MR. PENNER: Mr. Speaker, I move, seconded by the Minister of Health 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 to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Agriculture and the Honourable Member for The Pas in the Chair for the Department of Highways and Transportation.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Harry M. Harapiak (The Pas): This Committee will come to order. We are on No. 6. Construction of Provincial Trunk Highways, Provincial Roads and Related Projects.

The Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Thank you, Mr. Speaker. I stated earlier when I had a moment, there were one or two things that I just wanted to say on my particular area that will not have too much effect on the present construction program but I know it will maybe help encourage the Minister to ensure that it's in the program for the next year's construction. As the Minister is well aware, Highway 250 which actually links Souris to Sandy Lake, or Riding Mountain National Park really, if it's taken to the full extent, is a very, very important artery in my particular area and runs through a number of municipalities and a number of towns. Some time ago, when rail line abandonment became a reality, or when it became evident that those rail lines were going to go, and I guess it's a rational judgement made by the companies because there are two main lines running parallel to it, maybe 15-20 miles apart. But it has created some problems in that particular area, but being aware of what was happening there, the Cargill people have built a fairly large grain-handling facility at Rivers Manitoba on 250, and also another large grain-handling facility at Newdale. The other elevators at Rivers and Newdale, of course, have increased the capacity of their facilities there considerably to make those two points pretty modern and adequate grain-handling points. Of course with the rail lines

going out a tremendous amount of that grain has to travel over Highway 250 and some of the arterial roads there, but Highway 250 is the main artery.

A number of years ago they formed a Highway 250 Association to promote the reconstruction of 250 and this was started some years ago. With the abandonment of the lines through the Cardale area, which was a pretty good grain handling point in its own right, at one or two of the meetings it was decided by the municipal people representing, as I say, several municipalities and several towns that the particular section of the road from Rivers through to Sandy Lake was going to have the bulk of the traffic and that the particular section of highway from Rivers North to Newdale should be completed first, should be updated and completed first. That was a first, I think, to see the co-operation of all of those municipalities. Naturally the fellows on the south want their road finished and the ones on the north want theirs finished, but they could see the traffic that was going to be created, and the size of the trucks that were going to be necessary to haul that grain and the road had to be done and that particular area was given some priority.

Good work was started on it under the former administration, carried through under ours. There were some problems last year with bad construction weather and a bad contractor, and one section didn't get finished as quickly as the others. There has been a section of it paved from Newdale South to 355, and I might say, Mr. Chairman, just an excellent job of paving. The people in there are extremely pleased with it, and I think it was a bit of a stroke of luck before we give the Highways Department too much credit, that they caught a hot-mix machine en route some where and rather than a cold mix they got a hot mix in there. I must say it's a superb job; the contractor did an excellent job and I compliment them on it. But the section from the 6.-some — I forget how many kilometres that'll be now — from Rivers north has been a paved road, became very bumpy and it became quite a problem for the trucks hauling grain on it. It was just terribly, terribly rough. That was reshouldered last year and, of course, they felt would be repaved - and I understand that has not been in the program this year, it hasn't been possible to put it in the program - and there's going to be a great number of disappointed people there. I've had many calls from Rivers already, the Chamber of Commerce, and the Minister's likely going to be getting them.

I can understand the problems that they have with trying to shuffle funds around and work within budgets and for that reason, as I say, we're extremely happy that 357 or whatever it is, I just forget the number, 357 on Mountain Road is being graded. That'll complete that from No. 5 right through to 10 which links with 45, and that makes a route around Riding Mountain National Park for the truckers, which is an extremely important area. So I have forwarded that to the interested people up there and saying, well at least the Minister hasn't forgotten the constituency altogether because there is a fair bit of work being done. The Minister has talked to me privately and assured me that the program will be considered next year, and I know that the Deputy Minister likes to come out and visit that area from time to time, and if the road isn't completed in the next year or so he will come out

there at his peril, I can assure him of that. But, Mr. Speaker, I wanted to get that on the record that there is going to be some very disappointed people along that road and you will probably be getting a delegation in to see you and I know you will receive them well and listen to their concerns, but it's an extremely important link in a very, very good strong grain producing area. I know that the Minister will give that every consideration when he's looking at his program for next year.

MR. USKIW: Well, Mr. Chairman, I tend to concur with the Member for Minnedosa. The discussions that I have had, and they are somewhat limited in the sense that there hasn't been enough opportunity to interface with all of the interested groups, but the information I have tends to convey to me a message, and that is that they are working in a co-operative way towards establishing a fairly good route for bulk hauling, and that is one of the criteria that we are trying to reinforce as a policy, in any event. It very much conforms with that idea and I'm impressed with the fact that it's the right decision. Now I don't know all of the questions that have to be raised, but from what I know of it I'm impressed that the direction is correct and that I have the belief that we might be able to proceed with that a year down the road.

We do want to complete No. 10 up to Riding Mountain this year and the member is right, there is a question of finding enough dollars to spread out throughout the whole province and one had to make a choice, that can't be helped.

Secondly, I am led to believe that we're not quite in the state of readiness, in any event, on 250 that we could confirm that we could do the whole thing this year, even if we wanted to. So, on the basis of that, I made the decision that we will complete 10 this year and we'll go 250 next year. There is another area there and it's the other direction and that's the east-west direction which is 355. That also appears to merit a tremendous amount of consideration, and we'll be looking at those in tandem. I think there is some work on 355 this year, I'm not certain. There is some, yeah.

MR. BLAKE: I thank the Minister for his remarks. If by some bad fortune in some of his projects this year, that for some reason or other the tenders didn't come in or they couldn't get completed if there was any funds lying around, I can assure him that they would be well received on 250 north of Rivers to Highway 24.

I have found in dealing with the municipal people in connection with roads, Mr. Chairman, that the people in the municipal field are very co-operative in acquiring acquisitions of right-of-ways. They're quite prepared to go out and talk to the farmers and soothe down the odd one that might be a holdout and do whatever they can to assist the department that way. I've found that if they have some confidence that their section of roads — each one has a pet section — if that's going to be completed the year after next or whatever, as long as they can see some program where eventually they're going to have that section of the road done and tied in, they seem to be reasonable with it. They're quite reasonable people to deal with, and I know if the Minister has problems squeezing some extra funds out of his colleagues on the Treas-

ury Benches, that he will get all the support he needs from this side of the House to encourage him along.

MR. USKIW: One never knows the state of the summer, in terms of climatic conditions from one region to another. One doesn't know at this point the state of readiness to do all of the things we think we can do, and there is always the possibility of shifting dollars from one project to another and I take that as a given, Mr. Chairman, so I would not exclude that possibility if there was that financial flexibility.

MR. CHAIRMAN: The Member for River East.

MR. PHIL EYLER (River East): Just as a matter of general interest, Mr. Chairman, I was wondering about the relationship of this construction program with the City of Winnipeg. If the City of Winnipeg would be building major routes inside city limits such as Bishop Grandin Boulevard, would that appear in this Item in the Budget?

MR. USKIW: The City of Winnipeg, Mr. Chairman, has their own construction program financed by the City of Winnipeg. The province in return gives the City of Winnipeg a block grant for whatever their needs are, so we are not directly involved in the building of highways within the city limits. I think there are some we have some involvement in. We have some routes that are 100 percent ours but we don't give grants to the City of Winnipeg.

MR. EYLER: Would the proposed Kildonan Corridor would be one of those roads that you're concerned with?

MR. USKIW: No, Mr. Chairman.

MR. EYLER: So, if the money was going to come from the province to build the Kildonan Corridor would come from the Department of Urban Affairs?

MR. USKIW: Well, if the province was involved in that project I would gather that's the logical route. It would be part of the block grant or a project grant, that's how I would see it, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, I note that in the program proposals, PTH 23, that's on Page 18, PTH 23 there's a location study and design and acquisition of right-of-way in the vicinity of Ninette. Is that to try and — (Interjection) — Page 18, No. 23. Is that the very sharp curb at the top of the hill and the railroad track, that involvement?

MR. USKIW: Yes, that's correct, Mr. Chairman.

MR. ORCHARD: I noted on the last page of the new program outline, Page 29, that there is location study and designs being done on two areas of winter roads. A couple of questions stem from that. Are these all existing winter road routes? The question being, are any of these brand new winter road routes?

MR. USKIW: Some of this is to determine whether the existing routes are the right ones so there could be

some new locations here.

MR. ORCHARD: Yes, I understand that but it's not going in to service new communities or communities that previously haven't been served.

MR. USKIW: No, that is correct, Mr. Chairman. There are no new communities to service that we're aware of.

MR. ORCHARD: The location is to determine the location for a winter road only. Does that include also Bloodvein, Little Grand Rapids, that's just for a winter road?

MR. USKIW: Well, as I understand it the studies have to do with these particular areas or locations although that it doesn't preclude others. The ultimate hope is that the locations that are selected may lend themselves eventually to an all-weather road construction program but there is no commitment to that at this point in time.

MR. ORCHARD: Is all-weather road of one of the proposals that's being considered under the Northlands Agreement to have joint federal-provincial funding and are Northlands into that?

MR. USKIW: We are not aware of that at this point in time although that's something that the other department would have to be addressing itself to, Mr. Chairman.

MR. ORCHARD: On the Easterville Road at one time we had some hopes that we might include that in a new Northlands Agreement, and although there was considerable pressure to upgrade it at all times, we had some hesitation in proceeding until we had a Northlands Agreement finalized and the exclusion of that road by the federal negotiators in a new Northlands Agreement. Do we assume that by its presence here that it has no chance of becoming part of a new Northlands Agreement?

MR. USKIW: Mr. Chairman, that's an old, old chestnut, if you like. I recall that discussion, I guess a decade ago. I don't believe there was any desire then on the part of the Government of Canada to include the Easterville Road in the Northlands package, I'm assuming that there continues to be no desire on their part and that's the reason why we are proceeding with it. I don't think that it's an acceptable component to the Federal Government with respect to Northlands. We have made the decision, Mr. Chairman, to proceed with a section of it in any event.

MR. BANMAN: I believe this is the section where we can ask some specific questions with regard to some of the projects that are underway. I guess my first question I would ask the Minister dealing with the No. 12 Highway and interchange structures; maybe you could just elaborate a little bit on page 17 of the document he filed, we show interchange structures, two, and then just below that you show another four structures; I wonder if the Minister could just briefly explain what's involved in those two projects.

MR. USKIW: I am advised, Mr. Chairman, that there are four structures over the Trans Canada, and two structures over the railway that are involved.

MR. BANMAN: I think the railway work has been done. It was done last year, I think, over the railway track. I think it was in last year's Estimates.

MR. USKIW: The four structures are for drainage works between the railway and Trans Canada.

MR. BANMAN: So the interchange structure, that would be the one right at the junction of 12 and No. 1, and the four structures would be box culverts or whatever is required. I think there's a couple of major drains that run through there and I guess . . .

MR. USKIW: Yes, that is correct.

MR. BANMAN: I wonder, the road work; will that be completed this summer, in other words, the paving of the stretch from the Seine River diversion to the No. 1 Highway?

MR. USKIW: Not the paving, Mr. Chairman, there will be construction. You will notice on No. 12 that this is in the other area. It's 402 to 208 there's a stretch of pavement, but in the area the the member questions, I believe it's construction only.

MR. BANMAN: So the grade that has been constructed will more or less be left like that this year?

MR. USKIW: Yes, I'm advised that it's not completed and that's why we can't go ahead with the pavement. There is no particular holdup on it. It's just that's not ready for it.

MR. BANMAN: Has the department got any timing when they think the interchange structure will be completed? Are there tenders being let shortly?

MR. USKIW: Yes, I am advised that it will take at least a year to get the structures built, but the process is underway. There is no holding up of the process. We intend to have . . .

MR. BANMAN: So, it would be fair to say that tentatively speaking, next spring that structures might be in place and then the final road work finishing off, and the approaches and that would probably be done next year then, which means that we might be looking at a year-and-a-half or so before final completion. Is that sort of a fair estimate?

MR. CHAIRMAN: I would remind the members again that we're recording this for Hansard, so would you wait until your recognized before you proceed please? Mr. Minister.

MR. USKIW: Well, Mr. Chairman, the intent is to complete that project at the greatest speed possible. There is no logic in trying to delay any aspect of that, because the logic lies on the other side to the extent that you delay. You're merely wasting the dollars that have already been put in place on that whole system.

So we intend to proceed as conditions allow us to and expedite to the extent that we can.

MR. BANMAN: Thank you, Mr. Chairman, I appreciate those words. It is of great importance to that whole area to get the interchange and the whole structure going. I'm pleased to see that the interchange is coming in this year because it's one of those sections on the Trans Canada Highway that's pretty busy and I'm surprised that we haven't had more accidents and more problems there. I'm gratified to see that happening.

With regard to two other areas: the PR 210 from Giroux to Ste. Anne, it says 2nd Lift Construction Gravel. Would this be sort of the final phase before we put in any . . .

MR. USKIW: What page are you one?

MR. BANMAN: Page 20.

MR. USKIW: Yes, this highway was built last year and it's going to have its 2nd Lift Construction Gravel applied this year.

MR. BANMAN: Would this mean that maybe in a year or so, after the 2nd Lift is put on, without too much extra aggregate you could put a cold mix on or something like that, like we've done on the rest of the road?

MR. USKIW: The logistics are that if you went to AST you still have to put a base course on so that's still a fairly substantive program, Mr. Chairman. You can't move to a hard surface from this stage, there is one more stage before you can hard surface.

MR. BANMAN: I guess the same thing would apply to Highway 311 that was just constructed last year which is seven miles — on page 23 — we've got seven miles from PTH 59 to the PR 206 for the 2nd Lift.

MR. USKIW: Yes, that is correct, Mr. Chairman.

MR. BANMAN: Is it usually a good practice to wait a year or two for the roadway to settle before you put a mix on?

MR. USKIW: Well, it's common practice and it appears to make sense, Mr. Chairman.

MR. BANMAN: Thank you, Mr. Chairman.

MR. CHAIRMAN: No. 6.—pass. The Member for Pembina.

MR. ORCHARD: Mr. Chairman, I note that the concrete lanes are going in on No. 7, it's about a five-mile stretch; the long range planning there allowed land acquisition for an interchange. Is that in the planning stage right now, the interchange with the Perimeter and the four lane structure into No. 7?

MR. USKIW: No, Mr. Chairman, there is no particular plan at the moment to develop an interchange at that location.

MR. ORCHARD: Could the Minister indicate the progress to date on the Split Lake to Gillam Road which construction was initiated last winter?

MR. USKIW: Well, I do know that the contracts were let. Grading and gravel operations to date are meeting expectations, that's where it's at. Everything appears to be ready for summer operations which include consolidation and initial graveling and that should commence in the early part of June, of course, depending on the climate. The clearing and grubbing is 100 percent complete; the winter grading should be finished by April 6. The north section has another 3.5 miles of grading which will be completed under summer work activity. This of course is in very rough, rolling terrain, involving large cuts and fill sections and so on, and sand. The southern section was joined up and they were working south completing sections that were padded up earlier. The gravel contracts will complete all of the summer and accessible stockpiles. There seems to be no problem with gravel supply for the summer consolidation. The contractor has been working on both contracts simultaneously in order to meet his contractual obligations.

MR. ORCHARD: Is the road coming in about on-budget as we had predicted?

MR. USKIW: Yes, it appears to be on-target. It is an hourly bid setup, therefore it's always not certain just where we end up, but it appears to be relatively well on-target.

MR. ORCHARD: Could the Minister indicate roughly the cash flow in the last fiscal year that would have taken place on that road? I don't need an exact figure, a ball-park figure.

MR. USKIW: About \$8 million in the fiscal year just completed.

MR. ORCHARD: Could the Minister then indicate — last year's figures show some 84.5 million, and of course the Split Lake-Gillam was supplementary supply; could the Minister indicate what would be the approximate final figure of the construction expenditure for fiscal '81-82, the fiscal year just ended?

MR. USKIW: About \$93.5 million.

MR. ORCHARD: Thank you, Mr. Chairman, that . . .

MR. USKIW: There's also 2.8 million of holdback additional to that, but that's not construction.

MR. ORCHARD: That gives me a better idea of the kind of funding . . .

MR. USKIW: . . . Oh, that's included — I'm sorry, I'm confusing the member. The 93.5 includes that hold-back amount.

MR. ORCHARD: Are there any projects in the carry-over that have run into some unusual snags and have to be cancelled?

MR. USKIW: Well, Mr. Chairman, I'm not aware of which ones they are; there may have been. There's committed carry-over and noncommitted carry-over and of course, in the committed carry-over, I'm not certain if there are any holdups. Apparently, there might be some with respect to right-of-way and so on, in the committed carry-over.

MR. ORCHARD: Any of the noncommitted carry-over that are running into snags and might have caused them to be withdrawn from the program?

MR. USKIW: I think, Mr. Chairman, the member wants to determine the logic of not going ahead with all of the noncommitted carry-over; I presume that's his line of questioning. I think I could satisfy him by saying that was based on the discretion that had to be used in the allocation of funds throughout all of the regions of Manitoba within the \$100 million that has been allocated. It's not related to any particular technical problem that I'm aware of.

MR. ORCHARD: Then, would there be people who have seen the Road Program and there's no contract commitments, would the Minister expect a reasonable expectation that those projects could go ahead this coming year as has been past practice? Always, the program is overbudgeted for very obvious reasons in the department.

MR. USKIW: Mr. Chairman, we haven't arrived at the stage where we can somehow determine a prioritization of projects. I presume that's one of the things we will do after we have completed this process. I have yet to become fully acquainted, quite frankly, with the totality of the Construction Program and its scheduling. We have not had time to do that kind of review, so I can't really say here that everything that's there in carry-over is going to go ahead for sure against other projects or vice versa. That would be subject to review subsequent to this exercise here, Mr. Chairman.

MR. ORCHARD: Will the department be establishing as they have in the past couple of years, potential tendering schedules for the industry to have them sort of advance notice for say six, seven weeks in advance as to the nature of projects coming up so they can better plan their work scheduling and their ability to bid and tender on those projects?

MR. USKIW: I believe, Mr. Chairman, that will flow from the discussions that we have on the scheduling of contracts or the review of the scheduling. There's no reason not to pass on that information because it would be helpful to the industry which does have to plan its program. So I see nothing wrong with continuing with that procedure.

MR. ORCHARD: That's all the questions I have, Mr. Chairman.

MR. CHAIRMAN: No. 6.—pass.
Resolution No. 85. BE IT RESOLVED THAT there be granted to Her Majesty a sum not exceeding \$100 million for Highways and Transportation for Construction of Provincial Trunk Highways, Provincial

Roads and Related Projects for the fiscal year ending the 31st day of March, 1983—pass.

No. 7. Air/Radio Services. 7.(a) Salaries.
The Member for Pembina.

MR. ORCHARD: I'm just looking for my little list. I don't believe there was any change in the staff complement at Air/Radio Services.

MR. USKIW: Well, there is a change because of the delivery of the CL-215 water bomber, so there's going to be two additional staff. No, there's more than two. I'm sorry, I'm jumping ahead of myself. No, there are two radio technicians. That's right. I'm one step ahead here.

MR. ORCHARD: Two radio technicians?

MR. USKIW: Two new radio technicians provided for.

MR. ORCHARD: Do I assume with the third water bomber coming onstream this spring, that we have an adequate pilot complement to . . .

MR. USKIW: There will be supplementary Estimates to reflect the delivery of the water bomber and I believe the staffing. Is that correct? Yeah.

MR. ORCHARD: When is it expected the third water bomber will be arriving?

MR. USKIW: I believe we have received it, haven't we? It's May 1st, Mr. Chairman.

MR. ORCHARD: What supplementary staff complement are contemplated to accommodate the additional aircraft?

MR. USKIW: I think it's five, yes, five staff man years are involved in staffing and, of course, there's the balance due on the purchase which is \$3.2 million.

MR. ORCHARD: The balance due is \$3.2 million?

MR. USKIW: Yes, \$3,234,400.00.

MR. ORCHARD: I thought we'd paid more than that down. That brings the purchase price, in total, to what, then? I thought we had put more money up in the last two years than that.

MR. USKIW: About \$4.75 million, Mr. Chairman.

MR. ORCHARD: Does the Minister expect that will sufficiently complement the water bomber fleet, that we should be able to get by with just the three?

MR. USKIW: Mr. Chairman, I really couldn't answer that with any degree of intelligence. I have not had an opportunity to review that whole package, something that we will be doing between Sessions. A review of where we have been policywise with respect to the whole Air Division and where we might want to go is yet to be decided.

Again, I remind the Member for Pembina that this item was a locked-in item pursuant to a purchase

order that was made a year or so ago — is it two years ago? So this is not a departure or a policy initiative on our part, it's merely what's been in the pipeline, and what we do from here in will be determined after we've had a thorough policy review.

MR. ORCHARD: Is there any option for a purchase of a fourth aircraft attached to the purchase of this one?

MR. USKIW: Apparently not, Mr. Chairman. Just while I have the floor though, I would like to correct the figure that I gave to the member. The purchase price was \$4.312 million and the balance owing is \$3.234 million.

MR. ORCHARD: Thank you. The MU-2 was under repair after a heavy landing. Are those repairs completed now?

MR. USKIW: Yes, the MU-2 has been received back on-site of the Air Division.

MR. ORCHARD: Is it the Minister's intention to utilize the MU-2?

MR. USKIW: There is another area of policy, Mr. Chairman, we have yet to determine the future of the MU-2 and that is, of course, whether we keep the aircraft for whatever use we have for it, or whether we sell it and purchase a different type of aircraft, or whatever. That decision is pending but we have not come to a conclusion on the discussions.

MR. ORCHARD: The Cessna Citation Medi-Vac plane, has it been operating well and is the Minister reasonably satisfied with its operation?

MR. USKIW: It appears to be. I know that the Ministers appreciate very much the swiftness of that aircraft. The efficiency of time in moving Ministers from place to place has certainly been demonstrated. I gather that it does a fairly decent job of moving patients though from one area to another, namely, from the north, in particular, in a very swift and efficient manner which is the intent, of course, and that is the No. 1 criteria, as I understand it, providing the ambulatory service that it provides.

MR. ORCHARD: I wonder if the Minister might provide — I doubt if he'll have them here, but if he could provide me at a later date — the number of ambulance missions flown by the Citation in the last fiscal year.

MR. USKIW: It's really not to be referred to as an ambulance; it's air patient evacuation, I believe, is the term. I don't know if we have the figure here or not, but I recall a figure mentioned to me not very long ago of something in the order of 280 or 290 trips during the course of a fiscal year.

MR. ORCHARD: I wonder if the Minister could undertake to provide that medi-vac flight count for me and the number of patient moves; and also if he could provide at the same time the non-medical use of the Citation, the number of trips for non-medical purposes that it's been utilized for.

MR. USKIW: Mr. Chairman, from January 1 to December 31st of 1981, the Air Division transported 289 patients and 293 escorts for a total of 239 flights. For non-medical reasons, I don't know if we have that.

MR. ORCHARD: I thank the Minister for the information on the patient flights and if he could provide the non-medical use at a later date that would be fine.

MR. USKIW: There is a list here, but this is for all aircraft.

MR. ORCHARD: The aircraft fleet, there's no additions other than getting the MU-2 back and the new water bomber?

MR. USKIW: That's correct, Mr. Chairman.

MR. ORCHARD: Thank you, Mr. Chairman. There was some considerable discussion, by resolution as a matter of fact, in the House last year to station the medi-vac aircraft, the Citation in this case, in Thompson. Has the Minister had an opportunity to pursue that policy?

MR. USKIW: No, Mr. Chairman.

MR. ORCHARD: Will the Minister be pursuing that policy?

MR. USKIW: Again, I refer back to a statement I made a few moments ago, namely, that the whole operation of the Air Division will be reviewed between Sessions, so to speak, so if there are going to be any policy changes they will become relevant in next year's Estimates review.

MR. ORCHARD: Will that policy review take a look at the interdepartmental charges for aircraft use by departmental staff and personnel.

MR. USKIW: I believe there has been an implementation of new rates already, the charge to other departments. I can't recall the changes that were made. It varies depending on the aircraft that is used of course.

MR. ORCHARD: Could the Minister provide me with the new rate schedule if it's been established?

MR. USKIW: Yes, that's fine.

MR. ORCHARD: The Other Expenditures, I would take, reflect once again a fairly substantial increase in fuel costs.

MR. USKIW: That's correct. By and large, the energy-related component is what has inflated the Other Expenditures.

MR. ORCHARD: Does the Recoverable from Other Appropriations reflect a new and presumably increased schedule or is that simply based on the old rates but reflecting an increase in usage?

MR. USKIW: The recoveries will logically reflect the new rate because the aircraft is merely a service to all

agencies of government, so the chargebacks are there and whatever the costs of operating are will be reflected in the rates that are being charged.

MR. ORCHARD: So I take it from the Minister's answer that the \$1,575,000 is a rate of recovery fixed upon a new rate schedule?

MR. USKIW: These figures include, Mr. Chairman, if I may, the additional aircraft. The cost figures that we are talking about now includes the operational end of the new aircraft. —(Interjection)— yes.

MR. ORCHARD: Then the Minister has indicated that the \$200,000 increase in recoveries reflects now having the MU-2 back on the flight roster as well as an additional waterbomber. So then, the recovery doesn't reflect the new rate schedule then.

MR. USKIW: No, Mr. Chairman, I alluded to the expense side of the ledger where I said the expenses shown incorporate the two other aircraft under (b). Recoveries for the utilization of aircraft which show a \$200,000 increase represent the Northern Patient Air Transportation Revenue, which in previous years was credited to General Revenue, and that's based on the old rate.

MR. ORCHARD: I'm making an assumption that may be incorrect, that the rate schedule has gone up.

MR. USKIW: That's right.

MR. ORCHARD: Thank you, Mr. Chairman. Then it would be safe to assume that the Recovery in the fiscal year ending '83 will be probably higher than the \$1,575,000 reflecting new rates charged for use of the aircraft.

MR. USKIW: Yes.

MR. ORCHARD: I recall a study that was ongoing — I think it was Government Services — had implemented a study whereby they were contemplating an amalgamation in the radio section, the communication section. Has anything proceeded past that early study stage on that?

MR. USKIW: No, we have not had any discussions on that subject, Mr. Chairman. Again I remind the Member for Pembina that that is based on the decision which was made that we are going to proceed with the ongoing program and the estimates of that program, and that all of the policy areas would be set aside for an intercessional review process, shall we say.

MR. ORCHARD: So, is the Minister saying that the intercessional policy process will be taking a look at this proposal or suggestion by Government Air Services of amalgamating a radio section?

MR. USKIW: I'm saying that there will be a thorough review of the operations of the Air Division which that may be a component of, but I'm not at all knowledgeable or familiar with that particular aspect of it.

MR. ORCHARD: I don't have any further questions on that section.

MR. SPEAKER: The Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. Just one question to the Minister and I know it's not to do with the subject. I just wondered — looking at the new impressive road map — I wondered if all the other ones were done away with.

MR. USKIW: I really don't know how many there are. The maps are distributed by Tourism, so I really don't know what they are doing.

MR. BLAKE: When they were previously changed I was able to acquire some with the picture of my colleague, the Member for Lakeside on it and I made good use of them in the filling stations out home and they were very well received and I just wouldn't want to see them go out to the garbage dump or something of that nature, with that fine smiling face that was on them before, replaced by another handsome gentleman.

But, Mr. Chairman, under Air Services, I wonder if the Minister could give us some indication if there is — and I realize it's policy — any indication that they may be going back to the former policy of acquiring considerable additional aircraft to form a fleet that is busily engaged in the North and did a lot of transportation and passenger work up there which rightly or wrongly could probably or maybe be attributed to some small degree to the financial collapse of a fairly large airline up there. I wonder if he could give us some indication if there is any feeling of returning to acquiring another 10 or 15 aircraft for use in the North?

MR. USKIW: Mr. Chairman, I don't believe that the role of the Government Air Division would have contributed to the collapse of an airline, because I don't believe the use of the aircraft was a use which would have been facilitated by sort of scheduled air flights from one community to another — trying to recall at least the nature of the Northern Development programs — although there may have been some of that, but I don't believe that would have caused the demise of any particular airline.

I would think that the policy that will come out of the review process would have to logically relate to efficiencies, if you like, as to whether or not we can better accommodate our needs via additional aircraft or whether there is some other route that makes more sense. I have no preconditions in mind. My opinions are quite open on that subject.

But I will want to know the expectations in terms of the total involvement of all departments with respect to the North, in particular; and how that will effect the need for new aircraft, if we are going to consider new aircraft.

Also related to that question is the water bomber question which may have resolved itself by this time, I don't know. But I will want to know what our costs are, the proportionality of in-house capacity as opposed to outside contracts and so on, and where we come out better financially. All of these things have to be looked at.

MR. BLAKE: One of the comments in the Northern area was that it was much easier to get coffee at the coffee bar in the Thompson air terminal now because there weren't nearly as many Manitoba Air Division staff sitting around there all morning with the reduction in the aircraft.

There certainly is a function for them in the North and I think there are enough operators up there now that have demonstrated that the job can be done without the addition of that many more Government Air Service aircraft. I think a certain number are necessary to carry out the functions of some of the departments that are very very active in the North but I appreciate the Minister's remarks and we'll be watching with interest to see the growth or the continued maintenance of the present level of aircraft in the Air Division. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman, I just have a few questions in the questioning that had been done previously, to find out that the MU-2 has also been involved in this appropriation over here and I wonder, could we have a breakdown of (c) Recoverable from Other Appropriations? Could we have a breakdown as to how much you would be receiving from the Department of Health and I'm sure that you're using some water bombers in Natural Resources?

MR. USKIW: No, Mr. Chairman, that is not possible because what we are showing here is an estimate of what will occur over the next 12 months. What the member really would want is the history of what has occurred in the last 12 months. I'm sure that can be brought forward but it's the kind of thing that is normally a subject for an Order for Return. We don't have the projected Recoveries by department.

MR. BROWN: You don't have those figures here at the present time then?

MR. USKIW: We don't normally project departmental usage. We base it on last years occurrences and then whatever new items are thrown in we either add or subtract.

MR. BROWN: That's fine.

MR. ORCHARD: Just one short question to follow up the Member for Minnedosa. Should the Minister determine that possibly an additional aircraft or two may be needed, is the Minister going to investigate the potential of charter or leasing arrangements with, for instance, a northern carrier or a northern aircraft company that's already in business serving the north?

MR. USKIW: I would just ask the member if he would repeat the question. I didn't get the first part of his question.

MR. ORCHARD: If the Minister, in his review over summer, at the urgings I would presume of possibly some of his colleagues, a determination is made that additional aircraft are needed, would the Minister be

entertaining proposals from northern aircraft owners and operators and northern aircraft companies, charter companies, to contract that service rather than bring the government into the ownership of another aircraft or two?

MR. USKIW: Mr. Chairman, I suppose the member is referring to charter service and really what will have to take place is we will have to determine how much charter service requirements we would have in the total system and then weigh against that the advisability of purchase versus contractual arrangements with existing carriers, in terms of the economics of it. That makes logic to me and I would think that we would go through that process before we made a decision. As I say, I have no fixed opinions or viewpoints with respect to how we service the geography of this province vis-a-vis the Air Division operation, whether it's totally within in-house or in-house and partly outside or whatever combinations work. There are no pre-conceived ideas on that point.

I just want to get back to the Member for Rhineland. I do have here a sheet on the usage of aircraft by department dating from January 1, 1981 to December 31, 1981 and, of course, it does involve virtually all departments. Total hours of use was 6,261.4 and total miles was 942,935. That's the global figure.

MR. ORCHARD: Mr. Chairman, the reason I suppose I'm posing the question about what direction the Minister may proceed if additional aircraft are required is, I suppose, a two-fold concern that I might have. For instance, I think the temptation to use an aircraft that you own is much greater than if you are going out and arranging on a time-to-time basis the services of a private aircraft owner. I think it's fairly well-known that there was quite substantial use of aircraft in the early '70s of all sorts and the fleet of Government Air Division was double what it is today and it's not been pointed out to me that there has been any great need for additional aircraft. In fact, last year I think we disposed of one that hadn't been used all that much and now with the MU-2 back in service, and I realize the Minister indicates he hasn't made a decision on it, but there's already one additional aircraft to when the service was deemed to be fairly adequate.

The second reason I posed the question about whether it would be a service undertaken in-house or whether the Minister would be willing to retain the services of, say, private sector aircraft, I suppose the concern would be that this Minister, in his other portfolio, has already demonstrated a clear preference for in-house staff in his hiring of full-time security staff and, I believe, maintenance staff as well, with his preference clearly being in-house operations, rather than more economical contracted services from the private sector. That's the reason for my questions as to how he might view the private sector's role in providing future potential increased needs.

MR. USKIW: Mr. Chairman, the two situations of course are not analogous situations. There are different reasons that one would attribute to the policy decisions in the other department with respect to staffing which are quite self-explanatory, I would think, but I don't mind taking time to more fully explain at the

appropriate time.

The question of aircraft ownership or contracting for aircraft services is one that would have to be based on the merits of the need. Now, I recognize that the previous administration found a need that was much less than was the need before 1977 or 1978, but it also has to do with the fact that the outgoing administration virtually cut off all programming in northern Manitoba. There was no economic thrust left in northern Manitoba and therefore the need for additional aircraft could logically depend on what the economic thrust is in that particular region and if there is an aggressive program, federal, provincial or whatever, that probably in itself will determine whether there's a need for expansion in the area of the Government Air Division. I am not in a position to predict that one way or another.

What I will say though is if the operations of government are expanded to an extent which we have to make a decision on whether we purchase more aircraft or charter existing carriers, that decision will have to be based on a cost-benefit situation. The member suggests that maybe it's not quite as convenient if you have to fly the regular route as opposed to flying in your own aircraft. There is more that attaches to that consideration than just convenience. If you are transporting several people, of whatever level of expertise, but usually these are people with a fairly high level of expertise that use the aircraft, you really have a trade-off as between providing the instant service vis-a-vis the normal carrier service and more manpower. That's usually what happens. If it takes you two days to get from point A to point B and back again, rather than one day because of scheduling and so on or the inability to receive that service at a competitive rate from a private carrier in whatever form, then the decision becomes obvious. But I'm not in a position to know; I really don't know the numbers that we will be looking at if indeed we are going to review that aspect of it.

We are merely a responding agency and if we know that the response requirements have increased by 50 percent or 10 percent or whatever it is, we will be obligated to look at how best we might provide that service, maybe a combination of means that will be employed, some charter and some additional aircraft or it could be one or the other. I have no particular view on it. My opinion is neutral on that question other than we ought to be doing what makes economic sense.

It's just like owning or leasing a building. Many people argue that you can lease cheaper than you can own. Well I've never found that to be true in the economic sense because that may be true on the basis of cash flow on a day to day basis, but when you take into account the value of assets then it becomes another question. I know that the tenant always pays the landlord's mortgage and the taxes and the landlord ends up owning the building. That's historic and it's nothing new, we're all familiar with it. So one cannot argue that it's more economic to be a tenant than it is to be a landlord.

MR. ORCHARD: Well, Mr. Chairman, we've had a nice peaceable go at the Estimates and some of the things the Minister indicates, under ordinary circum-

stances, might provoke some further discussion and I just might only comment that the Minister indicates that our need for aircraft in Northern Manitoba decreased because we reduced a lot of programming. Well, I suppose that's the kind of meat that elections are won and lost on.

But at the bottom line there is a taxpayer and the taxpayer is going to pay for any increased desire by this administration to fly members of various departments throughout the province.

MR. USKIW: Or pay more by charter, it's hard to say which way you'll pay more.

MR. ORCHARD: Or if the decision is made to purchase an aircraft to make convenient flights for staff and personnel and that analysis, of course, can be justified by using the aircraft more and I think without wanting to stimulate any great debate on the mid Seventies I think aircraft complement was twice the size and flew considerably more hours each and that's why I make the caution that if you get an aircraft or several new aircraft, I know very well that you're going to use them because the demand to use them is always going to be there. People naturally want to fly up into Northern Manitoba and sometimes the desire is enhanced about the middle of June and later on in the fall when the fishing is good.

So if the Minister is persuaded by his colleagues to have more aircraft and purchases the route, I would suggest the use could be then created to justify the purchase, not the very logical way the Minister indicates it would be done and that is why. I know we used from time to time charter services when we had, for instance, a Cabinet tour on the go and over the long run that was a much more economic way than to have two or three larger aircraft waiting for the odd Cabinet tour that we would undertake of Northern Manitoba.

So our experience — and no doubt the Minister will get that recommendation — has been the leasing from time to time or the purchase of charter service from time to time was, indeed, quite economic to meet the bulges in demand on government air service.

So we'll watch very carefully the moves afoot here because we are indeed awaiting patiently this economic thrust in this new renewed effort in Northern Manitoba. There seems to be some concerns on the horizon about the mining industry and employment in the mining industry now that may increase or decrease the need for government aircraft in Northern Manitoba. That remains to be seen.

MR. USKIW: Well, Mr. Chairman, I don't want to belabour this one. I just want to close my contribution on this item by pointing out to the Member for Pembina that I had never had a problem in using private carriers, either the regular airlines or the charter service.

As a matter of fact, I was a frequent user of private carriers during the eight years of our government notwithstanding the size of our air division. Very often we had to use private carriers for the lack of ability of our own division to provide the service being tied up elsewhere. So I have no ideological bent on that one excepting the cost of doing it one way or the other.

MR. CHAIRMAN: 7.(a) Salaries—pass—; 7.(b) Other Expenditures—pass—; 7.(c) Less: Recoverable from Other Appropriations—pass—.

Resolution No. 86.

RESOLVED that there be granted to her Majesty a sum not exceeding \$2,204,400 for Highways and Transportation, Air/Radio Services for the fiscal year ending the 31st day of March 1983—pass.

MR. ORCHARD: Mr. Chairman, might I suggest that it's 4:30 before we start on this next appropriation.

MR. CHAIRMAN: Committee rise

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): Committee come to order. We're considering the Agricultural Estimates, Item No. 3, Manitoba Agricultural Credit Corporation, (1) Administration.

The Honourable Minister.

HON. BILL URUSKI (Lac du Bonnet): Yes, Mr. Chairman, last night we were discussing the matter of applications which were in process during the fall when the Minister of Agriculture, as I understand, had been advised by staff that funds were running out in the corporation; that funds were not available for lending purposes; that those funds would be running out, but staff were still taking applications as I understand it in the fall and over the winter period for loan applications for the purchase of land. There are some applications which have been processed but not approved. There were discussions last night as to whether applications are going to be handled by the board, and some accusations.

Mr. Chairman, as I understand it staff handle the applications, up until a point staff approve applications, or at least they process them at the staff level, pending of course the voting of funds up to 80 percent of assets on the loan with a maximum dollar amount of 200,000 which staff do approve. Any applications over and above any of those two criteria, as I understand it, have to be referred to the board for approval. The board, of course, handles those applications, as well as hearing appeals against applications which may be turned down, so that's what I was trying to explain last night, and maybe I didn't get it clear in terms of the process but certainly after the committee rose I was in a position to be briefed better on this aspect and I wish to advise honourable members those applications that are in process will be handled up until the time that an announcement was made.

In fact, that's why I indicated that a review was being made because I did speak to the Chairman of the Board early in December and I will be receiving further details on any applications after that period of time, but certainly all those applications, which were pending at that time when the corporation did not have funds, will be processed in the normal manner.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. DOWNEY: Mr. Chairman, the concern that I had was that there were funds made available last week when we approved the capital expenditures for MACC,

and that there were some applications waiting for approvals of loans waiting on funds to fulfill the commitment, that should carry on in a normal process. and that wouldn't be changed. If I understand the Minister correctly that is what is happening.

Mr. Chairman, the Manitoba Agricultural Credit Corporation have listed in a lot of the newspapers, daily papers, Weekly Co-operator, quite a large number of farm properties. The term of the lease is for one year. What is the policy behind, or for what purpose is the land being leased out for one year, either or not being sold, carrying on being sold, or offered for sale by the tender basis or for a longer period of time? I somewhat question the amount of land being leased for one year and not either sold or for a longer period.

MR. URUSKI: Mr. Chairman, the member will recall the questions that were raised in this House some weeks ago by, I believe, himself and the Honourable Member for Virden concerning sales of land. The headlines that came out were "Crown Land Sales Stopped." However, Mr. Chairman, the questions that were raised were raised in relationship to the tendering of lands that some parcels of land, I think there were 10 parcels of land which were tendered sometime in November, I believe, or September, and when we indicated that we were not going to allow loaning capital for land we checked with a number of those applicants who had made tenders or had made bids on the land in question. A number of those had indicated to us; in fact I think right now eight out of the ten that had bid were desirous of leasing because some of them did have cash flow difficulties and they said that yes once it was tendered we had no option, we would have preferred to lease rather than go out and borrow money, but we had no option because we wanted to have this land, so we did tender.

As a result, when I received that information, Mr. Chairman, when a question was raised, I recommended to Cabinet and Cabinet cancelled those sales and as a result these lands were put up on a short term basis pending the review of the policies in terms of how they should be handled in the future, whether there should be long-term leases, whether the whole lease process should be changed in terms of looking at alternatives of leasing, or whether or not they again should be put up for sale and sold. Those are some of the options that will be in the review that we'll be undertaking.

MR. DOWNEY: Thank you. The Minister is aware and knows that these are his Estimates. What is his policy? What is his position on the future of these properties, will he be offering them for sale again? Does he feel committed to that, would he carry on with that policy after he does his review? He personally has to have an opinion, or a policy as a Minister, and I would ask him for his position on that policy.

MR. URUSKI: Mr. Chairman, obviously if I started with a preconceived idea, there is no sense of having any type of a review and any recommendations dealing with policy. If I've already made up my mind as to what the policy will be, what is the sense of having a review? This is the reason that the whole aspect of

land leasing and policies of further credit in the way we manage our credit policy has to be reviewed.

MR. DOWNEY: Mr. Chairman, I'm glad that the Minister hasn't got a preconceived idea about his department or any policies, that he's quite open to listen to the farm community. I hope he demonstrates it a little differently than he has when he's introduced a beef marketing board, and the abolition of a lot of the feedlots in this province with his policies, that he doesn't enter into the policies with that kind of a mind that even though he's telling us he hasn't got a preconceived idea it's just for a matter of the public record that he's . . .

Mr. Chairman, there's an area that I want to spend a little more time at and maybe my colleague, the Member for Turtle Mountain has a question pertaining to this particular point, and I'll yield the floor to him.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Chairman, I just wonder if the Minister could first of all advise us what, if any, terms of reference he's giving to the board when they're reviewing policies, does he give them any kind of direction or is the board just simply going to determine what policy will be?

MR. URUSKI: Mr. Chairman, in this year's thrust and recommendations I've made to the board that the funds that are provided to MACC this year, that the general lending policy of the Corporation be in the direction of loan consolidation, operating capital, and the like; that monies would not be expended for the purchase of land, that we would use to the best of our ability the funds that are available in those areas to assist farmers in making sure they have operating capital and that they become viable operations and continue to be.

MR. RANSOM: Mr. Chairman, I have a fairly specific question I would like to ask the Minister. This concerns a piece of land that was tendered for sale last fall sometime. It's Parcel 348 B, I believe, which is the Southwest of 8-4-20 West. I wonder if the Minister can provide me with an explanation of why the sale was not proceeded with?

MR. URUSKI: I don't have the details of the specifics of the land, but if that was part of the 10 parcels, I answered his colleague, the Member for Arthur, on the basis of the reasons that the sale was not proceeded with.

MR. RANSOM: Mr. Chairman, I believe at one point earlier during question period some weeks ago the Minister had indicated that, in some cases, the individuals had really not wanted to proceed with purchase or that the prices may not have been high enough. I'd like to know, in this specific case, what is the reason that the sale was not proceeded with?

MR. URUSKI: Mr. Chairman, the whole process was a 10-parcel process in terms of the way it was pro-

ceeded with, and when we spoke, the answer that I gave the honourable member, a number of those people did not have the cash and they indicated that they bid on the basis that they had no alternative but to bid, but they wanted to lease the land because the cash flow was not adequate. As a result, I think that we spoke to five or six of the ten people that were checked and the information came back to me and I said I advised Cabinet and we cancelled the entire process. Now we are reviewing the policy with respect to all those properties.

MR. RANSOM: Is the Minister saying that, had a person tendered on this piece of land, had the money available, that the sale would have been proceeded with?

MR. URUSKI: I'm sorry, I didn't hear the honourable member.

MR. RANSOM: The Minister indicated that it was because potential purchasers wanted money through MACC that the sales weren't proceeded with. I'm asking the Minister then, that had the individual had other sources of financing, would the sale have proceeded?

MR. URUSKI: No, Mr. Chairman.

MR. RANSOM: Well, then it's evident, Mr. Chairman, that the question of financing through MACC was not part of the decision. Why does the Minister tell us it's part of the decision if he then says that really it wouldn't have made any difference, in any case, even if the person had the land? The Minister says he doesn't have any preconceived ideas about how land is going to be handled, but, Mr. Chairman, while it's not for us to question the statement made by the Minister, I can tell you we're going to be examining that statement very carefully as time passes.

Mr. Chairman, the Minister also indicated then that land would be made available on a lease basis; that if the person had bid, and wasn't able to have their bid accepted, it would be available on a lease basis. Has this parcel of land been put up for lease?

MR. URUSKI: Mr. Chairman, the people who leased the land the previous year had the first option to continue leasing the land, and the lands that did not have a lessee were tendered out on a one-year basis.

MR. RANSOM: Mr. Chairman, the question was, was this piece of land tendered out, and was it tendered out on the same basis that the sale was tendered, that being on the basis of a quarter section?

MR. URUSKI: Mr. Chairman, I'll have to take that specific question. We don't have the file or the information here, that I'm advised, but we'll certainly check it and I'll bring the information to the honourable member.

MR. RANSOM: Mr. Chairman, I would appreciate the Minister doing that; I can tell him what to look for. I think the parcel of land, the legal description, is the Southwest Quarter of 8-4-20 west. It's my understanding, Mr. Chairman, I could be wrong, but it's my

understanding that this quarter section has now been put up for tender for leasing, tied in with another section of land, meaning five quarters, so that individuals who are prepared to purchase the quarter section of land because it fitted with their operation, are not in a position now to tender for the leasing of this piece of land because it's tied in with another section which they don't want.

MR. URUSKI: Mr. Chairman, I'll check that out and bring the information for the honourable member.

MR. DOWNEY: Mr. Chairman, I am somewhat confused again by the answers the Minister has just given. He just finished telling me, as I understood it, Mr. Chairman, that if an application had been approved by the management of the Manitoba Agricultural Credit Corporation, that was in the process of waiting for funds; that everything had been approved; the security was in place; that the individuals who already had the approval on the loan; were waiting on funds to be funded through the Legislature to MACC, he answered me, or I understood him to indicate, that loan would automatically be processed, without review; that when it went to the MACC the funds would flow and the loan would be consummated and the deal made.

In answering, Mr. Chairman, the Member for Turtle Mountain, he has now told us, regardless of whether or not those funds were there, that the land sales were cancelled; that if an individual had gone outside the MACC to get funds, the land had been tendered, they were the successful individual, that they weren't waiting on funds. But what he has told us is that those land sales were cancelled and converted to a lease for one year.

Mr. Chairman, we're being told two things here and I think that it would be very important as far as the Committee process of voting funds for a department, that he comes clean and tells us what is happening with those lands that are being sold or were tendered for sale, approved and are waiting for funds, both with MACC and land that was being sold, getting funds from other lending institutes. And, if he has just cancelled the policy flat out, then the Member for Morris, who was asking the same question last night, the Member for Roblin-Russell who was been waiting for an answer for a constituent of his, and the Member for Turtle Mountain, we have some consistency as to what the policies are.

Mr. Chairman, I would think if the Minister were to look back at the takeover of our administration in 1977, even though we did not like the State Farm Program, the Land Lease Program, but there were some people who had commitments both from government and they had made commitments waiting on funds to flow. We lived up to those commitments, Mr. Chairman. I would hope the Honourable Minister would carry out with that same kind of a feeling of commitment because there is commitment of government made to do just that. Now, I am pretty much upset if he is telling us two different things and . . .

MR. URUSKI: Mr. Chairman, the Honourable Member for Arthur is mixing two different things; he's trying to mix two programs into one. Mr. Chairman, what I told

the honourable member were that the applications that were in place when the corporation was out of funds, those loans are being processed. The issue of the MACC lands that were tendered is a separate issue from the questions that the honourable member raises.

Well, Mr. Chairman, the loans that are in place are being processed. The lands that were tendered for sale, that tender was stopped. I told that to yourself and the Honourable Member for Virden when he raised it that those 10 parcels of land which were tendered were not proceeded with. The loans that are in place now, they're being handled in the normal manner. The commitments that the member speaks of certainly are being maintained in terms of those applications that are there now in the Corporation. The lands that were tendered, Mr. Chairman, were held pending the review of further policy in terms of how these lands should be handled.

MR. DOWNEY: Well, Mr. Chairman, I understand what the Minister saying but he has told two different things to this Committee. He's saying he's having a review but prior to that review he, through his ideology, has suspended sales of land that are now owned by the Credit Corporation. So, why would he stand here and say that he's having a review done to look at the policy, when in fact he's already cancelled a sales program that was being handled by the MACC selling the lands of the MACC. So, the point I was trying to make is still there. He is not coming clean with the policies of his government.

Mr. Chairman, I would like to pursue one other area specifically and it's again on the dealing with — and I realize he has indicated to me that the policy is the same as it was; I've asked him to put it on a priority basis as far as looking at the capital gain recovery of the province under the old Land Lease Program where conversions had taken place. I want him to be a little more specific today, because I think it is a little more urgent than what I had maybe laid out to him and it even becomes more important, Mr. Chairman. I won't go through the whole principle of what we're talking about, the repayment of the capital gain on converted land that over a twenty-year period it would reduce by 5 percent and at the end of 20 years there wouldn't be any payout. There are some people who want to use that land as equity for refinancing or additional capital gain.

Could, Mr. Chairman, the Minister then indicate his particular policy, his feelings as Minister because he has to make the ultimate decision, not the board; the board recommends, I would think to him, but particularly in light of the commitment that he and his First Minister who is now the First Minister made in an election campaign promise to the people of Manitoba to rebate — this is fairly important because it's a principle that should be applied to the people who are involved in the MACC Program as well, in fact moreso to those people than the commitment they made — to refund to the farm community the province's share of the capital gain tax that is charged on a farm sale.

Mr. Chairman, I believe it's important that the Minister in two areas: (1) Where does he stand on the MACC capital gain refund? Does he believe that . . . Mr. Chairman, do you want me to read that? Mr.

Chairman, the Minister, I believe, in principle, and he and the First Minister have committed themselves to refunding a capital gain to people who are not involved in MACC Programs, but anyone who sells their farm will have a refund from the Province of Manitoba for the portion of capital gain that the province would get. Now, I hope that it's not just another broken election promise that we're going to be dealing with here because that, Mr. Chairman, that is what we've had to deal with so far this session; the broken election promises that the members of the government are trying to cover over that they are not doing. I would ask the Minister in the light of their statements made in the election promise that they're going to refund the capital gains; in light of the fact that there are some individuals who are in a conversion situation where they've converted the land and now owe money to the province, will he wipe the slate clean for them, Mr. Chairman, so that they do not owe money back to the province on converted land-lease land?

MR. URUSKI: Mr. Chairman, that is part of the overall review that I've indicated that we'll be undertaking, but the member should not try to mix apples and oranges with respect to the Land Lease Program. The member should recall that the lease rates under that program were a subsidized rate in terms of the borrowing, and as a result the public of Manitoba has invested in those lands and because the lease rate was a highly subsidized rate, that the enhanced value of that asset should not go to the lessee just with the stroke of a pen, Mr. Chairman. If there has been an enhanced value of that asset, because the people of Manitoba put the money in terms of purchasing that asset and subsidized the lease rates for a long period of time, then they equally should share in any of the enhanced value in terms of when a lessee wishes to take the option to purchase.

Mr. Chairman, that is fundamentally different than what the member is speaking about in terms of the retirement income that could be used from the capital gain, that a farmer who is retiring. It is different in this sense, Mr. Chairman, that the lease rate being subsidized and the lower rate of operations that the farmer has during his lifetime, he should be able to, and this is the intent of the program to recoup from his operation greater funds and greater benefits that he can use through his lifetime in terms of his income from his operation, versus the individual who decides to put up all his capital, borrow the money and invest it into the asset, and then has to take the chance that the enhanced value he will recapture when he retires and decides to sell out. That's the difference in terms of the philosophy or the policies of those two programs, Mr. Chairman. There is quite a difference with respect to the capital gains portion, Mr. Chairman, that of course the member will have to wait for government policy; budgets handle those kinds of matters. But when the member starts talking about broken promises, Mr. Chairman, I take him with a grain of salt in terms of his comments, but his specific question I recognize in terms of a farmer who has gone the limit of his borrowing capacity and the asset that he has. Certainly I would think that a financial institution should be prepared to loan funds at least on the accumulated portion of the asset that he retains. In

other words, if he or she has been on that property for two years there would be an enhanced value of 10 percent of the purchase price. That equity should be taken into account in further loan capital to be provided. But, Mr. Chairman, for the people of Manitoba to say we will now, with the stroke of a pen, allow the enhanced value of that property to be passed on after these years of rental subsidy and the like, Mr. Chairman, I believe that would be foolishly turning money away and giving money away, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, the specific cases that I'm referring to are not foolishly turning money away. I would like to pose a specific case to the Minister because I would agree to a point, that when a farmer or an individual who has been under the Land Lease Program to a particular point, to a date, converts his particular land at let's say, a year or two, he's been in for three years as a lease and possibly at the third of fourth year he decides to convert. Would the Minister agree, Mr. Chairman, that at that point is when the repayment or the figure at which the repayment to the government should be made? Because from that point on, any accrued value through appreciation in land value isn't really the government's, because the farmer has bought the property. It is his; he's taken the responsibility to do it. But from that point on, Mr. Chairman, there isn't any subsidy other than what everybody else gets and from that point on should be released from a commitment to pay back any capital gain to the province. Would the Minister agree with that, Mr. Chairman?

MR. USKIW: Mr. Chairman, that's part of the problem that I would want to review. Well, Mr. Chairman, in conclusion if the people of Manitoba invested into an asset, surely they should be, at least when they did take the risk, to say we will purchase that asset and that there is some benefit to be gained from that asset — surely those benefits should be spread amongst the people. Mr. Chairman, obviously in terms of the sales of the land that were made, other than the few parcels that were handled when you were in government, the people in Manitoba did invest wisely, Mr. Chairman, on the basis of the tenders that were received. But frankly, Mr. Chairman, we may find ourselves back in that process again, where people who have gone out and borrowed large sums of money at high interest rates will be back, and it seems that we're going in the cycle again. If you look back in the early '70s, late '60s, we're in the same cycle as we are now again. We're really refinancing agriculture once again in terms of consolidation, problems that farmers have, land purchasing. We're really going through another cycle again. We're down into very difficult times in terms of farmers being able to meet their cost of production and their debt load, high interest rates, and we are now starting the refinancing all over again, Mr. Chairman.

Does it make much sense for the people of Manitoba who initially put up the money to purchase the land to then say, yes we will pass on this accrued benefit to someone else after we've made that investment, Mr. Chairman?

MR. DOWNEY: Mr. Chairman, the Minister is making

a fairly general statement as far as the farm community is concerned. I do not believe that of the 400-and-some loans that were made last year, there are very very many of them, very few in fact that are having financial difficulty. He's nit-picking at the farm community because of a few of them that may have converted their land and are in somewhat a bit of problems; so he's generalizing over one or two, or a very minute amount of farm people and I don't like it, Mr. Chairman. I think he's leaving the wrong impression on the farm community, that's not the case.

The specific question I have said and he goes into his rhetoric, what I'm saying, and I have no problem with agreeing that there is commitment to pay some of the money back to the province on the converted land leases, as long as they're in the lease position. But when the farmer consummates a deal with the province, when he exercises his option to buy, from that point forward the province really aren't owed any money other than a normal loan through the MACC. Mr. Chairman, the province have consummated a sale, the capital gain from that point forward, I believe, should stay with the value of the property and the owner. And I would ask the Minister to again comment on that specific point.

MR. USKIW: Mr. Chairman, do I understand the member that he is indicating that the sale should be conducted when the farmer decides to take his option to purchase, that the land transaction should be made at market value at that point in time?

MR. DOWNEY: No, Mr. Chairman, it's the normal agreement to that point but after the agreement is made to that point it becomes the property of the farmer, and there isn't a commitment other than the normal loan to the province. Because if a person had gone outside the province to consummate that loan or to make a deal to borrow the money and pay that off, he would have all the appreciated capital gain as his. You're treating the participants in a Land Lease Program unfairly, I believe, and I would hope that the Minister would put his position forward and make it clear as to how he plans to treat those individuals.

MR. USKIW: Mr. Chairman, I threw out an option to him whether or not we should consider at the time that an individual exercises his or her option to purchase, Mr. Chairman, that's the point I made. Is the member suggesting that one of the options that could be considered is that the land be sold at the time, at market value, with no capital gain provision, no caveat provision in terms of the length of time that an individual holds the land, or on the basis of what the public of Manitoba purchase the land at, and a caveat on the basis of 5 percent per year thereafter. Those are the options that have to be looked at. I'm not sure, the member doesn't seem to be disagreeing that the people of Manitoba should give up in terms of the increased value of that land completely but yet he's saying, yes, in certain instances we should because people may be in financial difficulty and that's really the point he's getting at. And that's really the point I'm making because, Mr. Chairman, if the individual is not in financial difficulty and decides and is intending to continue farming, intends to stay in the operation, he

accrues 5 percent per year whether he does improve the land or not as long as there is good husbandry and he continues a good farming operation. He does accrue the benefits, the increased, the enhanced value of that property over 20 years. Most individuals who had decided and who wanted to get into farming will be there a lot longer than 20 years, Mr. Chairman. Normally, they will be young families or people in their 20s or 30s and they will be there until they retire and there's no difficulty in that sense. But, Mr. Chairman, to wipe out and still allow the asset to be sold at the price that it was originally purchased, Mr. Chairman, then there would be a massive giveaway to the purchaser who decides to option.

I'd like to know what the member thinks in terms of what trade-offs he would like to see. Is he indicating that the lands that were tendered before by his administration should have been tendered just on the basis — and they were as a matter of fact until there was a lot of to-do raised in here about whether the land was appraised at market value, whether we were receiving market value or whether we were only receiving what we had paid for, our costs plus the subsidies, Mr. Chairman. That was part of the problem that he got himself into where the government of the day did not request or did not want the land to be appraised. All they wanted to know was whether we recouped our costs of that land; whether we recouped what we paid for it; whether we recouped the interest and the subsidies that the individuals received. That's the problem he got himself into, Mr. Chairman, because his group didn't want to even look at what the property was worth at the time they were selling it; that there was no appraisal unless the Minister requested it and I don't believe up until '79 or '80 that they were in a position to even look at that. Now he wants to do something different, Mr. Chairman. I'd like to hear what he really would intend in this kind of a case. Is his position to pass on that accrued value to the farmer?

MR. DOWNEY: Mr. Chairman, again I have to remind the Minister that he does occupy the Ministry of Agriculture's office and it is he that is supposed to be answering the questions and I prefer to ask them, Mr. Chairman. I have put it on the record how I feel it should be done. But don't let the Minister say, Mr. Chairman, — and he can't because he's on the record now, he cannot say that he's the big helper of the young family farmer, very much the opposite. It's the big government again that is ruling over the young family farm and they do not want to particularly help them. So I would like to just again ask him if he believes on a conversion property, property that was converted, that from the time that conversion took place — because it truly is owned by that individual, by that farmer at that time, that's when he becomes the owner, Mr. Chairman — that from that date forward any accrued value, appreciated value, stays with the farmer and not turned back into the government.

MR. URUSKI: Mr. Chairman, if that policy was followed, that would be a massive subsidy and all one would have to do is calculate those sales that were made by your administration and go back to the costs that were incurred by MACC at that time. Those sales were made against the appraised value of that time,

Mr. Chairman, and the member himself would agree, that would be a massive subsidy on behalf of the taxpayers of Manitoba to those individuals who exercise their option to purchase.

Mr. Chairman, if the member is advocating that kind of a policy, he had his opportunity to give massive subsidies to those very few people who had the option to start farming and then decided to exercise their option to purchase. He had that option, Mr. Chairman. I am not prepared, I don't believe my government will be prepared, but certainly we are reviewing the entire MACC lending policy. That may be an option, but on the surface of it, Mr. Chairman, fundamentally I would say that would be a massive subsidy and we would be criticized and rightfully so if we were allowed to have that kind of money flow to those very few people who exercise their option to purchase.

MR. ENNS: Mr. Chairman, at the time the Minister announced his beef program, he indicated as well that there would be a sum of some \$24 million, I believe, that would be available in the form of attractive loans to support the Beef Income Stabilization Program. The same announcement also talked about, of course, the setting up of the Beef Marketing Commission through which the slaughtered cattle would move.

My question to the Minister on this item is, is it his intention that the Manitoba Agricultural Credit Corporation handle or administer the \$24.5 million that the Minister talked about in his announcement, or would it be the new agency, the beef marketing agency, that was also referred to setting up, in effect, a dual lending agency at this time?

MR. URUSKI: Mr. Chairman, the honourable member should understand that the marketing agency will only be the agency to make the stabilization payments. That's all. They will be handling the transaction, any lending of funds.

Of the 24 million, Mr. Chairman, 4 million has been earmarked for the stability of the fund in terms of the guarantee of the fund and 20 million would be used for enhancement of operations, carrying cattle over, that kind of a program by MACC.

MR. ENNS: I haven't got the announcement before me, but my recollection is that the Minister talks about the monies that would be made available, the 20 million, as the Minister now — (Interjection) — I appreciate that Mr. Chairman, but my question then to the Minister is, first of all has that projected requirement been taken into account in this year's request for capital by MACC and, secondly, under what basis would the \$20 million be loaned out? Again, my recollection of the announcement was that beef growers who normally have not been feeding out their cattle would require some assistance by way of loan capital to bring the cattle to a finished state and I'm assuming that's what the 20 million may well be earmarked for. Has the plan developed to the stage where he can indicate any particulars or would it be fair to assume that the general loaning policies of MACC now in effect or as have they been effect with some prejudice to the younger farmer, the built-in subsidy of whatever it is, one-and-a-half or two points below prime rate that the government loans at? Is that the line of

thinking that the Honourable Minister is thinking about in applying the \$20 million to the Beef Income Stabilization Program?

MR. URUSKI: Mr. Chairman, those specifics in terms of whether there should be a lower interest rate beyond the provincial borrowing is under consideration, in terms of whether there should be even a lower rate than that. As well, the loan program would be administered similarly; I don't think it would be any different than what is now being administered within the corporation in terms of the stocker program loans that are part of the program. The amount of assistance, in terms of carrying them over, is under consideration in terms of the level of interest rate; that hasn't been announced or determined at this point in time. The funds, of course, will be asked for in terms of the supplementary supply that will be coming forward through the normal channels.

MR. ENNS: Mr. Chairman, I'm not going to press the Minister for an answer in this instance; if fact I'm going to encourage him to take all the time - three years and eight months — the life of their government, to sort that one out because I do say, I don't want to repeat, what obviously my colleagues have already gone through with respect to the beef income program, we are not talking under the item of Manitoba Agricultural Credit Corporation; he wants to take a lot of time in worrying about the details of this part of the program because I speak, as the Minister knows, of some personal experience, having tried my hand at feeding out 500 stocker calves, that can relate to quite a story, and I can only caution the Minister at this time that he is walking into a nightmare. I don't know whether I should be kind enough to jostle him a little bit every once in awhile to let him know that there's still time to roll over on the other side and wake up and get a glass of milk, a fresh glass of cold water, or even a cold shower might help before he gets all these things.

Mr. Chairman, I'm deadly serious. If the intent of this government is, in this particular instance, where we're dealing with the Manitoba Agricultural Corporation, to forward \$20 million of public tax money to, I don't know what word I should use, to push, to lead would certainly be too generous because certainly my feelings, of my ranchers, of ranchers in the Interlake, ranchers of the West Lake portion of the province who, traditionally, have not fed out cattle; all the logistics mitigate against them feeding out their cattle. We're grass country people. We don't have the expertise required in that, perhaps, most technical aspect of agriculture; that is the successful feeding out of stocker calves to pro-slaughter rate.

This government, to boldly march in where angels fear to tread, is, I suppose, on the one hand, you could take the time off to say, it takes a lot of guts, but on the other hand, as I think my colleague, the Member for Turtle Mountain, more appropriately described it, it's just plain foolish. Mr. Chairman, there are so many variables that the government, despite the contract, despite the program that they are announcing or wanting to enter into, that they do not control. The basic market price for beef in North America, the basic inputs, the feed costs, whether barley is going to

be at \$3 a bushel, at \$2 a bushel or corn is going to be at \$1.80 a bushel, or \$3 a bushel or whether there is a natural disaster off the coast of Peru and the anchovies aren't coming in the teeming millions and all of a sudden it can inflate upwards, the cost of the important oils, soya bean meals that are supplementary feeds in cattle, that can see a variation of 100 percent in the per ton of feed in the feed costs, in a given 6-month, in a given year, in a given 12-month period of time. These are all things that cattle feeders or ranchers have to cope with but I'm searching for some relief for the taxpayer in the Province of Manitoba. I suppose I hold out that, in the feeding of livestock, that is the government feeding of livestock, that there will not be any great somes of money accruing to the government to carry on some of their other commitments. It ranks, Mr. Chairman, even riskier than that other great development tool that they've talked about, ManOil. I think the risk-taking in today's market to finish out feeder cattle is about as risky as the search for oil. However, the Minister is determined to do that. I will, with the rest of my colleagues, watch the exercise with very deep interest and we'll watch where the money goes in terms of this appropriation. He's talked about \$20 million; I suspect that the full scale and scope of the program, obviously, will not be known until there is some indication of the degree of participation but I think the otherwise fundamental role that the Manitoba Agricultural Corporation has played, for so many years now, in the Province of Manitoba, as one of the most basic and important aids, tool, if you like, that the farm community requires to carry on successful farming in Manitoba, and the expertise, the administration of that corporation, I suggest, Mr. Minister, you are putting in jeopardy, by inviting them to this kind of a poker game.

MR. DOWNEY: Mr. Chairman, I would like to ask the Minister how many additional staff does he expect to hire for MACC to administer the loans under the new beef program that he's announced.

MR. URUSKI: Mr. Chairman, that will be under consideration. There's no condition in terms of additional staff under the present budget at the present time. There's no additional staff.

MR. DOWNEY: Mr. Chairman, from what the Minister has answered, then we could expect there could be an increase in that particular, even though we have the estimates before us, at the same time, there hasn't been a decision made as to whether there will be increased interest charges if they bring in a subsidization of the interest. That, as I understand it, will be announced as well?

MR. URUSKI: I'm making the assumption that the member is speaking about the loans in terms of the stocker, the carrying over of the stocker program. That will be considered and will be announced at the time, yes.

MR. DOWNEY: I would assume, Mr. Chairman, if the figure we're looking at, of administration costs, with personnel having to increase, could increase as well as the net increase cost as well could increase, Mr.

Chairman, from what we're looking at here.

MR. URUSKI: Mr. Chairman, the member should be aware that the interest cost of the rebate program that is now in effect are, and he should be well aware, that the projections were escalating phenomenally in terms of the two or three years down the road. I believe that there are projections under this program that, even if we didn't take any more applications, that the costs of that program, I think, would escalate in the next two or three years to somewhere between \$5 to \$6 million.

MR. DOWNEY: Mr. Chairman, when a person looks at the numbers of young farmers and the percentage of young farmers that are starting into agriculture, that would look like a fairly small amount of money to me in the way in which some of the other expenditures that we're seeing take place; so it is not alarming to me as an agricultural person and a person who believes we have to support the entry of young farmers.

Mr. Chairman, I asked him yesterday specifically on the old Beef Income Assurance Program; there are some 78 loans that are reported in the last year's report. How many old Beef Income Assurance loans now remain with the Credit Corporation at this particular time?

MR. URUSKI: Mr. Chairman, we'll have to get that information for the honourable member; we have the amount of money that is estimated but we don't have the number of clients.

MR. DOWNEY: What term are the loans, Mr. Chairman?

MR. URUSKI: Eighty-five are the number of people that have loans.

MR. DOWNEY: I see. What are the terms of those loans, Mr. Chairman, and what efforts are being put forward by the Credit Corporation to collect them?

MR. URUSKI: I'm advised that the normal terms that are available, and in terms of collections they would be handled in the normal manner.

MR. DOWNEY: Mr. Chairman, I should ask the Minister what he means as normal? If it's a normal stocker program or if it's a short-term or a 10-year-type approach or specifically what terms are there in that program?

MR. URUSKI: Mr. Chairman, I'm looking at the general repayment loan, not schedule, but the details. The repayment is from one to three years depending on the size of the loan and the interest rate is MACC rate applicable to intermediate term loans and it's a promissory note and the procedures that are followed are the normal procedures.

MR. DOWNEY: Mr. Chairman, I just have one other question. The amount of money that was voted a week ago, I think it was \$26 million for the capital fund, how does that compare to the year previous?

MR. URUSKI: Mr. Chairman, as I understand it there was no request last year for capital authority under MACC because there was a carryover from previous years. This request that has been passed, this 26 million, is the interim request. We were requesting 50 million plus the 24 million in terms of the Beef Income Program, so there's a total request of 74 million.

MR. DOWNEY: Mr. Chairman, the Minister has indicated that there was no money voted in capital last year. Was there not a capital vote put through for MACC? I don't think that's correct.

MR. URUSKI: The information was given me, there was no interim request under MACC. The final request was 36 million, Mr. Chairman.

MR. DOWNEY: Well, Mr. Chairman, the amount of funds that are being requested this year that have been to date in print and requested are somewhat lower than they were last year, if you don't consider the announcement of the Beef Income Program. What I'm saying specifically for agricultural land financing and the operations of MACC, excluding the Beef Program, the request this year to date is less than it was last year.

MR. URUSKI: That is not correct, Mr. Chairman. The reason that the request is here as early as it is, is because there were no funds provided and the corporation ran out of funds in December of the year.

In addition to that, Mr. Chairman, the \$5 million that was announced last spring under the Hog Program is also being provided at the present time. In fact, an Order-in-Council was passed today authorizing the flow of \$5 million to MACC to cover the commitment that was made in this House last May, and the reason that the interim bill is in as early as it is, is because there were no funds and we wanted to flow funds so that loans that were being processed and people requiring capital could be handled. That's the reason why we moved it. In fact, if the member wants to make an accurate comparison in terms of loan capital for the total agricultural industry compared to last year, in fact it's doubled.

MR. DOWNEY: I don't want to compare apples and oranges. What I'm trying to do is get a basic idea of what kinds of funds are being put into the ongoing operations for land lending and that type of thing. If I can remember correctly I thought there were some \$36 million in total last year voted for the Loan Program as well as the for last year's capital vote. I'm not clear at this point on how much, excluding the Beef Program that he's announced, how much money is being voted for this year's operation without the additional 24 million that he's talking about for his Beef Program.

MR. URUSKI: Mr. Chairman, 50 million.

MR. DOWNEY: Mr. Chairman, so in other words we could compare the 36 million that was voted last year against 50 million this year. So then he's indicated there's an additional 24 million then to operate the Beef Loan Program or the program that

he's talked about.

Mr. Chairman, I think probably some of my colleagues have a comment or two to make but . . .

MR. CHAIRMAN: The Member for Roblin-Russell.

MR. MCKENZIE: I just have a couple of brief questions, Mr. Chairman. I was wondering on the Fishermen Loan approval, can the Minister advise what kind of capital they expect to require for the year ahead?

MR. URUSKI: There is no capital provided by the Department of Agriculture. The capital funds are voted in Natural Resources. We only administer the program.

MR. CHAIRMAN: The Member for Arthur.

MR. DOWNEY: Mr. Chairman, on that there's a question on it. There were some discussions between the two departments on transferring the total program all into MACC. Could the Minister just give us an update on what status that is at; is it being carried out or are the two departments going to continue to operate the Fishermens Loan Program

MR. URUSKI: Mr. Chairman, as I understand it, there may have been some thinking some time back but that hasn't been pursued and maybe that will be looked upon this year, but at this point in time, I've had no suggestion that there is any problems in terms of the way it's being handled now. We do the administration of the program and the funds, of course, are voted in another department. That's basically the difference; it's strictly a bookkeeping matter.

MR. CHAIRMAN: If there are no other discussions under Item No. 3 Manitoba Agricultural Credit Corporation.

THEREFORE BE IT RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,690,000 for Agriculture, particularly the Manitoba Agricultural Credit Corporation, for the fiscal year ending the 31st day of March, 1983—pass.

Continuing with Item No. 4. Resolution 11, Agricultural Product Division, 4.(a) Administration; 4(a)(1) Salaries.

MR. DOWNEY: Mr. Chairman, the amount of money that's in here is, I would estimate, just a normal increase in the overall for the wage and operational costs that normally accrue in this particular section.

MR. URUSKI: Yes, Mr. Chairman, in terms of the Administration there are two staff; there is no change in the staff; it's a normal increase that takes place.

MR. CHAIRMAN: Item 4.(a)(1)—pass; 4.(a)(2)—pass; 4.(a)—pass. 4.(b) Animal Industry Branch; 4.(b)(1) Salaries.

MR. DOWNEY: Mr. Chairman, under the Animal Industry Branch there was some work and had progressed with the department in reviewing The Animal Husbandry Act and the whole upgrading of the jurisdiction of the animal husbandry area, Mr. Chairman,

could the Minister give us an update on the current status, or his plans to make changes or does he plan to make any changes in that regard, Mr. Chairman?

MR. URUSKI: Mr. Chairman, we are not considering amendments for this Session to The Animal Husbandry Act specifically.

MR. DOWNEY: Mr. Chairman, as well there has been quite a bit of work over the past few years, particularly within the livestock organizations and certain groups in society to have the province move towards compulsory brand inspection and the whole program of . . . well, I don't know whether it is compulsory or not, but first the Minister is laughing—I don't know what he finds so funny about it—but I know that there were certain feelings, and some particular members felt that was a reasonable way to go. There, as well was a strong request, Mr. Chairman, which I would ask the Minister what he feels as far as the manifestation of livestock, the keeping in touch with, or contact with the livestock movement throughout the province as we see in B.C., Alberta and Saskatchewan. Maybe he would be prepared to answer the question if there are staff or other funds in this particular section for that kind of a program, and does he favour that kind of a system?

MR. URUSKI: Mr. Chairman, I've had some discussions with the producer organizations concerning the two topics that the member indicates with respect to branding; that is under review. We've had some discussions in terms of the manifest, Mr. Chairman, as well, certainly in terms of whether that should be implemented. There are discussions going on and, in fact, there are, I believe staff and I think, the member of the RCMP who is involved in the livestock protection are to be looking at alternatives south of the border because there have been some areas that work has been done.

For example, in other provinces the branding has been put on computers, in terms of the brands, but I'm advised that although the brands are being recorded, it is very hard to be able to retrieve that information and there are many problems with that in terms of cost effectiveness and to be able to get that information back and make as good use of it as can be made from the system. So, the systems that are in place have not been perfected to an economical and a cost-effective way and there are reviews being made of that. And, of course, Mr. Chairman, I believe that there should be some producer input into this whole process, and if over the next period of time there may be some further indication and consensus that this is what producers really want, we certainly would want to see whether we can further develop it. We are working on it but there is no, I have to tell the honourable member, great push and/or specific funds earmarked for one or the other program.

MR. DOWNEY: Mr. Chairman, could the Minister tell us if the numbers of SMYs in this particular section remain the same?

MR. URUSKI: Mr. Chairman, it is the same as last year, 53.4 SMYs in this entire branch and that deals

with branch administration, livestock, sheep, dairy, milk inspections, beef section, pesticide residue, bull tests, swine section, record performance, feed analysis lab, poultry and feed. The whole area of animal industry is in this branch and there is no change in it.

MR. MCKENZIE: I'd like to raise a couple of more questions regarding the cheese plants at Rossburn, Pilot Mound and see if there isn't some way that the problem can't be brought, at least, into perspective so that the communities out there, the dairymen themselves know where they're going and what the future holds for them. The one dairyman leaves me with the impression that he has no guarantee now that the Milk Board will continue to take their milk. Well, I hope that the dairymen have that assurance but that has been quoted by the one producer, a Mr. Paradine from Binscarth made that allegation that he was worried that because of the other thing . . .

Is it bad management, and if it's bad management, is the management bad only in Rossburn and Pilot Mound? Are they getting good management at Dauphin and Winkler?—(Interjection)—I know we don't but I think the Minister and he should find out because I think it's his duty on behalf of the producers out there to get into the thing and find out what is going on because there's a lot of that. Or maybe it's the Minister of Co-op Development that we should be lending our attack to on this, because I think—(Interjection)—well it may be, but nevertheless this government made a lot of promises when the election was on. I read one out of the book today that they wouldn't allow these certain things to happen. Those people out there are expecting somebody to react on their behalf. Now, if the government isn't going to react; the Minister of Agriculture isn't going to come to their rescue or the Minister of Co-op Development—(Interjection)—Well, I'm asking some of the questions—(Interjection)—Well, I just wonder. First of all, has the Minister had any consultations with MANCO to get to the root of the problem? Has the Minister satisfied himself that nothing more can be done and that likely those plants are not going to open up again? Is the Minister satisfied under Marketing that the cheese is being disposed of or has any been sold at all? I'm wondering and so are the people out there.

The other thing that I'm scared is that those plants are never going to open again and the dairymen are going to be naturally facing difficulties getting their milk transported because right now a lot of it is being transported to Saskatchewan. I don't think that's fair to the producers in our area to see their milk being transported across the border to another province. Surely, we can do better than that. Is it possible for somebody else; Silverwoods to come in and operate those plants? Are they more efficient? Can they handle their surplus cheese more efficiently than MANCO? These are the many questions that are being raised. As I stand here today, I don't have any answers at all; I'm wondering where I can get them.

MR. URUSKI: Mr. Chairman, I'm wondering whether the member himself has asked those kinds of questions to the Board of Directors of that corporation? Mr. Chairman, we've raised and we've spoken, and I've met personally on several occasions with man-

agement of that Co-operative and we've indicated that we are prepared to do whatever we can in terms of trying to assist that Co-operative.

Mr. Chairman, I certainly sympathize with the producers in that whole area. There is just no doubt about it that there is concern; that milk has to be moved out and that is clearly the Milk Marketing Board, I believe, is doing as good a job in terms of handling the situation as they can on behalf of all the producers of Manitoba.

The MANCO situation is but one segment of the entire dairy industry in the province. They got into difficulties in terms of stocks, I believe, in some areas quality control. We've tried to assist and help in those areas. It's not as if it's cut and dried. It doesn't end like yesterday because we haven't talked to them or today or tomorrow; it's an ongoing process. Frankly, I told the honourable member, I would hope that the Board of Directors would decide and say, look, we need specific assistance. They indicated that their problem was price and that process has gone through. Price in terms of the over all dairy industry was perceived by the Natural Products Marketing Board not to be the cause of the problems of that one enterprise. They looked at the entire, I presume, at the entire dairy industry and the returns that other plants are receiving in terms of what product they are producing from the milk that they handle. So, there are other problems, Mr. Chairman.

There is no way that I, standing here, will inject myself and say, here, I'm going to tell you what to do, because tomorrow I would have the Honourable Member for Roblin, the Honourable Member for Virden coming here and saying, you're interfering in this business, what are you doing wrecking the milk industry. We're prepared to co-operate; we're not prepared to inject ourselves.

I think the Honourable Member for Roblin well realizes that and has shown his concern, and we are concerned as well. I have personally spoken to many dairy producers and I'll repeat it again in the western part of the province. It is not a situation, I think, that can be resolved just by sitting back and discussing it. People have to say yes, we want to do certain things, can you come and can you assist us. We're prepared to help. We've tried with the market and we've done some. We've assisted before and we will try again. If there is some further management or other areas that we should be into, we will try.

MR. CHAIRMAN: The hour being 4:30 p.m., committee rise. Call in the Speaker.

COMMITTEE REPORTS

MR. CHAIRMAN: The Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please.
The Honourable Member for Flin Flon.

MR. STORIE: Mr. Speaker, I move, seconded by the Honourable Member for Wolseley, that the report of

the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The time being 4:30 p.m. it is time for Private Member's Hour.

The Honourable Member for Flin Flon.

MR. STORIE: I believe it had already been established earlier by the Government House Leader that we would adjourn at this point. We had already established that we would forgo Private Member's Hour to meet in Room 254 to observe the Crow Show I believe, as the Opposite has labelled it.

MR. SPEAKER: The Chair will entertain a motion to adjourn.

The Honourable Minister of Agriculture.

MR. URUSKI: Thank you, Mr. Chairman. I move, Mr. Speaker, seconded by the Minister of Municipal Affairs that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 10:00 a.m. tomorrow morning (Thursday).