



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, Hon. A.R. (Pete)	Ste. Rose	NDP
ANSTETT, Andy	Springfield	NDP
ASHTON, Steve	Thompson	NDP
BANMAN, Robert (Bob)	La Verendrye	PC
BLAKE, David R. (Dave)	Minnedosa	PC
BROWN, Arnold	Rhineland	PC
BUCKLASCHUK, John M.	Gimli	NDP
CARROLL, Q.C., Henry N.	Brandon West	IND
CORRIN, Brian	Ellice	NDP
COWAN, Hon. Jay	Churchill	NDP
DESJARDINS, Hon. Laurent	St. Boniface	NDP
DODICK, Doreen	Riel	NDP
DOERN, Russell	Elmwood	NDP
DOLIN, Mary Beth	Kildonan	NDP
DOWNEY, James E.	Arthur	PC
DRIEDGER, Albert	Emerson	PC
ENNS, Harry	Lakeside	PC
EVANS, Hon. Leonard S.	Brandon East	NDP
EYLER, Phil	River East	NDP
FILMON, Gary	Tuxedo	PC
FOX, Peter	Concordia	NDP
GOURLAY, D.M. (Doug)	Swan River	PC
GRAHAM, Harry	Virten	PC
HAMMOND, Gerrie	Kirkfield Park	PC
HARAPIAK, Harry M.	The Pas	NDP
HARPER, Elijah	Rupertsland	NDP
HEMPHILL, Hon. Maureen	Logan	NDP
HYDE, Lloyd	Portage la Prairie	PC
JOHNSTON, J. Frank	Sturgeon Creek	PC
KOSTYRA, Hon. Eugene	Seven Oaks	NDP
KOVNATS, Abe	Niakwa	PC
LECUYER, Gérard	Radisson	NDP
LYON, Q.C., Hon. Sterling	Charleswood	PC
MACKLING, Q.C., Hon. Al	St. James	NDP
MALINOWSKI, Donald M.	St. Johns	NDP
MANNES, Clayton	Morris	PC
McKENZIE, J. Wally	Roblin-Russell	PC
MERCIER, Q.C., G.W.J. (Gerry)	St. Norbert	PC
NORDMAN, Rurik (Ric)	Assiniboia	PC
OLESON, Charlotte	Gladstone	PC
ORCHARD, Donald	Pembina	PC
PAWLEY, Q.C., Hon. Howard R.	Selkirk	NDP
PARASIUK, Hon. Wilson	Transcona	NDP
PENNER, Q.C., Hon. Roland	Fort Rouge	NDP
PHILLIPS, Myrna A.	Wolseley	NDP
PLOHMAN, John	Dauphin	NDP
RANSOM, A. Brian	Turtle Mountain	PC
SANTOS, Conrad	Burrows	NDP
SCHROEDER, Hon. Vic	Rossmere	NDP
SCOTT, Don	Inkster	NDP
SHERMAN, L.R. (Bud)	Fort Garry	PC
SMITH, Hon. Muriel	Osborne	NDP
STEEN, Warren	River Heights	PC
STORIE, Jerry T.	Flin Flon	NDP
URUSKI, Hon. Bill	Interlake	NDP
USKIW, Hon. Samuel	Lac du Bonnet	NDP
WALDING, Hon. D. James	St. Vital	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 22 March, 1983.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions
. . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: 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 Member for Burrows, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

HON. J. BUCKLASCHUK: Mr. Speaker, I'd like to table the Annual Report for 1981-82 for the Department of Co-operative Development.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Question Period, may I direct the attention of honourable members to the gallery, where there are 65 students of Grade 5 standing from the Dr. D. W. Penner School. The students are under the direction of Mrs. Goodman, Mrs. Powell and Mrs. Horn. The school is in the constituency of the Honourable Member for Niakwa.

There are 60 students of Grade 9 standing from Charleswood Junior High School under the direction of Mr. Lerner. The school is in the constituency of the Honourable Leader of the Opposition.

There are 25 students of Grades 10 and 11 standing from the Kelvin High School under the direction of Ms. Manaigre. This school is in the constituency of the Honourable Member for River Heights.

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

ORAL QUESTIONS

Winnipeg Chamber of Commerce President's Remarks - Perverse Conditions in Manitoba

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, a question for the First Minister.

In a debate, in which he participated last evening with the President of the Manitoba Federation of Labour and with the President of the Winnipeg Chamber of Commerce, the President of the Winnipeg Chamber of Commerce is reported to have said, "We are perceived outside the province as having a tax on labour. We are also perceived as a place in which our pension costs are going to be higher than in other provinces. We are perceived as a province in which the rules can change quickly and can be detrimental to business enterprises and that perception of Manitoba is becoming increasingly negative. Whereas Saskatchewan is being perceived as being open for business, Manitoba is being perceived as having declared an open season on business."

Mr. Speaker, in view of the fact that there are 54,000 unemployed people in Manitoba, and in view of the fact that these perceptions, stated publicly by the President of the Winnipeg Chamber of Commerce, are growing not only within Manitoba but regrettably, Sir, outside of our boundaries, can the First Minister tell us what actions he and his government are prepared to take to ameliorate, or to soften, or to destroy these unfortunate perceptions created by his government in the last 14 months, which are acting as a deterrent to employment in this province?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, it certainly would be an error on the part of any government, including this government, to act upon faulty reporting of perceptions that don't in fact exist.

HON. S. LYON: Well, Mr. Speaker, is the First Minister trying to say that these words were not used by the President of the Winnipeg Chamber of Commerce, or is he merely saying that the President of the Winnipeg Chamber of Commerce doesn't know what he's talking about?

HON. H. PAWLEY: Mr. Speaker, what I indicated to the Leader of the Opposition - again if he would note very carefully - that there is no such perception that exists throughout this country as that which was reported.

HON. S. LYON: Mr. Speaker, the First Minister has answered the second branch of the question by telling me that, and telling the people of Manitoba, and Mr. McGinnis that Mr. Lloyd McGinnis, the President of the Winnipeg Chamber of Commerce, doesn't know what he's talking about.

If that is the case, does the First Minister intend to continue his co-operative stance, and posture, and

posing that he has been undertaking with the Winnipeg Chamber, or does he intend to carry on with the kind of hypocritical listening, and then turning around and doing perverse and committing perverse policies against the best interest of the people of Manitoba?

HON. H. PAWLEY: Mr. Speaker, Mr. McGinnis has his perception, he's certainly entitled to.

I should also indicate to the Honourable Leader of the Opposition that Mr. McGinnis, also at the same public meeting, indicated, and did not hesitate to so indicate, that this present Manitoba Government, the New Democratic Government, was indeed the best government that he had dealt with by way of open consultation and open door.

Suggested Reduction in Spending - Province of Manitoba

HON. S. LYON: I daresay, Mr. Speaker, to the First Minister, that few other governments have required so much attention from the Chamber because of so many perverse actions this government has perpetrated.

Mr. Speaker, in view of the widespread perception of this government as being anti-business and creating a negative atmosphere for investment in our province - which perception, by the way, I tell the Premier is true, that is the perception that is held beyond the province - is the First Minister prepared to give reconsideration to the 1.5 percent unemployment tax which has contributed, in large measure, to this negative perception across the country relating to Manitoba and investment prospects in this province which would create new jobs in this province?

HON. H. PAWLEY: Mr. Speaker, I believe in answer to the Leader of the Opposition, this would be an appropriate occasion for me to indeed remove what are some of the misconceptions that the Leader of the Opposition is espousing. Insofar as investment, total investment in 1983, Mr. Speaker, Manitoba was one of only three provinces that experienced even nominal investment growth, and is the only one west of the Maritimes that is projected to enjoy total investment growth. So, Mr. Speaker, if there is such a perception in the mind of the Leader of the Opposition, then it is but a figment of imagination because the facts do not bear that out.

Mr. Speaker, in addition, as the Leader of the Opposition might wish to check, he will find that Manitoba enjoyed the highest growth in retail sales in 1982 of any province, bear none, in Canada.

Thirdly, the Leader of the Opposition may not be aware that Manitoba enjoyed the second highest retention rate for retention of jobs in Canada in 1982. The Leader of the Opposition also may not be aware, Mr. Speaker, that Manitoba moved from having the third lowest rate of unemployment in Canada to the second lowest rate of unemployment during the past two months. Alberta, which had traditionally enjoyed the second lowest rate of unemployment, moved into the third lowest unemployment level.

So, Mr. Speaker, the Leader of the Opposition is talking about perception. I grant him the right to talk about perception, the right to talk about imaginary impressions, Mr. Speaker; I am talking about fact.

HON. S. LYON: Well, Mr. Speaker, to get back to the first part of the question, the First Minister needs to be reminded that I was using statements that were said in his presence last evening by the President of the Winnipeg Chamber of Commerce and he is talking about the perceptions held about this province across the country. I know that they happen to be true and my honourable friend can pull out whatever waning statistics he wishes from his department of disinformation that he has created in his office, and we'll be talking about that in Estimates, Mr. Speaker, about how they're fudging the figures with respect to the ones that come out from the Statistics Canada, but I want to ask the First Minister again, if he is not prepared to review, with his Minister of Finance and his government, the advisability of removing the 1.5 percent Payroll Employee Tax that he has placed on Manitobans, which is a deterrent to employment in this province, No. 1; and No. 2, is he not prepared during the course of this Session to reduce the rate of expenditure increase which print-over-print is 19.5 percent, not 17 percent as this Minister of Finance said, but print-over-print 19 percent, is he not prepared to reduce that rate of expenditure to try to get this province back on track, in a fiscal sense, so that we can begin to enjoy some new investment and new jobs in this province?

HON. H. PAWLEY: Mr. Speaker, I would find it most difficult to find ways and means of decreasing spending when daily we receive recommendations and advice from members across the way as to how we ought to be increasing spending.

Mr. Speaker, during three weeks since the commencement of the Session, once we calculate - and we shall be calculating - the request for additional spending that have been made by honourable members across the way, we would be talking in terms of millions upon millions of dollars of additional expenditure.

HON. S. LYON: Well, Mr. Speaker, is the First Minister saying that there is no alternative, that he and his Ministers can conceive of, to reduce an expenditure increase of 19.5 percent, when all other provinces in Canada are operating at somewhere in around 10, 12 or even under 10 percent of an increase? Is the Minister saying that his government lacks so little understanding of fiscal affairs of the province that they can't reduce spending?

MR. S. ASHTON: Let's hear some suggestions.

HON. S. LYON: Mr. Speaker, somebody said, let's hear some suggestions. Well, why did we have to hire a whole packet of escaped NDPers from Saskatchewan at \$50,000-a-year jobs? They could start with four or five of them, Mr. Speaker, if they wanted to save a quarter-of-a-million.

HON. H. PAWLEY: Mr. Speaker, yes, there is a method by which we can reduce spending this year and that is to eliminate the \$200 million Jobs Fund. We do not intend to do that, Mr. Speaker. Jobs are the No. 1 priority and we don't intend to delete the \$200 million Jobs Fund. At the same time, Mr. Speaker, we are

going to exercise much more caution and prudence than what has been recommended from members across the way over the last number of days by way of increased spending here, increased spending there, allow for 20 percent preferentials in respect to in-province tendering and government contracts. No, Mr. Speaker, we are proceeding in a prudent and wise fashion, and we don't intend to delete the \$200 million Jobs Fund which I know honourable members across the way would be the first to do.

HON. S. LYON: Mr. Speaker, would the first Minister or his Minister of Finance, if either is capable, kindly tell the House and the people of Manitoba what percentage of the alleged deficit of \$579 million, which is going to be much higher, is contributed to by the so-called \$200 million Jobs Fund which my colleague, the Member for Turtle Mountain, has already displayed to be a fraud?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, the Leader of the Opposition probably didn't hear all of the debate a few days ago with respect to that issue and therefore isn't aware of the facts. His Finance critic absolutely totally distorted the numbers, I'm sure not knowingly. There was a great deal of confusion by him. He came along and, in adding up our last year's spending, came to the conclusion that we had approximately \$175 million of capital spending based on the way we had capital items defined last year and on a redefinition that would have been \$306 million. He therefore concluded that there was \$125 million that had changed as a result of differences in definition. That was an absolute incorrect assumption. He was out by more than \$75 million and we suggested to him then that he get his abacus fixed.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, the question - and in its simplicity, I suppose it eluded the Minister of Finance - very simply is, what proportion of the alleged \$579 million deficit that he is prescribing for the people of Manitoba this year is contributed to by the so-called the \$200 million Jobs Fund?

HON. V. SCHROEDER: Mr. Speaker, all of the \$200 million is going to be used to create employment in this province in the coming year. Some of that money, as the Leader of the Opposition well knows, is in Schedule A, Capital, which is in Crown corporations of the government, somewhere in the vicinity, I believe, of \$85 million. I don't have the exact numbers here.

There's also some departmental capital, I believe that there's at least more than \$20 million that was totally unallocated that had been calculated right at the end. I had also indicated, when I announced the Jobs Fund in the Budget Speech, that it was about double the amount that had been spent the year before and there are certainly some current expenditures there.

Last year, for instance, we started off with a \$10 million Job Creation Fund, an unallocated Job Creation

Fund of \$10 million, plus I believe there was about \$4 million for student employment, and we added some to that. So if you add all those numbers up, you have \$200 million, not all of which comes from current spending. We never suggested that it did. But after we decided on the Job Creation measures, we then also decided that for a good portion of it, there would be taxation increases in order to make up for those portions.

Businesses in Manitoba - government involvement

HON. S. LYON: Mr. Speaker, I'm sure I'll be forgiven by you and the people of Manitoba for not asking the same question three times because we failed to get an answer on each of the last two occasions from the Deputy Minister of Disinformation for this government. Perhaps I can try and have more success with the Minister of Economic Development.

In view of the statements, Mr. Speaker, made by the President of the Winnipeg Chamber of Commerce about Manitoba's being perceived as a poor place for investment, in view of the fact that in a recent article, Robert A. Bandeen, the Chairman and President of Crown Life Insurance Company, formerly the very successful President of Canadian National Railways, said as follows, and I quote: "Another example of undesirable government involvement in the insurance industry is the recent announcement by the Manitoba Provincial Government that it will consider selling life insurance and managing pension funds through its government-owned insurance company."

I notice that there is applause from the nether wings of the left-wing party over there, Mr. Speaker. A couple of feathers were undoubtedly lost from the Marxist Eagle.

Mr. Speaker, in view of this kind of comment, in view of the fact — (Interjection) — I'm sure that my line of questioning bothers the Member for Mines and Resources. I would suggest that perhaps he might find circumstances more felicitous if he went out to a marsh somewhere and stayed there.

Mr. Speaker, in view of these statements, in view of the perverse perception of this province that is being created by announced policies by the Government of Manitoba with respect to life insurance, is the Minister of Economic Development prepared to prevail upon her colleagues in order to ensure that Manitoba not be the first province in Canada to embark on the life insurance business at a time when we can ill afford to be getting into any ventures of that sort?

HON. M. SMITH: Mr. Speaker, as I understand Part 1 of the question: Is it true that business feels Manitoba is not hospitable and that somehow, because we are not doing everything that business wants in their priority, that we are being inhospitable to business?

I submit the answer is the answer that we've been giving as long as I've been an active member of this party and this government. We're taking a balanced approach. We don't believe that there's an automatic benefit to all the people if we have a large number of thriving businesses; nor does that mean that we think we can do without a large number of thriving businesses.

What we are putting in place is a policy that encourages thriving business on one hand but does not ignore the rights of the workers and the unemployed on the other. It's a balanced approach which does not completely please business, but I submit that many of the policies and programs we have should be quite compatible with what business wants. We are not leaning completely to one side or the other, Mr. Speaker. We are adopting a balanced approach.

When it comes to the question of insurance and pension schemes — (Interjection) — the problem we are trying to solve, Mr. Speaker, is how to get adequate investment capital to reinvest in Manitoba. We don't believe we should only be going cap in hand to outside investors to come in to Manitoba. We believe we should do some soliciting of outside investors that have a strategic interest in and linkage to Manitoba. So, that is half the program, Mr. Speaker.

The other half is to search out ways of raising and retaining capital here in the province so that we can help ourselves, Mr. Speaker - a time honoured principle, one that I think the members opposite will also respect so that we can together invest in a stronger economy and society for all Manitobans.

HON. S. LYON: Mr. Speaker, may I first of all thank the Minister of Economic Development. Unlike most of her colleagues, she at least tries to answer a question. We may not agree with her answer, but she at least tries to answer.

Would she agree with Mr. Bandeen in the same article then, Mr. Speaker, where he made the following statement . . .

POINT OF ORDER

MR. SPEAKER: Order please. The Honourable Government House Leader on a point of order.

HON. R. PENNER: Yes, Mr. Speaker, even my well-known tolerance doesn't go that far. It is contrary to the rules with respect to question period to ask a Minister of the Crown to comment on a statement made by someone else outside of the House and you have ruled on that question on more than one occasion. I would ask that you consider and make a ruling in that respect.

MR. SPEAKER: The Honourable Government House Leader is quite right and I am unable to rule on a question until I've heard it all.

The Honourable Leader of the Opposition.

ORAL QUESTIONS Cont'd

Businesses in Manitoba - government involvement (cont'd)

HON. S. LYON: Mr. Bandeen has said, "Clearly a government competition in the life insurance field is a luxury Manitoba taxpayers do not need and cannot afford, given the size of that province's current Budget deficit and the massive funding requirements of job creating mega projects in the energy field. This is an example of a program which may be inflicted on the public in an arbitrary and unplanned manner."

Mr. Speaker, would the Minister of Economic Development mind explaining to the House how to use her words just spoken, the unemployed and the workers are going to benefit from government competition in the life insurance field, against this kind of comment from a leader in the life insurance field across Canada and against the kinds of perceptions that are being created by this kind of left-wing posturing by this government which is working a disservice to the unemployed and the workers of Manitoba?

POINT OF ORDER

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

HON. R. PENNER: Now, Mr. Speaker, that you've heard the alleged question, I would ask you to rule on the point of order that I raised by way of preliminary objection.

MR. SPEAKER: The Honourable Opposition House Leader on the same point of order.

MR. B. RANSOM: On the same point of order, Mr. Speaker, I believe that the Government House Leader was raising a point of order alleging that the Opposition Leader was asking the Minister to comment about a statement made by someone outside of the House. That was not the case. The statement by Mr. Bandeen was simply a preface to the question related directly to an action of the government, Sir, and I suggest the question is therefore in order and the Government House Leader did not have a point of order.

MR. SPEAKER: The Honourable Government House Leader to the same point.

HON. R. PENNER: On the same point of order, Mr. Speaker. Indeed, I was listening very carefully to the last part of the rambling question asked by the Leader of the Opposition and that last part did, indeed, specifically ask the Minister for Economic Development for her comment on Bandeen's adventures into the realms of imagination.

MR. B. RANSOM: On the same point of order.

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

MR. B. RANSOM: Mr. Speaker, there may be some difficulty in being able to rule on this alleged point of order without having reference to the transcript of Hansard. Perhaps you might wish to take it under advisement and proceed with the business of the House.

MR. SPEAKER: If it's the agreement of the House, I will take that matter under advisement to check Beauchesne a little more fully.

ORAL QUESTIONS Cont'd

Student Employment

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

MR. G. MERCIER: Mr. Speaker, yesterday, student leaders spoke out about the crisis in employment affecting students this year, not to mention the 54,000 unemployed in Manitoba already as a result of this government's failure to provide a proper economic climate for the private sector to create jobs.

My question is to the Minister of Labour, Mr. Speaker. In view of the suggestions by student leaders at the University of Winnipeg that unemployment could pass the 25-percent mark this summer, and by the President of the University of Manitoba Students Association that students urgently need summer work and about 15,000 urgently need summer work from the University of Manitoba and may leave school unless they can earn money this summer, Mr. Speaker, can the Minister of Labour indicate whether or not her announcements - we hope which will be made very shortly - will allow for the creation of a larger number of jobs than they did last year?

MR. SPEAKER: The Honourable Minister of Labour.

HON. M. DOLIN: Thank you, Mr. Speaker. I will be making the announcement about one of our Youth Employment Programs this week, so the honourable member will have full information on that. The other programs that we have in place for youth employment, such as the STEP Program, which has been in place for a number of years, are continuing of course and applications are being received for that program. The amount of take-up on these programs is of course undetermined at this point. We certainly hope that young people are going to avail themselves of these opportunities. We understand that they are waiting for us to spell out the requirements, the criteria for the programs, and we will be doing that this week.

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

MR. G. MERCIER: Mr. Speaker, a supplementary question to the Minister, can she indicate whether at that time she will be announcing any new job programs which will be shared with the Federal Government?

HON. M. DOLIN: Mr. Speaker, I suspect the member is referring to the articles in the newspaper where Mr. Axworthy is saying that these considerations are being discussed by Federal and Provincial Ministers. Certainly since last January, when there was a meeting of Ministers with manpower responsibilities, the problem of youth unemployment had been under discussion. The Federal Government has some ideas of how to put these young people to work; the provinces have some ideas. Where those ideas mesh, I would suggest that we probably will develop some programs. Those programs are not ready for announcement at this point.

Pruning of trees re Dutch Elm Disease

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, a few days ago, the Member for Pembina asked me to inquire into the

possibility of the utilization of the Dutch Elm Disease Program in Manitoba in respect to trees damaged as a result of a recent ice storm. I am advised by my department that the major part of the problem, that is the damaged trees, is on private property and we hope that the thrust of the clean-up will be undertaken by the private owners themselves in co-operation with the rural municipalities.

To the extent that existing staff is available under the Dutch Elm Disease Program, the department will try to make arrangements for trees to be pruned under two conditions: No. 1, that the downed limbs are from elm trees and therefore likely to be attractive to the Elm Park beetle; and No. 2, that the town or municipality will remove and burn the debris. One such arrangement like this, Mr. Speaker, has already been entered into with the Town of Manitou. If there are any further inquiries, certainly the department will endeavour to do what we can. However, there are no additional monies that are readily available to expand this program.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: I thank the Minister for that answer and it will be of some assistance to the communities but since his colleague, the Minister of Labour, is having a great deal of difficulty announcing make-work programs and job creation programs, he might consider tapping her \$200 million fund to possibly free up some additional funding to undertake further pruning and assistance to those communities.

Peguis Indian Reserve - flood protection

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Speaker. I address a question to the Honourable Minister of Natural Resources. I note, Mr. Speaker, that the Government of Manitoba is proposing to expend some ten millions of dollars in flood protection for the Peguis Indian Reserve. A question to the Honourable Minister, is this not the same Reserve, the Peguis Band, and the same Indian Chief that refused to accompany the first Minister to Ottawa to discuss Constitutional matters because of their belief that the province has no role in these matters? Is this the same Band, the same Indian Chief?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, if the honourable member is referring to one Louis Stevenson, Chief of the Peguis Band, that is correct.

MR. H. ENNS: Mr. Speaker, the position consistent with past administrations, and I must say this issue has been of some longstanding, that capital works done on Indian Reserve land which previous administrations have always had no difficulty recognizing the clear Federal Government responsibility which obviously the Chief, Chief Stevenson, also recognizes clearly the role of the Federal Government with respect to affairs that

affect his reserve. My question to the First Minister is . . .

HON. A. MACKLING: A point of order, Mr. Speaker.

MR. H. ENNS: Mr. Speaker, I'm asking a question of the First Minister.

HON. A. MACKLING: Oh, you'd better ask a question.

POINT OF ORDER

MR. SPEAKER: Order please, order please.

The Honourable Minister of Natural Resources on a point of order.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please. Order please.

The Honourable Minister of Natural Resources on a point of order.

HON. A. MACKLING: Yes, Mr. Speaker, I rose on the point of order for this reason. The honourable members asked a very convoluted question, making statements or assumptions of fact in his question; I didn't object to it; I gave a very short answer to this specific part of his question, but then, Mr. Speaker, he proceeded to give a long introduction, a long statement, to some probable question that would come in the near future presumably, and I object to that.

The Rules clearly say that the honourable member may have a short preamble to his main question, but that supplementary questions are to be asked without any preamble, and I object to the misuse of the Rule, Mr. Speaker.

HON. S. LYON: Back out to the swamp.

MR. SPEAKER: The Honourable Member for Turtle Mountain to the same point.

MR. B. RANSOM: On the same point of order, Mr. Speaker, I think everyone in the House recognizes that the Rules call for questions to be as short as possible and for answers to be as short as possible. We recognize that Ministers don't have to answer the question, but when the Minister of Finance sets an example such as he did today, to go on at length without any reference to the question which was being asked, Sir, it does encourage the opposition to stray slightly from the Rules.

MR. SPEAKER: Does the Honourable Member for Lakeside wish to speak to the same point of order?

MR. H. ENNS: Thank you, Mr. Speaker. A supplementary question to either the Minister of Finance or indeed . . .

MR. SPEAKER: Order please, order please.

M. H. ENNS: Oh, pardon me, I'm sorry.

MR. SPEAKER: Is anyone else wishing to speak to the same point of order?

I thank the Honourable Minister of Natural Resources. He's quite right and I've quoted before to the House that one preamble, properly phrased, should be sufficient for a first question, but preferably there should be no preamble to any subsequent question asked. I would urge members to keep that in mind. Bear in mind also that a long question tends to provoke a long answer.

The Honourable Member for Lakeside.

ORAL QUESTIONS Cont'd

Peguis Indian Reserve - flood protection (Cont'd)

MR. H. ENNS: Mr. Speaker, I accept your admonishment.

My question is to either the Minister of Finance or the First Minister, why would this government be prepared to spend upwards to 40 percent of ten millions of dollars - dollars that obviously they have trouble finding - for a project which is totally the responsibility of the Federal Government?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, the Honourable Member for Lakeside knows that the question should be referred to the Minister of Natural Resources because it does deal with a longstanding problem of flooding of land upstream and within the Peguis Reserve itself, and that resolution of that problem is not an easy one.

It is one in which we wish to involve the Federal Government, because the Federal Government does have responsibility in respect to supervision of Indian Bands and Indian Reserves. The item dealing with the probable cost or funding for flood works, in respect to the Fisher River, was one of the matters included in a list of projects to be discussed for cost-sharing with the Federal Government, because obviously there would be benefits to lands upstream, as well as lands within the reserve itself.

MR. H. ENNS: I would then ask the Minister then to confirm that it is now government policy to pay with provincial taxpayers' dollars, projects which heretofore had been the responsibility of the Federal Government. I remind the Honourable Minister and I want to make my question short.

In previous flooding, and there has been flooding, and we picked up the tab, the Provincial Government and the provincial taxpayer was always 100 percent refunded by the Federal Government, when moves had to be made out at the Peguis Reserve, when works had to be restored, when housing had to be repaired.

HON. A. MACKLING: Mr. Speaker, I would like to reply to that statement to this effect, that the item is included in that list for discussion with the Federal Government. The Federal Government has indicated that it is concerned to know what initiatives may be taken in

respect to public works, in which they may be involved, and certainly the Provincial Government would share some responsibility, because it does have some significant advantage for drainage in the whole of the area, and there would be benefits that would accrue, not only to the reserve but to other areas of the Fisher River, upstream. Certainly we would be anxious to talk with the Federal Government about those kind of initiatives.

MR. H. ENNS: Mr. Speaker, my final supplementary question. Mr. Speaker, I must say that I now am very seriously worried. Chief Stevenson indicates that the ice, although the river has not broken, is now up at the top of those temporary earthen dams. If this project is on that government's "Wish List" and we have a fast spring break-up, as I've said before in this House, this Minister and this Government are going to have to answer for it.

HON. H. PAWLEY: What is the question?

Flin Flon Hospital, Intensive Care Unit

MR. F. JOHNSTON: Why ask questions? You don't answer them.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health. I would ask him what backup steps were taken at the Flin Flon General Hospital Intensive Care Unit when doctors were informed, as alleged, that the unit would be closed from March 10th to 14th because, "of a lack of staff."

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Mr. Speaker, I was informed of the situation and the incident in Flin Flon only yesterday. The Manitoba Health Services Commission knew nothing about it and I've asked for a complete report today and I should get in a day or so.

MR. L. SHERMAN: Mr. Speaker, I wonder if the Minister could advise the House as to whether or not he knows what reasons lay behind the closure of that ICU or Critical Care Unit, as it's called in that facility, whether the closure was due solely to a reported or reputed shortage of nurses.

HON. L. DESJARDINS: The bit of information that I have, that it is indeed because of the shortage of nurses. I'm assured that the hospital had the funds, so it's not a question of money or reduction of funds at all. It is a situation, as my honourable friend knows, that it has always been a very difficult situation to attract manpower and that goes for doctors, for dentists, for nurses, in that area.

It is something that is not only in Manitoba, but in all provinces in Canada and probably in all countries of the world. So this is something that I've already invited the different professions to look at the situation of manpower with me. Many of them have accepted

the challenge and we'll have to see how we can best recruit people or what action we can take. But in the meantime, I'm told it's just because there was a shortage of qualified nurses in the area, and it certainly wasn't a question of money, and as I say, I expect a complete report in a day or so.

Nursing Manpower - Standing Committee

MR. L. SHERMAN: Well, Mr. Speaker, I'm sure that many Manitobans would like some answers to a number of questions, relative to this particular incident, certainly all of us on this side of the House would. It's difficult to frame questions when the Minister says he knows nothing about the incident and he's waiting for a report, which he expects in a day or two, but I want to assure him that we have many, many questions and I would like to ask one right now. That is, why was there a shortage of nurses in that particular facility or that particular community? What happened to the Standing Committee on Nursing Manpower, which was established by the previous government, because of cyclical difficulties in nursing supply? What's happened to that standing committee and its reports to the government as to the staffing of facilities?

HON. L. DESJARDINS: There is a Manpower Committee - in fact, we have a former Deputy Minister of my honourable friend who is looking at that constantly, that's one of his responsibilities. I'm talking about the whole thing of shortage, Mr. Speaker. If you know the answer, then why tell you.

MR. SPEAKER: The Honourable Member for Fort Garry on a point of order.

MR. L. SHERMAN: No, I don't know the answer, Mr. Speaker, but I'm asking the Minister a specific question. I'm not talking about the Standing Committee on Medical Manpower, I'm talking about the Standing Committee on Nursing Manpower.

HON. L. DESJARDINS: What I was saying is that all shortages are investigated by Dr. Johnson of our staff and I wish to say that the Commission, I've checked with the Commission, had no idea at all that there was a shortage. That was never brought to the attention of the Commission. If you don't know there's a shortage, you're not usually that concerned, so this is exactly why I've asked for a complete investigation to know what is going on.

We had never been informed that there was any difficulty at all, although we know, as I stated before, that it is not the easiest thing to attract people to practise either medicine, or a dentist, or a doctor in the north, in remote areas. It always has been difficult.

Now, we could work with these professions, I hope that we can work with these professions. We might have to take some fairly drastic steps to get the people to service the north, but this is not something that a government could accomplish miracles and it's not just the responsibility of the government. The community has a role to play.

We'll finance the operation and we'll find out and if we can help we'll work together. We can't do it alone. We don't expect to do it alone.

MR. L. SHERMAN: Mr. Speaker, one final supplementary, perhaps the Minister would like to take it as notice and hopefully he'll have some more information available by tomorrow.

Could he tell the House, when is the last time that the Standing Committee on Nursing Manpower met and reported to his office?

HON. L. DESJARDINS: I don't have this information. — (Interjection) — What's that?

When he's on his feet he can't ask questions, but all of a sudden he's got to develop a style of asking questions.

Mr. Chairman, I'll take that as notice and I'll try to get the information.

Purchase of buses from outside province

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker.

I direct my question to the First Minister, and would ask him in light of the fact that members of the New Democratic Party joined with the Manitoba Federation of Labour to boycott McDonalds Hamburgers when they bought buns which were cheaper outside of the Province of Manitoba, in light of that boycotting by his members and the MFL, could the Minister inform the House whether he has received any correspondence or letters from either his members of caucus or from the federal members, who were boycotting McDonalds, with regards to the government buying buses for a cheaper price outside of the Province of Manitoba?

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

SOME HONOURABLE MEMBERS: Oh, oh!

HON. H. PAWLEY: Mr. Speaker, when I went to school 20 percent was a failure. I would think likewise that question was a failure.

MR. R. BANMAN: Mr. Speaker, in light of the government members, and the government's posturing along with the MFL, to be bemoan the fact that private enterprise company bought a product outside of the Manitoba boundaries for less money, how does the Minister then justify, in light of his party's objection to that company buying products cheaper out of Manitoba, how does he justify, Mr. Speaker, the government then buying a commodity outside of the Province of Manitoba that is cheaper?

HON. H. PAWLEY: Mr. Speaker, I believe that the tender respecting the buses was to the effect that we would have paid 20 or 21 percent more if the buses had been purchased from Superior Bus. Certainly, all things being equal we would have preferred to buy within the province, but not at additional cost of 20-21 percent to the taxpayers of Manitoba.

Mr. Speaker, what Manitobans, whether they be members of the Conservative Party, the Liberal Party, or the New Democratic Party, do by way of voluntarily

agreeing not to buy or to buy is certainly the discretion of Manitobans, Mr. Speaker. It's not a - the Conservative Party might like to dictate what one boycotts and what one does not boycott - we are not going to dictate . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

HON. H. PAWLEY: Mr. Speaker, I don't intend to try to shout to make myself heard. The honourable member wanted and answer to a question. I attempted to do that but I don't intend to shout to make myself heard.

Mr. Speaker, the issue of whether one purchases McDonalds buns or not is a matter of personal discretion. It's a utilization of one's own private funds in respect to purchase.

But, Mr. Speaker, insofar as the bus company we make no apology for not subjecting Manitobans to a 21 percent preferential insofar as the purchase of buses in the Province of Manitoba.

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.

POINT OF ORDER

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

MR. B. RANSOM: On a point of order, Sir, yes.

I wish to put on the record that yesterday this House experienced an unprecedented 45 minute delay while we waited for the Minister of Agriculture to appear to deal with his Estimates. I wish to say that this sort of mismanagement of the House is unacceptable to the opposition.

It's perhaps understandable that the Government House Leader does not consult with the opposition to the extent that he might but he should at least be consulting with his own Ministers so that when their Estimates are before this House, the Minister will be present at all times.

MR. SPEAKER: The Honourable Government House Leader to the same point.

HON. R. PENNER: Yes, the Minister of Agriculture is perfectly capable of speaking for himself and defending his position. It was clear that he was defending the position of all Manitobans in his capacity as Minister of Agriculture and one regrets that he was delayed in reaching the House and we express that regret but it wasn't that he was spending his time frivolously. He was spending his time, as we all know, on one of the most important economic issues that this province has had to face in decades.

MR. B. RANSOM: On the same point of order, Sir. The Government House Leader is trying to say that we are indicating it was a frivolous matter that the Minister of Agriculture is dealing with. Far from it. If the Minister of Agriculture has reason to be out of the House on government business all he need do, or the Government House Leader need do is come to myself and say that he has government business to conduct and is there some other business that the House can conduct in the meantime. That's the way the House can be run efficiently, Sir.

MR. SPEAKER: The Honourable Member for Morris to the same point.

MR. C. MANNESS: Not to the same point, no.

MR. SPEAKER: I thank the honourable member for bringing that to the House's attention and for the explanation given by the Honourable Government House Leader.

HANSARD CORRECTION

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNESS: Mr. Speaker, I'd just like to record a correction in Hansard if I may. Page 922, the word access, spelled A-C-C-E-S-S; I wanted to use the spelling Axis, spelled A-X-I-S, Axis countries.

Thank you.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Speaker, I wonder if I might have leave of the House to make a non-political statement.

MR. SPEAKER: Does the Honourable Member have the leave of the House? (Agreed)

The Honourable Member for Tuxedo.

NON-POLITICAL STATEMENT

MR. G. FILMON: Mr. Speaker, I'm sure that all members will join with me in extending sincere congratulations to my neighbour and a fellow constituent of the Honourable Leader of the Opposition, Lloyd Gunnlaugson, and his rink from Valour Road in their recent achievement of having won for Manitoba the Canadian Seniors Curling Championship this past weekend in Sarnia. This is, of course, the second year in a row in which the Gunnlaugson rink has been victorious and they remain now the Canadian Seniors Champions. I'm sure that all of us, as Manitobans, take pride in their achievement.

Thank you very much.

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

ADJOURNED DEBATE - INTERIM SUPPLY MOTION

HON. R. PENNER: Mr. Speaker, would you please call the proposed motion of the Minister of Finance on Page

3 standing adjourned for the second time in the name of the Member for Lakeside?

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance, the Honourable Member for Lakeside.

MR. H. ENNS: Stand.

MR. SPEAKER: Stand.

The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, I must, on a point of order, place on the record the fact that I have communicated with the Opposition House Leader the fact that there is an urgency about this matter. This is Interim Supply, the end of the month falls on Good Friday. The pay cheques of employees must be mailed by the 28th of March. We will go on calling this bill; we will not allow this kind of dilatory treating of a serious matter to go unnoticed by the people of Manitoba.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Order please.

HON. R. PENNER: Mr. Speaker, this is the second time that the Member for Lakeside has stood the matter and I'm raising this as a point of order and for the record.

MR. SPEAKER: The Honourable Member for Turtle Mountain to the same point.

MR. B. RANSOM: Mr. Speaker, the Government House Leader has once again indicated he has absolutely no comprehension of how the House operates. That motion need only be passed, as he says, by the 28th of March. The motion does not have to be debated at all to pass. It can be called and can be allowed to pass within moments, Sir. We are under no obligation to debate that motion. We have no intention of holding it up past the deadline as those members opposite did two years ago and prevented cheques from going out.

So, the Government House Leader should learn how this House operates or the First Minister should remove him as House Leader.

MR. SPEAKER: Order please. Order please.

The Honourable Government House Leader to the same point.

HON. R. PENNER: Mr. Speaker, I need no lessons in how to run the business of the House from the "Turtle from Ransom Mountain."

Mr. Speaker, it was open to the Opposition House Leader at any time. I discussed it with him to give me the assurance that he is now being compelled to give in this House. Now that he has done what he ought to have done, if he knew his business, I would not have had to raise the matter at all.

I thank him for his assurance that indeed the matter will - and I accept that as the point on record which I wanted - that the matter will be dealt with by March 28th. That's all I needed.

MR. SPEAKER: Order please. The Honourable Government House Leader on the next point.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Agriculture; and the Honourable Member for Burrows in the Chair for the Department of Co-operative Development.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN, C. Santos: Committee, please come to order.

We are now considering the items on Co-operative Development and we are going to begin with a statement from the Minister.

HON. J. BUCKLASCHUK: Thank you, Mr. Chairman. It is my pleasure to introduce to the honourable members the Estimates of the Department of Co-operative Development for the 1983-84 fiscal year.

When my predecessor, the Honourable Pete Adam, introduced the current Estimates of the department, he emphasized the importance of co-operative enterprise to our society. I would like to take a moment or two, Mr. Chairman, to expand on his comments, to briefly review some of the accomplishments of the department over the past year, and to briefly highlight some of the plans for the 1983-84 fiscal year.

Co-operative enterprise, Mr. Chairman, is not an experiment; it is not a passing fancy; it is no longer something new and untried. Co-operative enterprise, Mr. Chairman, is a fact of life, and its contribution to the social and economic development of our society is not a matter of speculation, but a matter of record and historic fact.

Co-operatives, Mr. Chairman, were created to meet local needs by local people. Over the years, co-operatives have emerged through difficult, economic times. They struggled, they endured, but in the end, they grew, and they prospered. They have, Mr. Chairman, filled the need where that need was not being met, and they continue to fill that need to more than 9 million of our Canadians today.

I am sure the honourable members will agree with me, Mr. Chairman, that co-operatives, like any other form of business enterprise, are not immune from the adverse effects of the economic conditions in our nation; the high interest or other adversities. It is important to note, however, that co-operatives, because of their community roots, do not pull up stakes and move somewhere else when the going gets tough. No, Mr. Chairman, they stay. They fight on. They may reduce or reorganize their activities, they may expand, and in the end, their purpose in being and their resilience wins out.

They have, Mr. Chairman, passed that critical test, the test of time. This government, Mr. Chairman, has recognized that. It has recognized that co-operative enterprise is an important component of the social and economic mosaic of our society, an enterprise that responds to a very large segment of our population. This government, Mr. Chairman, recognizes co-operative enterprise as a system which is not imposed, but rather a system which is freely chosen by the people. A system, the success of which, depends on the people who use and control it. This government supports the co-operative system. Part of this support is the services and assistance offered to the co-operative sector by the Department of Co-operative Development - support, Mr. Chairman, that these Estimates are designed to continue and to further develop.

The department, Mr. Chairman, relates to the co-operative enterprise in this province in two distinct areas, those being regulatory and developmental. The objective of both of which is to create and maintain a climate that is conducive to the growth and stability of the co-operative enterprise in Manitoba.

In its regulatory role, the department is responsible for the administration of the applicable legislation, as well as a periodic review of that legislation. Consequently, a Credit Union Law Review Committee is currently reviewing existing Credit Union Legislation to ensure that it meets the needs of the Credit Union System, and to ensure that it meets the needs of the credit union system and to ensure that it appropriately reflects the roles and responsibilities of both the system and the government.

During the current year, in its regulatory role, the department has developed a new program of monitoring and examining credit unions and their central organizations. This program has been successfully tested in several credit unions with encouraging preliminary results. This, Mr. Chairman, together with the financial assistance already provided, will further enhance the process of recovery and the achievement of stability for the credit union system - a system which should be, in a very few years, second to none.

In its developmental role, the department assists the people of Manitoba to develop new co-operative ventures in all fields of endeavour. Very often, Mr. Chairman, one is tempted to think of a co-operative as a typical consumer store, common to many of our cities and town. That thought, Mr. Chairman, that impression, is totally inconsistent with the range of developmental activity engaged in by the department. Should that impression, however, exist, I'm very pleased to be able to dispel it. The range of developmental activity successfully carried out by the department involves a broad spectrum - a spectrum which includes manufacturing, agriculture, commercial fisheries, consumer stores, day care, communication, recreation, workers' co-operatives, housing, utility and energy distribution co-operatives, to name but a few.

Many of the new development projects which have been assisted by the department are not only new developments, but developments that are both innovative and in some instances, first of a kind. A good example of this, Mr. Chairman, is the recently incorporated Prairie Housing Co-operative. It is a housing co-operative specifically designed to accept a number of members who are physically or mentally

handicapped, and to thus integrate them into the mainstream of our society. To the best of my knowledge, this type of co-operative is a first of its kind in North America and interest in this concept is being expressed elsewhere.

Another type of co-operative which I must admit is not new elsewhere, but which is certainly new to Manitoba, is the utility co-operative. A utility co-operative, Mr. Chairman, that provides sewage disposal or water distribution services.

As the honourable members know, many of our rural municipalities have a large number of small towns and hamlets with insufficient tax base to provide these services; services which in urban centres are taken for granted. I am again pleased to inform the honourable members that a number of such co-operatives have been incorporated to provide these essential services to the towns and hamlets in our province. These developments, Mr. Chairman, translate themselves into establishment of new business enterprise in Manitoba. They translate into investment of capital and job creation. They create the multiplier effect in our economy.

At the present time, some thirty new development projects are in various stages of progression; projects which when completed will significantly contribute to the economic and social wellbeing of Manitoba and its people.

In fact, Mr. Chairman, in the current fiscal year alone, more new developments have been assisted and undertaken by the department than perhaps in any of the other previous years.

Involvement and assistance with new developments is not the only function, however. The department provides a wide range of consultative and management support services to a number of established co-operatives who may find themselves in difficulty, or who by reason of their geographic location cannot obtain these services elsewhere. The Co-operative Commercial Fisheries will serve as one example, and I'm again pleased to report that for the co-operatives' fiscal year-ends in 1982, all our fishing co-operatives reported positive operating incomes.

I would like to now talk briefly about what my department is planning for the '83-84 fiscal year. The department will, Mr. Chairman, over the next few months, be conducting a series of meetings throughout the province with the various co-operatives groups, both management and elected officials. These meetings will be designed to inform the co-operative sector of the services offered by the department and to discuss with them how the department may further support co-operatives and credit unions in the province. With the input gained through these discussions, the department will do a thorough review of all the services offered to the co-operative and credit union system in the province to ascertain how we could better serve this very important part of our economy.

It is also my hope that the department will become, over the next year, a conduit through which co-operatives and credit unions can, on a more equal footing with other sectors in the economy, participate in a development of this government's policies and programs. By saying this, I do not mean that this government will necessarily be favouring or giving special status to co-operatives, but merely ensuring

that they have equal access to the government and its programs.

The department's regulatory section hopes to finalize, with the assistance of a Legislative Review Committee, the review of credit union legislation in the province and, if possible and required, amending legislation will be placed before the Legislature. In addition, the Monitoring and Examination Program for credit unions will be fully implemented throughout the province. It is hoped that through this program, over the next year, the department can further develop a strong working relationship with the credit union system which will not only assist the system to grow and prosper during the '83-84 fiscal year, but into the future as well.

In the ensuing year, Mr. Chairman, the department will continue to pursue vigorously all opportunities that contribute to the development of co-operative enterprise in Manitoba. It will continue to assist our citizens to pursue and develop new and innovative ventures wherever in this province the need for such ventures may exist.

Mr. Chairman, these are but a few of the highlights of the department's activities for which the resources contained in the '83-84 Estimates are requested.

In closing, Mr. Chairman, I'd like to take this opportunity to express my sincere appreciation and thanks to the staff of the department for their dedication, their loyalty and their support.

MR. CHAIRMAN: The Chair now invites the rendering of the customary reply from the opposition critic - the Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman. The Department of Co-op Development, which came into being several administrations ago, has been recognized by a success of governments as being one which was established to deal with the whole field of co-operative development, the credit union movement, the federated consumer co-ops, and all the fishing co-ops throughout the Province of Manitoba.

In recognizing that a special department was required for this, I believe all governments realize the tremendous role that the credit union movement and the co-op movement play within our provincial economy.

Having said that, I would, as a former Minister, like to say to the present Minister that I believe that he has quite a job cut out for him over the next couple of years. There have been several large problems develop in the past number of years, partly because of the economy, partly because of the changing structure of the whole co-op movement.

This Minister right now is responsible for the \$29.5 million that the credit unions have on loan. He is responsible for the problems at CCIL and the many millions of dollars that the province and the Federal Government has involved in that. He is responsible for the problems dealing with the consumer co-ops. The latest one that we have all been following very closely is the Red River Co-op, the closing of a number of branches, the employees seeing the problem in that particular company, ready to take a 10 percent wage cut just to keep that company going; the problem of trying to deal with some of the credit unions which will either have to be rationalized as far as the number of

branch offices are concerned or will have to be wound down in one form or another.

So I say to the Minister that when dealing with his Cabinet colleagues, I hope he will be forceful enough to make sure, in dealing with this, that when the matter comes to a head, whichever problem area pops up first, that he will be able to deal with it in such a manner that not only the taxpayers of Manitoba are best served, but that the co-op movement is best served. That very often might be a tough decision to make, but I think one of the problems we've had in the co-op system over the last number of years is that, rather than adhering to the basic philosophy of co-ops - that's a group of people helping themselves, the self-help spirit that has really created the co-op system in this country and in this province - all too often we have now seen where the bureaucracy within that particular group got so big that the members themselves lost control of their particular co-operative.

We have some examples in that right now and I will be dealing with a company like CCIL in the very near future. CCIL is no longer owned by the people. It's owned by government. It is a Crown corporation and I think if you look at the share structure and who is running it, that's what's happened.

So I say to the Minister that, while we all agree, all parties in the Legislature which is basically I guess two right now, that the co-op movement is a very integral part of the provincial scene and the provincial economy providing many jobs and providing an avenue for people to help themselves, there are some decisions that will have to be made which will, in the short run, probably look as though they are not helping the co-operative movement. But, if truly we believe that people can go ahead and form their own groups and determine their own destiny, then we have to be very careful that these things don't get into the hands of what I would call bureaucrats who then run away with the thing and really don't have the input from the average person that originally envisioned the co-operative. We've seen with things like the consumer co-operatives, with Red River, if there is not conviction of the individual, of the consumer, to buy at that co-operative, if it is strictly a matter of price, then stores, for instance, in the city here like Super Valu and Safeway, are going to take over.

If the people are not convinced that the co-op system is going to, in the long run, help them to a better self-determination, no amount of government help, no amount of propping up will make that enterprise viable because the people have to be involved and have to have the courage of their convictions themselves.

So I say to the Minister that I appreciate some of the challenges that are before him are fairly substantial. When one looks at the number of people involved in the co-op movement right across Manitoba, I believe the last figure was something like over 350,000 people are members of the co-op system, or the credit union system which means that almost every other Manitoban, one out of two, is touched by the credit union movement. It's a big movement, but there is going to have to be rationalization there and there's going to have to be some tough steps taken. And I would encourage the Minister to make sure that he, with his staff, makes those decisions based on the long run, based on the long haul rather than on the short term, what seems to be expedient at that time.

So I believe the challenge to this Minister in the '80s is one of, on the one hand, trying to promote the smaller co-operatives that he just mentioned on a smaller scale. But one of the biggest problems he's going to have is to try and stabilize the existing system, and to rationalize it so that the co-op movement truly is the movement of the people and not the movement of government or the bureaucracy.

Thank you, Mr. Chairman.

MR. CHAIRMAN: At this point in time the Chair wishes to invite the members of the administrative staff of the Department of Co-Operative Development.

Deferring debate on the Item, Minister's Salary until the debate on all other items is concluded, we shall begin by considering Budget Item No.1.(b)(1).

MR. R. BANMAN: I wonder if we could have a little guidance here. Since there are not very many lines in this department and since we don't want to get into a procedural hassle with regards to a number of the different areas of concern. The Co-op Implements, the credit union loan and that, I wonder if I could just ask the Minister if we would deal with that under the Interest Forgiveness section, if that would be the proper place to deal with that?

MR. CHAIRMAN: Mr. Minister.

HON. J. BUCKLASCHUK: Yes, that's where it is found.

MR. R. BANMAN: Well, I guess the first question that has to be asked is, what's happened with regards to the Minister's Salary?

We've gone from 10.3 to 9.8.

MR. CHAIRMAN: We are not discussing . . .

MR. R. BANMAN: Okay, we'll deal with it at the end, yes.

MR. CHAIRMAN: We'll deal with it when all other items have been covered.

MR. R. BANMAN: I just don't want to have that being a reflection on this Minister. It's an important department.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Mr. Chairman, first of all, under the Departmental Administration: Salaries and that, the increase, is that basically due to the GIS?

HON. J. BUCKLASCHUK: The salary increases are a result of four factors: No. 1, there is a negotiated agreement; No. 2, the 27th pay period; No. 3, the difference that we will note there of about \$14,000 is also a reflection of a shortfall in revenue in allocation from the Department of Finance the previous year; and there is a fourth factor, being the merit increases and incomes.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass; 2.(a)(1) - the Member for La Verendrye.

MR. R. BANMAN: I wonder if the Minister could inform us under the Development Services with regard to basically credit unions, does he envision, in the next number of years, the number of credit union facilities and I'm talking now of branch offices and that? In other words, will we have a fewer number of credit unions in the next two or three years than we do currently?

HON. J. BUCKLASCHUK: Yes, it's quite conceivable and probably fairly probable that there will be a decrease, a minimal decrease, in a number of credit union locations in the province. That was, I believe, communicated to us by Central itself, when they had applied for the assistance some year and a half ago or two years ago.

MR. R. BANMAN: So the Minister would then agree that the success of his department will not basically depend on the number of increased co-operative credit union facilities, or number of new credit union offices that will be open?

HON. J. BUCKLASCHUK: The measure of success of the credit union movement certainly will not be reflected in a number of credit unions, but rather in the stability within the system and the profitability of the existing credit unions.

MR. R. BANMAN: Well, I'm glad to hear that, Mr. Chairman, because for so many years there has been a feeling that if there aren't another 10 new credit unions opened within the province that the Department of Co-operative Development isn't doing its job. I think if one goes back to Hansard, only a few years, I think you'll find the former Minister was chastised at great length for not having opened more co-operatives and therefore was tagged as being a dismal failure in that position. But I'm glad to see this Minister now realizes that there is a job to be done and that numbers won't necessarily mean that the department is or is not doing its job.

With regard to the development within the fishing co-operatives, are there any new fishing co-operatives that are on the horizons as far as being formed in Manitoba?

HON. J. BUCKLASCHUK: Yes, I believe there is one that is in the development stage at this time at Lake St. Martin - Koostatak.

MR. R. BANMAN: The Minister also mentioned that the fishing co-operatives were all showing a fairly healthy position and I guess have done that now for the last couple of years. I wonder if the Minister could provide us of sort of a break out of what has happened in the last couple of years with regard to that. He could do it maybe after the committee.

HON. J. BUCKLASCHUK: With respect to the fishing co-ops, I'm pleased to report that the net income for the past year was approaching a third of a million dollars which is, I would imagine it would be, an all-time high. Assets are increasing considerably; the fishing co-ops appear to be very successful.

MR. R. BANMAN: With regard to the number of people in the field that are currently involved in the promotion

of co-operatives and endeavours such as housing co-operatives, has the number of people involved in the Co-op Development section increased?

HON. J. BUCKLASCHUK: The number has been constant; I believe it is presently 18 staff.

MR. R. BANMAN: Has the government provided increased assistance to non-profit and housing co-operatives higher than, let's say, was being practised a year or two ago?

HON. J. BUCKLASCHUK: I'm sorry, I missed the first part of that question.

MR. R. BANMAN: Since there are no more people involved in the Development Branch, has the government initiated any new action with regard to co-operative housing or increased assistance to non-profit groups who want to build, or are the people that are deployed in that particular section doing very much the same that they were doing over the last two or three years?

HON. J. BUCKLASCHUK: In response to that question, the type of assistance that is provided by the department is not financial but developmental. At the present time, the department is involved in assisting about half a dozen housing co-ops.

MR. R. BANMAN: Could the Minister confirm that this isn't anything new, that has been going on for the last seven, eight years?

HON. J. BUCKLASCHUK: Basically, it is carrying on with the previous tradition.

MR. R. BANMAN: So, if I understand correctly, there have been no new commitments as far as grants or additional assistance to the housing co-operatives within the department?

HON. J. BUCKLASCHUK: There have been no new grants, but I am informed that in fact perhaps there is a little more emphasis on housing in the absence of CHAM.

MR. R. BANMAN: That was the particular group that was doing the promotion, I understand?

HON. J. BUCKLASCHUK: That's correct.

MR. R. BANMAN: So the Minister is saying that organization is wound down and there are no grants which are now being paid out to that particular body?

HON. J. BUCKLASCHUK: There are no grants being paid out of the Department of Co-operative Development to any body.

MR. R. BANMAN: And none to any housing co-operative groups who are promoting or would be promoting co-op housing?

HON. J. BUCKLASCHUK: Not by the Department of Co-operative Development.

MR. R. BANMAN: The other question that I would have is, have there been any applications by housing co-operatives dealing with the High Impact Grant?

HON. J. BUCKLASCHUK: I am informed that there are no applications on hand at the present time.

MR. R. BANMAN: Just an observation then, Mr. Chairman, I would say that with no increase in staff and no additional grants going out to any housing co-operatives or any housing co-operative operations that I would gather from the Minister's comments that the department is trying to carry on the way it has for the last number of years in trying to establish co-operatives, and that is, to deal with people who upon request or upon requiring information, the department would then go out and give them assistance either in the form of materials or other in the form of helping them establish that was carried on for a number of years in the past.

HON. J. BUCKLASCHUK: Essentially, that is correct. If the Member for La Verendrye would refer to the speech, I had mentioned that we will be meeting with various groups throughout the coming year and where we would hope to gain from these meetings is to whether or not there is a better way of dealing with the needs of the co-operative movement.

MR. R. BANMAN: Was the department involved at all with the decisions by the consumer co-operative, Red River Co-op, in rationalizing their operation?

HON. J. BUCKLASCHUK: Yes, our department was made aware of the intentions of the Board of Directors of Red River Co-op after the decision had been made and approximately one week before any action was taken in closing down or announcing the closing of the various locations of Red River Co-op.

MR. R. BANMAN: So as far as people from the department going in, looking at the situation, you weren't asked by Red River or you didn't have anybody that was directly involved in advising them or involved in the actual decision-making process.

HON. J. BUCKLASCHUK: No one from the department was involved in the decision-making process but certainly, after the announcement was made, staff from the department did respond to inquiries for assistance from the local membership and a considerable number of meetings were held in Teulon, Stonewall, I believe Oakbank, St. Norbert. There were some approaches made to see if there would be any way of salvaging some of the operation. Regretfully, nothing positive developed.

MR. R. BANMAN: How widespread is the economic problem, the squeeze, on the consumer co-operatives throughout the province? In other words, are we seeing something happen here which is isolated to Red River or are we going to be seeing difficulty in the consumer co-operatives right across the province?

HON. J. BUCKLASCHUK: It would be difficult to give an overall assessment, but I would maintain that the

economic difficulties that the consumer co-ops are going through are probably no more nor no less than the private sector. We are aware of various co-ops around the province having to take some steps in rationalizing their operations, perhaps cutting out a department or so, in an effort to make their co-op more viable.

MR. R. BANMAN: Does the Minister feel that there will be other co-operatives who will be asking their employees to hold the line or take a cut in wages to keep them open?

HON. J. BUCKLASCHUK: That is something that is entirely within the jurisdiction of the local co-op and I have no information to that effect from any co-op.

MR. R. BANMAN: Has the government been asked by any consumer co-operatives in the province for financial assistance to help bail them out of any difficulty that they might be having?

HON. J. BUCKLASCHUK: There have been no approaches to government that I am aware of from any co-op for financial assistance.

MR. R. BANMAN: In dealing with the credit union side of the equation, has the government, through this particular department or this particular branch, been dealing with the credit union system with regards to the rationalization of the number of branches that are currently open and the number of credit unions that might have to be closed because of them not being viable in their particular area?

HON. J. BUCKLASCHUK: The examination program that I referred to previously will certainly identify some of the problem areas. The decision as to the branches that ought to be closed down is primarily a responsibility of the Stabilization Fund, who in concert with the central will be reviewing the situation and making the appropriate decisions.

MR. R. BANMAN: Has the government developed any new public awareness programs, other than the one in which I guess they're going to be going out to the different co-operatives and talking to them, than existed in the past? In other words, are there any new promotional ideas that the department has other than pamphlets and that type of thing?

HON. J. BUCKLASCHUK: Not at this time.

MR. R. BANMAN: I wonder if the Minister can tell the committee how many co-operatives received their charter in 1982?

HON. J. BUCKLASCHUK: From April 1, 1982, to the present time, I am informed that 15 co-operatives have received a charter.

MR. R. BANMAN: A number of years ago, the Thompson Credit Union, The Pas Credit Union and a number of the smaller credit unions that had amalgamated with Thompson closed their doors. Has

their been any action in any of those northern communities by concerned individuals with regards to reviving the co-op system in some of those northern communities?

HON. J. BUCKLASCHUK: Our department has not received any formal requests of that nature.

MR. R. BANMAN: About a year ago, Mr. Mitchell from Saskatchewan was hired on a contract. I wonder if the Minister could tell us how much that contract was for, what the particular individual did and whether or not the study that he produced will be available to the members of the Legislature?

HON. J. BUCKLASCHUK: The Member for La Verendrye is quite correct. Mr. Grant Mitchell was hired by the Provincial Government to provide advice and assistance to the Minister on the credit union system and co-operative development. His payments to the end of February, 1983, amounted to \$24,151.42. That would have been from about December of 1981 to February 28, 1983. Maybe if I could just continue on with that, part of his responsibilities were in reviewing the Scarth Report, I believe. He has also provided me with a review of the operations of the department.

MR. R. BANMAN: Is this particular individual still working for the government?

HON. J. BUCKLASCHUK: That's right. Mr. Mitchell has been asked to assist me over a period of two days to review the report on the operations of the department.

MR. R. BANMAN: Is this individual now working for the stab fund?

HON. J. BUCKLASCHUK: The individual, Mr. Grant Mitchell, is a member of this stab fund appointed by Order-in-Council.

MR. R. BANMAN: So he would be the Minister's appointment on the stab fund, is that correct?

HON. J. BUCKLASCHUK: He would be one of the Minister's appointments on the stab fund.

MR. R. BANMAN: Does he receive any remuneration for that?

HON. J. BUCKLASCHUK: Yes, by Order-in-Council he receives the same remuneration as the other board members, and I believe that's \$3,240 per annum, plus expenses.

MR. R. BANMAN: Did this particular individual provide a report to the department as to the assistance that was supposed to be provided to the credit union movement and the different recommendations of the Scarth Report?

HON. J. BUCKLASCHUK: Yes.

MR. R. BANMAN: Is his report available to members of the Legislature?

HON. J. BUCKLASCHUK: Yes, the report was to the Minister and it's not available to the Legislative Assembly. In the same manner that the Scarth Report was not available to the Assembly.

MR. R. BANMAN: Could the Minister tell us what, you've mentioned before that there was no new promotion going on in the Department of Co-operative Development. Has he had any talks with the co-op officials from the Co-op College with regards to the co-op curriculum program?

HON. J. BUCKLASCHUK: I have not personally had any discussions with members of the Co-op College although I'm aware that there has been some indication of support for this program through the Co-op Promotion Board.

MR. R. BANMAN: I wonder if the Minister could give us an update as to what is happening with the different publications and different copyrights that the Province of Manitoba sold to the Co-op College. In other words, could he give us an update as to what has happened with the Co-op Curriculum Program?

HON. J. BUCKLASCHUK: Well, I could go to some length on this. As the member knows, the co-op curriculum materials were sold to Co-op College by the Province of Manitoba in 1979. The college has, since that time, revised and issued for sale the Co-operation of the Community Life book at a cost of \$30 a book. It's in the process of releasing the secondary material book for April 1, 1983 at a cost of \$30 a book as well.

MR. R. BANMAN: I wonder, Mr. Chairman, if the Minister could inform the committee whether or not there was a regional Co-op College Committee established in Manitoba for the purpose of introducing the material to Manitoba schools?

HON. J. BUCKLASCHUK: Yes, there is a Manitoba Regional Council of the Co-op College of Canada, and it was established to present these materials to school divisions through the office of the school superintendent.

Presently the Department of Co-operative Development is involved only in an observer role and a representative of the department attends the regional council meetings.

MR. R. BANMAN: I wonder if the Minister could confirm that this council has several times tried to get the Minister of Education to include this material in the curriculum and so far the Minister of Education has resisted any attempts to have this particular information be made part of the curriculum?

HON. J. BUCKLASCHUK: Yes, I'm informed that meetings are to be held within the next month or two between staff from our department and from the Department of Education on this subject.

MR. R. BANMAN: Mr. Chairman, I notice in the Annual Report of the Co-op Loans and Guarantee Board that the Northern Co-operative Services seems to be doing

very well with regard to - the purchases are requiring what it looks like less guarantees from the province.

I wonder if the Minister could tell us how many fishing co-operatives were involved in purchasing from the Northern Co-op Services, and how many members would probably be involved in those different co-operatives that are purchasing from the joint Northern Co-op Services?

HON. J. BUCKLASCHUK: Yes, there are 12 fishing co-ops that are members of the Northern Co-op Services Limited and they would serve approximately 700 commercial fishermen.

MR. R. BANMAN: Did this service break even last year or did it lose money?

HON. J. BUCKLASCHUK: I regret I don't have the financial statement here. I'll take that question as notice and provide you with the information as soon as I have it.

MR. R. BANMAN: Well, I wonder, if the Minister is checking, I wonder if he would, when looking at that particular statement, find out roughly how many man hours, or SMYs, from his department are involved in that particular organization and whether or not he feels that the results he has achieved over the last number of years justify the existence of that.

I think there's two schools of thought with regards to that. I think that when you're talking about large purchases of fishing nets and that of course, it's been of benefit to the fisherman, but I think from time to time one has to review these things and I'd like to have some more information with regard to that.

HON. J. BUCKLASCHUK: Yes, I'd like to just refer back to my previous commitment. I just realized and was informed that Northern Co-op Services is in fact a private co-op and it wouldn't be appropriate for me to deal with its profit or loss situation.

I had no hesitation in giving the overall profit situation for the fishing co-ops because they weren't identified but here we're dealing with a specific co-op and I don't feel it would be quite proper.

MR. R. BANMAN: I just ask the Minister, who is picking up the losses then? In other words if there is a deficit position is that spread equally among the people that have purchased there? Will they have to charge more next year for their commodities or how will that be handled? And I ask this question knowing full well that the department is fairly heavily involved in this through the donation of manpower to the operation.

HON. J. BUCKLASCHUK: Yes, in answer to the question, what happens if there is a loss in the co-operative? - the loss would be taken out of the positive equity that the co-op enjoys. Well, I should first of all state that there is an independent board for this co-operative. The department's involvement is in the provision of management services.

MR. R. BANMAN: I don't know if this next question should come under the next section but, as I mentioned

before, since it's such a small department, maybe we can deal with it all at once and then we don't have to come back to it.

I believe somewhere in 1980 a formal Security Program was established within the department to ensure that the majority of co-ops properly comply with the regulations when issuing securities. This was something new. Could the Minister give us a status report as to how that is progressing?

HON. J. BUCKLASCHUK: Yes, for '81-82 there were 15 offering statements received, of which six were approved. There was one statement of change in fact received - that was approved. There were three exemption orders received - two were approved.

MR. R. BANMAN: What is the Minister's and the government's position with regard to emerging of credit unions that will be taking place over the next little while?

HON. J. BUCKLASCHUK: Our objective is to assist in the credit unions being profitable, stable enterprises, and the responsibility for the merging or the decisions leading to merging rest with the Stabilization Fund.

MR. R. BANMAN: I wonder if the Minister could confirm that the Registrar that he appoints is the final person that can either allow the mergers or not allow the mergers, and that maybe he could tell us what kind of information the Registrar is looking at when it comes to allowing a merger or not allowing a merger to go ahead.

HON. J. BUCKLASCHUK: Where the merger is being considered, the Registrar will approve that, providing it complies with existing legislation.

MR. R. BANMAN: Are there any mergers that are being recommended by the department?

HON. J. BUCKLASCHUK: Yes, the request for a merger has to be approved by the membership. This, in turn, is forwarded to the Stabilization Fund who, in turn, informs the Registrar, so the whole process is a little more complex than simply the Registrar making that decision.

MR. R. BANMAN: Mr. Chairman, I appreciate that. We went through that when we were involved in the closing of several co-operatives in Northern Manitoba. But knowing that there has to be finally some impetus provided by the department to initiate some action, I wonder if the Minister could inform us whether he feels that type of impetus will be necessary - for a lack of better words - over the next year or two, to try and rationalize some of the problems that the credit union system now faces in some of the branch operations.

HON. J. BUCKLASCHUK: I previously referred to the examination program that has been initiated. This program will examine the whole operation of the credit union in question. The examiner's concerns will be reflected in a report to the Stabilization Fund and to the board. The decision could therefore be made by the board at the local level, or it could be made by the Stabilization Fund, as the supervisor.

MR. R. BANMAN: Is the Minister's department monitoring that fairly closely?

HON. J. BUCKLASCHUK: Yes, the department is the body that carries out the examinations. We have an observer at the Central Board level; we also have an observer at the Stabilization Fund level.

MR. R. BANMAN: When the research and planning section was established, it was I believe funded jointly, or it had responsibilities with regard to the Department of Fitness, Recreation and Sport. Does that arrangement still hold true?

HON. J. BUCKLASCHUK: The situation has remained unchanged.

MR. R. BANMAN: So the research and planning section is still providing that service to the Fitness people. Is that money coming from this particular department?

HON. J. BUCKLASCHUK: Yes, I'm informed that is all paid by the Fitness and Recreation.

MR. R. BANMAN: If the research and planning is paid for by Fitness and Recreation, how about - the other side of the equation was the administrative body?

HON. J. BUCKLASCHUK: The same situation applies.

MR. R. BANMAN: Their salaries are coming from the Department of Fitness, Recreation and Sport also?

HON. J. BUCKLASCHUK: That is correct.

MR. R. BANMAN: Total salaries?

HON. J. BUCKLASCHUK: Yes.

MR. R. BANMAN: In light of the difficulties being faced by the credit union movement, is the Minister monitoring the loaning activities of Central and of some of the credit unions that are in a deficit position?

HON. J. BUCKLASCHUK: Yes, the monitoring of those credit unions that are experiencing difficulties is done through our observer on the Stabilization Fund Board. With respect to loans, there is a loan committee at the central level to which all credit unions apply for approval of their loans subject to certain criteria.

MR. R. BANMAN: Is the Minister saying that some of the credit unions that are facing fairly large deficits would have to have a loan, let's say, a commercial loan that exceeds \$50,000 okayed by the Central?

HON. J. BUCKLASCHUK: Yes.

MR. R. BANMAN: We've had before us in the Legislature, the last several days, a problem facing a certain bus manufacturer in Morris. I wonder if the Minister could inform the committee whether or not the credit unions' exposure on that one is fairly large.

HON. J. BUCKLASCHUK: That is entirely a problem or a matter which the credit unions would have to reply

to. We, as a department, would not take a position of getting into details of a private financial arrangement.

MR. R. BANMAN: Well, Mr. Chairman, I appreciate the Minister's remarks, but I would also point out to him that we were asked to vote \$29.5 million last year to help the credit union movement, and the people of Manitoba have a pretty significant stake not only in tax dollars, but also in the continued operation of that facility. I would just ask the Minister to confirm that one of the creditors that is a major creditor in the Superior Bus stake is the credit union system, which means that if there are any major losses that are going to happen out there, it's going to affect the position of the Manitoba Government with regard to the recovery of that particular credit union.

HON. J. BUCKLASCHUK: The method by which the province has chosen to protect its interests in the investment in the Credit Unions and Caisses Populaires system is through the examination and monitoring program. It will serve no one's interest by getting into details of particular business transactions.

MR. R. BANMAN: Mr. Chairman, if we are to sit in the Legislature and vote large sums of money to a particular body, there are certain questions that are going to have to be answered from time to time and I guess my question to the Minister is to what extent does he or his department monitor some of these larger loans that either Central or a number of the co-operatives are given? I just want to use this as an example. Here's a manufacturing business that started off, and I understand has a fairly large loan from the Central as well as several of the smaller credit unions, and the failure of that company could cause severe problems for not only the credit unions but could cause problems at Central with regard to the recovery that they are putting forward.

So all I'm asking, without asking the Minister for any figures on that is how does his department deal with this type of loan with the observers that he has? Is that brought to his attention? Is the department involved and saying, hold it, we don't think this is a good risk, or are they just sitting there monitoring it and then letting the movement, the credit union system, make the loans themselves, or is there any input from his staff or from himself with regard to some of these major moves? Because I would imagine, Mr. Chairman, if the Minister is at all concerned about this situation, he will have to be on top of it, and when we're starting to talk about large loans that the department should be watching it because the exposure of everybody on this thing, including the taxpayer, is involved.

HON. J. BUCKLASCHUK: Well, I think the member raises a valid concern, but I would like to inform the member that we have initiated an examination of Centrals as well, and included in the examination will be an examination of the loan portfolios. So in fact we are doing, I would think, a fairly thorough review of the operations of credit unions and Centrals, and maintaining an observer status on the board.

MR. R. BANMAN: On any large loan that the Central or the credit unions is making, and I'm talking within

the million-dollar ranges, has the government got a system whereby it satisfies itself that the securities and that the assets are well protected?

HON. J. BUCKLASCHUK: As part of the examination program, we have to satisfy ourselves that they are taking the necessary precautions.

MR. R. BANMAN: Mr. Chairman, the reason I'm saying this, and it's well acknowledged in the whole credit union movement, is that the credit unions that have been basically involved in dealing with individuals, with small farm loans, with car loans, with mortgages on houses, these credit unions have not found themselves in the difficulty that we find ourselves right now. The ones that have got involved i.e., the Dauphin one, it mainly is one thing. It was that plastic thing that just pulled him right down. Portage la Prairie had a couple of big ones. You have had a number of credit unions who have not had the expertise in dealing with these large commercial loans that have really caused the problem we find ourselves in right now. The reason I'm asking these questions is that I would hate to see us get further down. I think the key to recovery for the credit union system is to watch these large commercial loans very carefully, and I say to the Minister that I believe that is the area, if he wants to concentrate on something and watch and monitor the whole co-op system, that is the one we should be watching very carefully, those large commercial loans. The managers locally can handle the house mortgages and the vacation loans and the student loans and things like that. People pay those back, but what's happened is that large enterprises - credit unions have been taken by, whether it be a local enterprise or something, but when you're talking about .5 million, \$1 million, \$2 million, most of these small credit unions can't handle that when that company happens to default or go broke.

So I would urge the Minister that if he does not have that in place, which I understand - I don't know, maybe he does, but that somebody in the department should be making sure that if you're looking at large loans, every avenue be checked out and make sure that it's a viable loan, well-secured loan, because that's the area that got the credit union system into the problem in the first place. I think if there are checks and balances in place, as the Minister has said, that every loan over \$50,000 in some of these deficit credit unions has to come to central for their approval. I hope that central is scrutinizing and watching those loans very carefully.

I just say to the Minister, I don't think there is anything wrong if he has an observer on the department. If we, as the taxpayer, have got \$29.5 million in that particular system, forgiving any interest on that particular loan, I think it's up to the Minister, maybe not through Development Services, but through the Regulation Branch to be on top of the whole thing and make sure that we don't get ourselves into any further difficulty and that we can speed the recovery of the whole credit union movement.

HON. J. BUCKLASCHUK: Again, the member has raised valid concerns and I believe these are being addressed. As I had indicated before, there is a loan committee at the central level to which all credit unions

apply for approval for major loans. This, I understand, came about as a result of The Credit Union Act effective November 1, 1979. On this loan committee, central has personnel with expertise in the loan areas and I am quite confident that central is moving ahead in developing expertise and attracting those persons that have that expertise.

I should also indicate that there is a member of the stabilization fund as a member of the loan committee. The examination program that the province carries out monitors the activities of that committee. So there are, in fact, a number of ways in which loan applications are reviewed and the activities of the loan committee are also reviewed.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman. Just to follow that up, I wonder if the Minister could give the committee some indication of who is on the committee that will be monitoring or scrutinizing the loans over \$50,000, so that we may have some idea of their expertise in that field? Could he give us the background of some of the experts that will be financial analysts or whatever they may be?

HON. J. BUCKLASCHUK: I don't have the names of the persons that are involved. I should maybe clarify something first of all. The 50,000 figure that was referred to would apply to normal business loans. I understand there is a floor of \$250,000 on agricultural loans. The staff that are on the committee would be from central - and I mentioned before a member of the stabilization fund. I should have said, senior staff from the stabilization fund.

MR. D. BLAKE: Is there someone from the department, Mr. Chairman, that sits on that committee?

HON. J. BUCKLASCHUK: There is no one that I am aware of from the department. The stabilization fund though is responsible to the Minister, so that would be the Provincial Government's involvement.

MR. D. BLAKE: Mr. Chairman, on the loans in excess of \$250,000, agricultural loans, does the credit union movement have people from the agricultural field, such as the financial institutions have, agricultural graduates or people specializing in agricultural economics, to study profit and loss figures, and what type of information do they require the borrower to submit in order that they can assess his case?

HON. J. BUCKLASCHUK: My understanding is that the central does have on its staff well qualified people in the field of agricultural economics.

MR. D. BLAKE: Mr. Chairman, could the Minister tell us what guarantee is there provided to the depositor by the credit union movement or by the stabilization fund for deposit funds?

HON. J. BUCKLASCHUK: Under The Credit Union Act, the stabilization fund guarantees that there will be adequate funds on hand to insure that investors are

able to withdraw their deposits. The funding is done through a levy from the individual credit unions and through borrowing. The government guarantees the stabilization fund, that it will have adequate funds to meet its needs.

MR. D. BLAKE: I'm just not quite clear on that, Mr. Chairman. Are there adequate funds now available in the stabilization fund to guarantee the depositors? Is there a limit that the deposits are guaranteed for, because I know the credit union movement is not a member of the Canada Deposit Insurance Corporation, but are there adequate funds on hand to guarantee the depositors their funds now?

HON. J. BUCKLASCHUK: As the member is aware, the Provincial Government has loaned \$29.5 million to the stabilization fund and to the Fonds de Sécurité to insure that there were adequate funds within the funds. With respect to the limit, there is no limit stated in The Credit Union Act.

MR. CHAIRMAN: The time being 4:30 p.m., I'm interrupting the proceedings for Private Members' Hour. The committee will reconvene at 8:00 p.m. this evening.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, P. EYLER: Order please. We are considering the Estimates of the Department of Agriculture, Item 1.(h) Canada-Manitoba Waterfowl Damage Compensation Agreement. The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman. I wonder if the Minister could give us a breakdown of the amounts paid out for crop damage under the various categories: waterfowl, big game and bears, for example.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: For the information of the Honourable Member for Minnedosa, this provision deals strictly with the Waterfowl Damage Agreement, it has nothing to do with the big game, it's strictly waterfowl.

In the 1982 crop year, there were a total of 126 claims totalling \$143,400 at the \$50 an acre level, and there were 11 claims totalling \$50,100 dealing with Marshy Point and Oak Hammock where those claims covered the total crop for a total of \$193,500.00. The provincial portion of that cost is \$121,800 and the federal proportion is \$71,700 in terms of the program. That was for 1982 as I understand it.

MR. D. BLAKE: There were 126 claims I believe the Minister said, and this was paid at \$50 an acre, the amount reimbursed to the farmers?

HON. B. URUSKI: Those under that program with a maximum of \$50 an acre are being made available. The total number of claims is 137, totalling \$193,500.00.

MR. D. BLAKE: Mr. Chairman, would the farmer be compensated by way of crop insurance in addition to

this, or would this be the total reimbursement he would get for his crop loss?

HON. B. URUSKI: Mr. Chairman, this would be in addition to any crop insurance that the farmer would have.

MR. D. BLAKE: Where would we find compensation paid for wildlife damage, in Natural Resources Estimates?

HON. B. URUSKI: Yes, Mr. Chairman, the damages dealing with claims for big game animals and the like would be in the Natural Resources Estimates.

MR. D. BLAKE: I wonder if the Minister could indicate to the House if the farmers that were compensated for crop loss, if they were well satisfied or is there any possibility of increasing the payments for depredation by migrating waterfowl?

HON. B. URUSKI: Mr. Chairman, that is in my mind, particularly, one of the major issues of the problems that we have in terms that the level of compensation under this program being a maximum amount, but it is a negotiated federal-provincial program.

I've made suggestions that we look at the possibility of, if there are no greater limits that can be expanded beyond the \$50, that there may be an alternative to the \$50 an acre using the provision whereby the damage be calculated on the basis of actual loss up to the \$50 an acre loss, rather than using 100 percent loss equalling \$50 an acre. Now, there are dollar implications to that and if at least we can't raise the limit beyond the \$50 an acre, maybe we can look at some alternatives there and that's some of the issues that we're discussing now with the Federal Government in terms of future renegotiations of the program.

But I should point out to the honourable member that we are going now, I believe, on a year-to-year basis in terms of the program. We have not been able to get an agreement to at least the five-year time limit that we had previously in terms of these kinds of agreements. We are now going from year to year. It may have some advantages, but it also has some concerns as to what level future funding will be in place. But that's the process we are undergoing now in negotiating, as to where we go from here.

MR. D. BLAKE: Mr. Chairman, would there be any amount in these damages that were paid out that were crops obviously damaged to such an extent that they were purchased and used as lure crop with some reimbursement from other departments that purchase lure crops?

HON. B. URUSKI: That does happen, but it would not be out of this Budget, Mr. Chairman, that would be purchased by Natural Resources. That does happen.

MR. CHAIRMAN: The Member for Portage.

MR. L. HYDE: Thank you, Mr. Chairman. I just want to speak, if I may, just about the Central Plains Special Crops Project that is going on in the Portage area.

They have just completed their second year of a four-year contract and I'm wondering if the Minister would wish to speak on that particular project at this time.

HON. B. URUSKI: Mr. Chairman, that would be discussed adequately under the Agro-Man Project. That's an Agro-Man Project and could be discussed in our Estimates when we reach the Federal-Provincial Agreement under Agro-Man.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. In the crop damage calculation of damage, the crop insurance inspectors do the inspecting. The adjusters go out and do the inspection.

I ran into a situation last fall that I'd like the Minister to take under advisement, where a farmer moved into a field, it was about a 90-acre field, he had combines to help him and it was at about 8:30 or 9:00 at night. The ducks had been in there for several days and had done considerable damage. They figured that one feeding, morning and evening in other words leaving the field till it could have been inspected the next day, there would have been substantially more damage. So they took the field off, but while they took it off - A and M Soil Service offers a yield test by which they will take a measured length of swath and do a weighed check of the yield. They did a before and after check on that particular field in the hopes that it would be sufficient proof that they had undergone about a 10-bushel-an-acre loss.

Now, I know that the man did not follow the procedure of proper claims because he didn't inform Crop Insurance and have the inspector out to look at the field, but there was ample evidence of damage, the swaths, even after they were picked up, showed damage. There were duck feathers. They were between three sloughs. There was a lot of loss. But the Crop Insurance Corporation followed the letter of the law that they have and they wouldn't even look at the claim. I would not have even considered pushing the matter with Crop Insurance other than the fact that they had this yield test done, which is very very accurate, I've had it done on my farm. They are within a half bushel an acre of their average yield on a field when they do this weigh wagon test in the field.

Armed with that information I thought the farmer had a legitimate claim, but it was turned down, and I would only ask the Minister to take that kind of a circumstance under consideration. I didn't contact him because I didn't think there was any use in pursuing it after the fact. But I think the individual had a legitimate claim, waiting for that extra day. Even though it only would have been till 10:00 the next morning, there would have been two feedings by about 30,000 ducks and they would have taken substantially more grain and he made the decision that evening to take the field off and they finished at about 3:00 in the morning and there was no before and after that the inspectors could go out and look at the swaths.

I just want the Minister to be aware that there is a technique there to demonstrate the loss and that he might advise Crop Insurance that could, in extenuating circumstances, be used as a basis for a claim, because there was a substantial claim.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, I accept the honourable member's comments regarding the situation and we will see whether we can advance and look at the procedures. I think the honourable member realizes, it's a bit of a difficult area, in terms of how far do you go and say, well if the ducks were eating there for three or four days, why wasn't a call made? But if there is an option of expediting and dealing with such matters, we'll certainly take that under advisement and see if we can improve that. I share the concerns of the honourable member in those kinds of - they're not, what one would say black and white situations - and they're not easily reconciled and resolved.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I'll be very brief on this particular item but there is something that I am concerned about, and that is, the problem that both the Province of Manitoba are having and the Federal Government are having, in continually finding funds for crop losses.

The policy, which I think should be at least pursued or looked into, in view of the fact that Ducks Unlimited have a program to further encourage the hatching of ducks in Northern Canada and those ducks feed upon the lands of the farmer, I wonder if the Minister would be prepared to support or work towards having a program introduced by Ducks Unlimited to provide for compensation on crop loss, so as to take some of the funding off of the federal and provincial taxpayer.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, I should tell the honourable member that those kinds of discussions, those kinds of points are being raised. There are discussions and points on both sides of that question, vis-a-vis their position, but certainly I recognize that there is validity to that kind of a concern, in terms of the building up and wanting to make sure that there is adequate waterfowl habitat and the preservation of waterfowl, that there are certain costs that go along with it.

Those kinds of comments have been raised and discussions are in place. Whether or not there will ever be a resolution to that effect, I cannot say at this point in time, but certainly those comments have been — (Interjection) — well, yes, that's a particular - there's many more areas than that in the province but I don't want to hold out hope that Ducks Unlimited will be the salvation of additional funds for compensation for depredation of crops. But certainly that's an area that has been discussed.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Yes, Mr. Chairman, being a supporter of Ducks Unlimited, I would just like to point out that it's a non-profit organization operated entirely on donations from individuals and corporations. It's very difficult to establish whether they're federal ducks or

provincial ducks that have so migrated south and had created the problem. So it would be very difficult to have people that are soliciting donations to improve the habitat for migrating waterfowl to be expected to cover losses caused on their migration south.

MR. CHAIRMAN: The Member for The Pas.

MR. H. HARAPIAK: Mr. Minister, I have a concern in the area of duck depredation as well. You raised some figures earlier, showing that there's \$50 an acre level in some areas and \$100 acre coverage in other areas. In The Pas area, where we are surrounded by projects of Ducks Unlimited, and one major area is the Saskeram, and the farmers of The Pas area have been trying to get a greater level of compensation for many years.

I'm just wondering what the criteria is for getting the 100-acre coverage rather than the 50-acre coverage because they are located to an area that is next to a major duck raising area.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, I can't give the honourable member a precise answer but, as I understand it, there are probably two criteria that have weighed in the determination of the establishment of the areas, whereby the actual damages are covered by waterfowl depredation, and that is whether the area surrounding the area where ducks are staging, is predominantly agricultural. But primarily those areas which are - I guess as they call it - a staging area within the province, where many thousands, hundreds of thousands of ducks, on their migration, fly and end up landing in a particular area year after year.

Those are the areas which have been used, I believe, by resources in designation for the different compensation levels. The Oak Hammock area and I think Marshy Point on Lake Manitoba are such areas where there are hundreds, thousands and thousands of ducks on their migration pattern, land in those areas and, of course, they don't happen to land in the area that's designated for them, they spread out through the fields right around. It is not a major nesting area but it is a major staging area for the waterfowl, and I believe that's the basis for the criteria that have evolved over the years.

MR. H. HARAPIAK: Mr. Minister, it is my understanding that this program was always administered under the Department of Natural Resources in the past years and the farmers of The Pas area had always felt that they did not get a proper hearing from the Department of Natural Resources. So it is my hope that now it is coming under the Agricultural Department, that the farmers will get a fair hearing in that.

HON. B. URUSKI: Mr. Chairman, I thank the member for his comments, but I should point out to him while the program entirely now is being administered by the department, through the Manitoba Crop Insurance Corporation, the adjusting services of crop insurance have been used for a number of years in terms of the actual adjustment of the crop, so that in fact, and I

don't want to raise the great hopes of major changes in assessment, the assessments will be made on the basis of the data that the adjusters have at the time of settling the damaged claim.

MR. CHAIRMAN: 1.(h)—pass; Item 2. Manitoba Crop Insurance Corporation - Administration - The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman. Under this particular item, I have a particular interest, of course. In this item under the expenditures, I do have a meeting with the Board of Directors of the Crop Insurance Corporation, coming up on March 30th, but seeing as we've reached it in the Estimates, Mr. Chairman, I think we can maybe get answers to some of my concerns maybe under this item.

Mr. Chairman, there has been a proposed move of relocation of the Crop Insurance offices from the Town of Minnedosa to Neepawa, some 17 miles distance, supposedly to place it in a more central location. There has been a considerable number of complaints to me and to the people in my area, Mr. Chairman, about this proposed move. There has been a letter, or several letters, to the Minister; one particularly from the Mayor and Council of the Town of Minnedosa written on February 8th to which they haven't received a reply as yet; another one on February 14th to the Honourable Minister on behalf of the local farm business association group which has not received a reply as yet either. They outline their concerns, Mr. Chairman.

I won't read all of the letters, but just to put some of it on the record. The Mayor and the Council object very strongly to it and I'm quoting from the letter, "Minnedosa, like all rural communities, is presently fighting for its economic survival due to the present recession in Canada. Morris Rod-Weader, which employs 120 people at their Minnedosa factory is still shut down, and in the last 18 months we have lost three major retail businesses on our main street, closed due to the recession. We feel this is not the time for the Provincial Government to take away another service from our town and move it 17 miles down the highway to another community. The Crop Insurance office has been located in Minnedosa over the last 14 years and the farmers in the area are well satisfied with this location.

"Mr. Minister, last November, you and the Premier met with over 60 elected municipal officials here in Minnedosa and I had the pleasure of chairing that meeting, and I can assure you the large majority of municipal people you met that day would not approve of the Crop Insurance offices being moved out of Minnedosa.

"The Premier said that day the reason for these meetings with municipal representatives was to bring government closer to the people and to exchange ideas, so government could become more efficient. We think meetings of this type are an excellent idea. May we suggest that instead of the government relocating offices, they look at the possibility of realigning the crop insurance area boundaries.

"In the case of Area 12, which is the one in our area, the boundaries do not take into consideration communities of interest and natural trading areas. As

an example, 80 percent of the farmers in the Rural Municipality of Harris and the Rural Municipality of Saskatchewan, which is in Area 13, never normally go to Hamiota where Area 13 office is located. This also applies to many farmers in the Rural Municipal District of Strathclair and the Local Government District of Park. We notice all of the Rural Municipality of Westburn is in Area 12.

"In fairness, these farmers should not be expected to come to Minnedosa or Neepawa for their crop insurance. Their natural trading area is Portage la Prairie where the majority of them are now serviced, Mr. Chairman. We notice the Rural Municipality of Daly and the Rural Municipality of Elton are in Area 6, and these farmers would never normally go to Souris where Area 6 office is located.

"Mr. Minister, we urge you to have your department give full consideration to the possible realignment of the area crop insurance boundary." And they attach a resolution passed unanimously by the Council.

The farm business group also outline basically the same concerns, and the membership in their organization naturally feel that the farmers in that area would be best served by a realignment of the boundaries. They pretty well echo the same realignment of the boundaries and they end up by saying that we feel that this proposal, if implemented, would be a more satisfactory arrangement. Driving distances would be cut to a minimum for both farmers and corporation staff, and the offices would be located more closely to correspond to traditional trading patterns.

Now, I'm sure the Minister will be replying to those concerns but he may give us some answers today, Mr. Chairman, and help substantiate or to give us some more reason for the relocation of this office. As has been indicated, the office has been located there for some 14 years. The staff are in place. The accommodation is adequate, and I have asked in an Order for Return that I filed, Mr. Chairman, for some information about how many complaints have been received and how many meetings have been held in consideration to changing of the boundaries. Possibly the Minister can maybe give us some information that will allow us to maybe carry on some further discussion and get some answers that we're seeking on the relocation of the office.

HON. B. URUSKI: Mr. Chairman, as the honourable member knows, I don't think I've seen the letter that he is quoting from. Maybe it has come to our office. I know that I've received letters from the Rural Municipality of Odanah and letters from the R.M. - it may very well have come in within a short while.

The honourable member should know that I have refrained from becoming directly involved in the administration of the corporation. I want to say to the honourable member, by asking the Board of Directors to make sure that the concerns - and there's a meeting set up as I understand it - be taken into account and any information, any new information, provided to the board should be taking into consideration dealing with this move.

Mr. Chairman, the Honourable Member for Arthur indicates that he had no difficulty in moving - I'm given to understand of getting himself involved. I don't know

whether he knew the circumstances and some of the reasons. During his term of office, the circumstances didn't change in terms of wanting to provide better service to the farmers of that area.

Mr. Chairman, I am prepared to review the situation, but so that I do not prejudice anything that the honourable member might raise or the communities might bring forward, I want to make sure that the process that is in place, the recommendations and the dealings are with the Board of Directors, and that the Board of Directors will look at the submissions that have been made by the honourable member and by people from those communities.

MR. D. BLAKE: Yes, Mr. Chairman, I thank the Minister for his comments. What really has disturbed us, I think, Mr. Chairman, is that I received a letter from the Board of Directors saying the Board of Directors of the Manitoba Crop Insurance Corporation made the decision to move the Minnedosa Agency Office to Neepawa, based on economics and service to farmers. They're willing to meet, but due to space requirements and heavy agenda, I can only bring two delegates with myself.

Well, I could bring 100 farmers there, Mr. Chairman, that would protest strongly the move if it would do any good, but the recommendations are — (Interjection) — No, no you can't do the other side. The Minister said he would do the other side. There are no complaints coming in to relocate that office to my knowledge and to the knowledge of the people there. That area is extremely well-served. The manager of the office is a very popular man, services the people very well. The adjusters service the area very very well. There has been absolutely, to our knowledge, no complaints and no reason to move that office. And looking at the economics of it, Mr. Chairman, in a time of repriorization, it's going to cost money to move the office, no matter which way you look at it.

I see no valid reason to change the office at this time, Mr. Chairman, the argument of it being located on the west boundary. It's obvious that office serves a tremendous number of farmers that aren't in their area. By moving it to Neepawa, you'll probably take 150 farmers out of the area that should be served by Glenboro, because the areas in there will come up this way now instead of going to their office. So if you're going to move one office, you have got to take a look at moving others because there are others that aren't centrally located as well, so that argument is not going to hold water.

Realignment of boundaries to conform with communities of interest and trading patterns are the reasons that should be considered, I think, moreso than the reasons that are given for relocation of that particular office. So I urge the Minister to take a long hard look at it and come up with some better reasons than have been given so far for relocating the office.

HON. B. URUSKI: Mr. Chairman, I appreciate the comments of the Honourable Member for Minnedosa. I would want to him to make sure that any information and, sort of, his view of the situation regarding the proposals and the decision made should be brought to the attention of the Board through myself and I want

all the information that he has just raised to make sure that it is analysed and consideration be given to that. That's why I have said to the honourable member, I did not want to prejudice any final decision on this matter by getting myself directly involved in the pros and cons. I want to make sure that everyone who has information and wishes to make their position known be provided that opportunity, whether it be through representatives such as the Honourable Member for Minnedosa, through letters to the Board, so that all that information is considered.

MR. D. BLAKE: Mr. Chairman, I will see that the Minister gets the information I have, together with my comments. I would like him to give us the assurance that, before the final decision is made to relocate that office, he will look at the facts and put his stamp of approval on the move to relocate or on the move to leave the office in Minnedosa where it is presently located.

HON. B. URUSKI: Mr. Chairman, I am assuming that the information that the honourable member will be providing me will be equally convincing to the Board of Directors of Crop Insurance. Basically, if we really have truly a Board of Directors that are operating the corporation, that decision should lie with them, not solely, albeit, not solely, that there may be a point in time when some review of decisions should be undertaken, but however, if the honourable knows which course of action that he is to undertake in this matter.

MR. D. BLAKE: Thank you, Mr. Chairman. I wonder, while we're on Crop Insurance, especially with regard to Area 12, if he could provide us with the costs per customer of operating the various offices throughout the province from all of the areas, if that information would be readily available, if he could give it to me later in the day or if he has it available.

HON. B. URUSKI: I don't think kind of information is readily available in terms of trying to get a cost per client. One, in making any kind of analysis such as that, has to of course, consider both sides of the question, not only the cost to the corporation, but one would have to consider the direct costs that are borne by the farmers who are in contact and would be travelling to that office to do their business and the availability of that office and the distance that is related to.

That is not to say that the possibility of reviewing the boundaries shouldn't be looked at either, as the honourable member has suggested. But I believe the boundaries are the same boundaries that have been established and have been in place for quite a while. There was a move, and I think the honourable member is aware of it, the corporation did wish to make this move a number of years ago, as I understand it, on the same basis as they are basing their decision now to improve the general services to all the clientele within the area and have equal access to all the people in that area. I believe that's the reasons that were initially advanced, and were interfered by the former Minister of Agriculture in this decision, were the same then as they are today.

MR. D. BLAKE: Thank you, Mr. Chairman. That is true. There was a move, I think, three years ago to relocate

that office and it was brought to the attention of the former Minister of Agriculture who was convinced that there was no valid reason to move that particular office. The same representations were made to him, Mr. Chairman.

But my question about what is the cost of running the offices, I should think each office has a budget and a cost and you can divide that by the number of farmers being serviced and find a cost. That's part of the problem, Mr. Chairman. I think there has to be an economic benefit study done on relocating the offices and costs of relocation and costs of servicing the customers.

I mentioned earlier about the service to farmers in that area. If the argument is that Glenella and Plumas are maybe closer to Neepawa than they are to Minnedosa, in this day of travel, as the Minister well knows, 17 miles is really not very much when you're in your car and moving. But that particular office, the manager and his people that service the farm communities go to those communities. They go to Glenella and they go to Plumas and service the customers right in their own area. They are not required to drive to Minnedosa or to Neepawa. They will still be serviced right in their area, so the argument of locating it there to make it more central is just not going to hold water, Mr. Chairman, and we will point those things out to the Minister in our presentations.

MR. A. ANSTETT: Would you be saying the same thing if Ferguson was still here?

MR. D. BLAKE: Yep.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I would like to ask a couple of questions that would tie on to the questions of the Member for Minnedosa. I am wondering if Crop Insurance can tell us specifically what the rationale is for the request. What situation today is different than it was some 14 years ago when that office was located there? What mix of farmers have developed to create a change? Why is the rationale different today?

HON. B. URUSKI: Mr. Chairman, that whole matter, I don't have all the details on it because I have referred that kind of analysis to the Board to come up with some of those answers. The Honourable Member for Minnedosa filed an Order for Return. I have asked that all that information be provided for the honourable member for his information and I am awaiting those replies from the corporation. As I said earlier, I don't want to prejudice the case of the community by getting myself involved directly in this process at this point in time.

MR. C. MANNES: Fine. I suppose I can accept that answer. The only point that I would make on it is that when these centres were selected for whatever rationale at the time some years previous, there has to be extremely good reason, and hopefully it's within the makeup of the mix of the agriculture base in the area, that leads to it. That can be the only reason.

I am wondering also then, further to the request of the Member for Minnedosa, if the Minister can make available to us the economic analysis that will be used in part, no doubt, for the decision-making process as to whether to leave this office in Minnedosa or to move it. Will he provide it to the opposition? Indeed as it falls under that whole costing area, it falls under the Manitoba share of administering crop insurance.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, within the Order for Return that was filed and accepted, those kinds of questions were raised by the Honourable Member for Minnedosa and they're being looked at.

MR. CHAIRMAN: The Member for Portage.

MR. L. HYDE: Yes, Mr. Chairman. I'd like to ask a question of the Minister in regard to the changing of policy in the contracts for guaranteeing the corporate insurance debt for corporate farms. It was brought to my attention that there has been some change in policy, a change that for many many years has been handled quite easily with no problems, in regard to the individuals involved.

However, apparently today, there has been some change and instead of one principal officer signing any one of the documents, it requires that all principal officers are now required to give their personal - I will repeat that - their personal guarantee of the indebtedness to the crop insurance.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, the whole matter of multiple contracts is being reviewed, I believe, by the Board of Directors very shortly. That whole matter has been in the motion for several years, put into place, and I guess the redefinition of how that should be handled by the corporation was put into place several years ago. And it has, I have to tell the honourable member, created a lot of uncertainty, a lot of difficulty in the farming community.

I have asked the Board of Directors to review that whole aspect of how to define, how to treat multiple contracts and that issue is to be resolved. I've had a number of calls, I've had calls from my own area and I have some personal experience in this situation as well, in terms of our own operation.

It is a very difficult situation to administer, albeit it was put into place several years ago and it's starting to snowball and we want to have another look at it and it is being reviewed, I believe, this month for this crop year.

MR. L. HYDE: Mr. Chairman, I appreciate what the Minister has just said, but I do want to get to it, that I personally am involved in it as well, my own company. Well, for years we've been handling and paying our crop insurance with no trouble at all, but today apparently it is a different contract that you're dealing with. I would hope then that the Minister will look into this and try to correct the problem, because I know that it is going to be, I'm sure, brought to his attention many many times in the near future.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I want to ask a couple of questions specifically. One, it would appear as if the increase in operating of Manitoba Crop Insurance has gone up by almost 30 percent this particular year. I wonder what the main reason for those increases are.

MR. CHAIRMAN: Mr. Minister.

HON. B. URUSKI: Mr. Chairman, as I understand it, it's about 20 percent.

MR. J. DOWNEY: If the member wants to know how I get my figures, I looked at last year's. The amount of money that's been voted in Crop Insurance was something like \$3 million, the final line 1983 that we voted. The amount that is being requested this year is \$3,897,000, so it's \$854,000 more to operate the same Crop Insurance Corporation this year than it did last year. I think that there should be some explanation for it. I don't think there's ever before been an increase at the cost of operating of the corporation such as that, and it can't go by without being answered.

HON. B. URUSKI: Mr. Chairman, the increase is not \$800-and-some. I believe the increase is \$713,000.00. If the honourable member . . .

MR. J. DOWNEY: The last year's quoted Estimate, Mr. Chairman - pardon me for interrupting - the last year's voted Estimate in the 1983 year was voted in last year's Estimates at \$3,043,800 for Manitoba Crop Insurance. This year, Mr. Chairman, the amount is \$3,897,800 which is \$854,000.00. Whatever figure it is, let us know what the tremendous increase is from.

HON. B. URUSKI: Mr. Chairman, the honourable member quoted the correct figures but the figure happens to still be - the difference is \$713,000 - that is the figure. I do not dispute that the two figures \$3,184,000 for '83 and this year's figure shown in the printed Estimates is \$3,897,000.00. I've even thrown the .8 thousand out.

MR. J. DOWNEY: Last year's figure was \$3,043,800.00.

HON. B. URUSKI: I'm sorry, the reconciled figure if the member looks — (Interjection) — Mr. Chairman, if the honourable member wants to know the reasons, the reasons are increases, salary adjustments in '82-'83-'84, plus an increase in operating expenses to bring more into line what we anticipate an average year's funding for the corporation as necessary, in terms of the numbers of claims that might be expected. It's a combination of both salary adjustments and increased operating costs, to make sure that there is adequate money in the Estimates now to cover both ends, the eventuality of - when I say normal, nothing, I guess, anymore is normal - but as best as we can anticipate the numbers of claims that the corporation might have in an average year.

These costs, I don't believe would cover any huge increase in claims that one might experience but it would take into account the increased operating costs

and adjustment costs in a year in terms of projections that the corporation has made into the numbers of claims that they might anticipate.

MR. J. DOWNEY: Well, Mr. Chairman, it would appear that this Minister has not given directions to one of the corporations that report to him, that when farmers are in fact faced with a lowering of their incomes and when, in fact, they're looking at a possible initial lowering of their wheat prices and wheat board prices, that they're seeing a corporation, which is to service them, allowed to have an increase of between 20 and 30 percent. I would have to say that there should have been a lot more pressure on the corporation to straighten up and to, in fact, bring into line their costs of operation.

I want from the Minister the numbers of claims in the last five years, the numbers of people who are signed up. — (Interjection) — Well, if it's in the report, fine, I accept that. But I would like to know how much more business that the corporation has done and the claims that he - why? Is he anticipating a crop failure? Is that why he's putting this in here? I can't for the life of me, understand why there's such an increase in expenditures for Manitoba Crop Insurance. It hasn't been explained, Mr. Chairman, other than of course the massive wage increase that all civil servants got.

Mr. Chairman, I have a particular concern with the policy of the corporation and I had some correspondence with both the Minister and the manager last year of the corporation, in dealing with some of the heavy frost damage that took place throughout the province, and then followed in particular some areas that had excessive wet weather and a crop that was particularly severely frozen, then heavily rained upon and drying costs were to be incurred. I visited some particular farms, particularly in the Souris area, that had some severe concerns. When we talked about forcing farmers to go out and harvest their crops which were by not only Estimates of mine, but estimates of elevator agents and people in that community, it was actually a valueless crop. But to get anything from Manitoba Crop Insurance, they were being forced to go through the full cost of harvesting it, the full cost of drying it and then trying to sell a salvage crop on a market where the top quality grains are reducing in prices. It was putting them in the position of adding more expense to recovering a valueless crop than they were ever going to hope to achieve to get out of it. I requested the Minister and the management of Crop Insurance to deal with it.

I would have hoped that there would have been some flexibility allowed in that particular situation. The response I got back from the Minister was somewhat a little bit political and suggesting that it was the same under my term of office, that when I was the Minister, that there were some difficulties. We had difficulties, Mr. Chairman, but we as well dealt with them, whether it was specifically with the changing of the time period for coverage on flooded land, we moved that date; the fact that we changed our procedural activity when the need to put in green-feed crops or to allow crops to be cut for feed, there were some policy changes dealing with the specific weather conditions.

This is one concern I have and this is what happens as you get a government corporation that has been in

office for some 22 years, and I want to make it very clear on the record that I fully supported the Manitoba Crop Insurance Corporation. I supported it because there was no one in the private sector that was prepared to do it during the Roblin years. It was the latter part of the Roblin years that it was introduced. The private sector wouldn't get into it, so both the Federal and Provincial Governments said, we will participate on a joint venture with the producers and put in place a production guaranteed through crop insurance, an all-risk crop insurance, and that worked very well. It gave a lot of people some security, but over the past 20 years some of the difficulties that develop is that you get so many regulations. You get that corporate body, that government body that really isn't in a competitive field, answering to very few people, to this Legislature through the ministerial system, through the Board of Directors, through, hopefully, farmer appointments, and it becomes such a heavily regulated system that its main objective is not to protect the best interests of the farmers when it comes to producing crops, but in fact can get to protect the best interests of the corporation and remove all or any potential risk from that particular corporation.

I am not particularly criticizing individuals in that system. What I am saying is that we had the McFadden Report do a complete review of it and there were some basic changes made; one was the measuring of fields. It was a regulation that every field in Manitoba had to be measured every year if there was a crop loss on it. Well, we changed that so that an inspector could go in, make an assessment of the field size and make a claim. So there were some cost-efficiency changes made by the government when we were in.

HON. B. URUSKI: Minute.

MR. J. DOWNEY: No, the Minister now says, minute. No. I was a crop insurance inspector in some of my younger years - not that I'm old now - but I was a crop insurance inspector. It took many hours because, I'll tell you, the first rule was you couldn't run the land measurement wheel out the window of your car. That was a no-no. So what you had to do was walk the sides of the field and, in some particular fields, they're not square fields or rectangular, but they have sloughs and they have many many odd-shaped sides to them. It took endless countless hours, Mr. Chairman, to measure those fields. By removing that necessity of measurement, then it saved some costs.

I am saying as well, Mr. Chairman, I think there could be some changes made when it comes to the assessment of crop loss like last year during the frost and the heavy rains afterwards. Crops were valueless and I believe an inspector could have gone in and, to a great extent, satisfied the claim without a lot of measurement, harvesting and drying of worthless product. It was a commonsense approach that I would have liked to have seen applied.

I would hope that this money, this additional 20 percent to 30 percent that is being asked for, is not just being given to the Crop Insurance Corporation without adding elements at the same time of efficiency factors that I think could be included.

I have to ask the question. If this cost of moving this particular office from Minnedosa to Neepawa is as well

a part of the increased costs of operating, I would suggest, Mr. Chairman, that kind of priority is really one that's about 99th down the list as far as the actual performance in the serving of farmers. I know where the request is coming from, Mr. Chairman. It's not coming from the farm community; it is coming from the administrative staff of the Crop Insurance Corporation. I have no difficulty, Mr. Chairman, and when I was the Minister, when the request came forward, it didn't come from farmers, it came again internally. I could see no justification for spending money to do that. That's why I made the decision. I don't need to say whether the Board of Directors and I disagreed — (Interjection) — I don't know what kind of money there was that needed to be requested, but I can tell you you don't relocate staff of the Department of Agriculture without costing money. It costs money. Certainly it does, and I don't make any apologies for moving staff for the Water Services to Brandon; it cost money. Certainly I don't have any problems with that, Mr. Chairman.

It's somewhat different than now trying to say that there is one office, unless, Mr. Chairman, again the broader question has to be asked, how many towns are going to lose or how many areas are going to lose their Crop Insurance offices now and be shifted to other communities? If it is a master change, then I think the Minister should tell us. I don't take it as that now. I take it as one office being changed, so I'm not trying to paint anything more than what has actually happened.

I would think the expenditures that were being asked - my colleague for Minnedosa is being asked to support monies that will be spent to move the Crop Insurance office out of his town. I would think he would be hard-pressed to support it, but again I think the Minister should be a little more specific.

Again, we have asked for the numbers of staff that have increased or been reduced. The Minister said he'd have it today. I am not pressing him for it at this time — (Interjection) — all the staff of the Department of Agriculture. So I won't ask the question or don't expect a response on either staff number increases in this Crop Insurance. If there are, I would hope he would have told us.

When farmers are having a difficult time maintaining their incomes at anywhere near the level - everyone else in society is being asked to keep their increases at a 6 and 5 percent increase - we now have one of the corporations reporting to the Department of Agriculture, namely, the Crop Insurance Corporation that doesn't adhere to it. I think they should, Mr. Chairman, certainly be made pretty much aware of the fact that we all have to live in the same world, that they can't have an increase of some \$700,000 or \$800,000 when we are under extremely difficult economic times, particularly in the agricultural community.

HON. B. URUSKI: Mr. Chairman, here I find that - I know the honourable member is serious in his comments, but let's understand what he is really saying. On the one hand, he is saying, look, you are now spending too much money on crop insurance; basically, that's his allegation. You are spending too much money. To do what, Mr. Chairman? To make sure that the services to farmers will be provided because the bulk

of those funds would be for adjusting staff in terms of the staff time of crop losses, Mr. Chairman.

On the other hand, Mr. Chairman, what you will find is if there is a fairly substantial loss and service isn't provided as quick as the honourable member would like to see it, you are doing a very inefficient job, Mr. Minister, and not providing the services to farmers that they demand. He can't have it both ways, Mr. Chairman.

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

MR. J. DOWNEY: A point of order, Mr. Chairman. I did not specifically say time factor, I said, the way in which the adjustments were made. I didn't criticize the time element. It was a matter of general efficiency that should be applied all the way through the system.

HON. B. URUSKI: Mr. Chairman, the member may be referring to what he wants to in terms of time elements. He was referring to the increased costs of the corporation and the increased funding for the corporation. My reply still stands, he can't have it both ways. He would like to have and make sure that the farmers of Manitoba, and I agree with him, receive as best a service as they can in terms of this corporation, but then he can't go around and criticize and say, you're spending too much money on this corporation and you're not providing the services.

MR. D. ORCHARD: I ask him what he's spending it on.

HON. B. URUSKI: Mr. Chairman, I told the honourable member what we were spending it on.

Mr. Chairman, in terms of the procedures, the case that he mentions - and let's understand what he is saying, or what he is at least suggesting in his remarks - the honourable member leads one to believe that in cases where an adjustment and assessment is made, even though there is some crop there, the value of which would exceed the costs of harvesting that crop, nevertheless, that crop should not be harvested and the claim should fully be paid, Mr. Chairman. If he is suggesting that, he is really suggesting, in my mind, a very dangerous precedent.

I would say, Mr. Chairman, I have no difficulty and I don't think the corporation in terms of its longstanding procedures - they're not new - is where an adjustment is made on a field and the value of the crop that is remaining on the field that can be harvested at the time, does not come near the cost of doing that harvesting, then there's no doubt in my mind that the decision should be made that the entire loss be paid because there is no sense of putting the farmer to the expense of harvesting that crop.

But if it is determined by an adjustment that the value of the crop remaining on the field exceeds the cost of harvesting that, surely the Honourable Member for Arthur is not suggesting that this should not be done. I don't think he is. At least I would hope he would clarify that point, that he's not suggesting that because I certainly got the impression from him, that's what he was intimating at on the specific case that he spoke about. But if he's got specific instances where, in fact,

farmers were subjected to having crops harvested that did not meet the operating costs of harvesting that crop, then I want to know about that and certainly I accept that proposition. As I have stated before, if those returns are not there, then certainly I don't believe that the farmers should be put to the expense of harvesting that crop in terms of the bushel-per-acre amount that's left in the field.

MR. SPEAKER: The Member for Minnedosa.

MR. D. BLAKE: I don't pretend to speak for the Member for Arthur, but I think that's what he was indicating, Mr. Chairman, and I don't think they were numerous enough for me to detail them, but there were cases in my area, I think, where it was pretty obvious that it was not worth harvesting the crop and yet they had to harvest a certain amount of it to try and establish the yield, and I can see that. There are cases out there, I think, that could be brought to the Minister's attention where they were required to harvest a field and the cost wasn't there.

Mr. Chairman, just one quick question at least and while Mr. Tolton is with us he might - I just noticed on my invitation to attend the Board of Director's meeting, it's marked Thursday, March 30th. I wonder if the Board of Director's meeting is March 31st, Thursday, or Wednesday March 30th?

HON. B. URUSKI: Wednesday is the 30th, Mr. Chairman.

MR. D. BLAKE: Wednesday the 30th, not Thursday.

HON. B. URUSKI: The board may be meeting for two days, I can't tell the honourable member, but the date should be the Wednesday.

MR. D. BLAKE: Okay, the letter marked Thursday, March 30th, I'll change it to Wednesday, March 30th at 11 o'clock.

The Crop Insurance employees, Mr. Chairman, are they under the Civil Service Commission salary ranges and would they participate in the new agreement that was reached, the 27.5 percent over 30 months for their increase in salary this year. — (Interjection) — yes.

HON. B. URUSKI: Mr. Chairman, if the honourable member wants to leave that figure which is inaccurate in terms of what he's talking about going back for, for the previously negotiated items, the Union - which is an inaccurate figure by the way - Mr. Chairman, the corporation is represented by the same union, MGEA. However, I believe it's a separate contract from the Provincial Civil Service.

MR. D. BLAKE: Could the Minister then tell me what increase the employees of the corporation did receive last year?

HON. B. URUSKI: It's the same type of settlement.

MR. D. BLAKE: Thirteen percent a year?

HON. B. URUSKI: The same provisions I'm advised, in terms of the renegotiated agreement, applied to the Crop Insurance, or is in the process of being finalized.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I would like to ask the Minister whether some of the comments I hear from my constituents has any basis of fact or not. Some of them indicate to me that from time to time there are cases where individuals hail insure, under the hail spot loss option, and after having received a sizable claim under hail insurance, in fact, end up harvesting their crop and to their glee, of course, still take off a very sizable yield, I'm wondering, obviously Crop Insurance is aware of these very same type of rumours or stories and I'm wondering if there is any substance to them. I'm wondering, indeed, if it happens in many instances. Are some farmers being overpaid for hail damage relative to what the ultimate crop ends up yielding?

HON. B. URUSKI: Well, I'm not unfamiliar - I wish I would have some specifics that the honourable member is speaking of. I'm advised that the corporation does go back and reassess, but where the honourable member makes the statement, does the corporation overpay? Certainly it would be in our interests and the interests of the honourable member that the corporation should not overpay in settlements of claims, that the settlements should be fair and equitable, but certainly, there should not be an overpayment as is being alleged by the honourable member.

I would want to be made aware of any instances where such may be at least alleged so that checks can be made. I know in my responsibilities as former Minister of the Public Insurance Corporation, you do get those kinds of allegations, whether some of them are based on fact. Most of those that I have had, you have about 10 cases of complaints of not receiving enough, and you have maybe 1 percent of the complaints of someone else hearing of someone else who got too much. You can never stop that kind of, or even want to stop that kind of discussion because one never is certain but unless one has the specifics of a situation to examine and investigate one really has, I really have no basis to make any kind of a judgment based on any facts. We have no facts to this other than receiving the odd complaint, and if we get the complaint it is checked out, and that is the only way one can assess whether or not there are some settlements being made which may be not normal. But that is a very difficult one to deal with, Mr. Chairman.

MR. C. MANNES: Well, Mr. Chairman, the Minister seems to have taken my question, you know, a little out of the area in which it was meant.

I realize fully well that attempting to estimate loss certainly through hail is a very difficult science at the best of times. Naturally after some arrangement has been made or some acceptance of the loss due to hail naturally growing conditions that happen subsequent to that time will naturally maybe produce more, but I'm wondering whether this particular area at all is any concern to the board of directors. Is it an issue, my question, to the board of directors of crop insurance?

HON. B. URUSKI: Mr. Chairman, any type of a complaint or information that is received is checked.

So in terms of trying to make sure that the settlements are above board and as accurate and as fair as they can be I'm sure that the, I would be very concerned that any claims which there may be an error in during the point of adjustment because of - I'm using the honourable member's analogy where on initial adjustment it appears that there is a heavy loss - however, the growing conditions might be such over the period of time as to have a major rejuvenation of the crop and still have a sizeable harvest as I understand his comments, should be examined and should be viewed in that light. Settlements should be as fair as possible notwithstanding the type of situation that may occur after the initial settlement has been made.

MR. C. MANNES: I'd like to ask one final question dealing with the whole range of crops that are covered. It seems to me, and I think I posed this question last year, it seems to me that there are an ever-increasing number of varieties, particularly of the major grains, I'm talking of wheat and barley. And there are greater and greater stipulations that are coming down to us as farmers across this province as to which varieties are more acceptable in certain regions.

Of course, this is being reflected to a greater and greater degree in some of the regulations, or some of the coverages that are available, yes, some of the coverages that are available under crop insurance. I'm wondering again if the Board of Directors of crop insurance are attempting to grapple with this problem because obviously that whole situation of a preponderance of new varieties is going to continue to increase. And is the board themselves prepared to attempt to determine in what region a particular variety can be grown? Are they going to accept the expert committee on plant breedings' report? It seems to me at this time they are just accepting the comments of a certain committee.

A good example, Mr. Chairman, of this is that you have a new variety of wheat that's coming onto the market over the next two years in a commercial sense called Katepawa Wheat. It is a wheat which is more resistant to leaf rust than Neepawa which we've been growing for some number of years. Yet, under the recommendations that have come out, indeed within the very Department of Agriculture, Katepawa will not be recommended on a north-south line for growing east of Highway No. 10, even though it's a far superior wheat in leaf rust resistance ability to Neepawa.

I've seen these types of stiff regulations coming down, firstly as recommendations, voluntary recommendations which we as farmers can choose to accept or ignore, but more specifically in the area of crop insurance coverage whereby a particular variety may not receive the total coverage that the recommended variety may in a certain area.

HON. B. URUSKI: Mr. Chairman, first of all dealing with the acceptance of varieties. The crop insurance corporation accepts all the varieties that are recommended by the Agronomy Conference within this province. They do not do their own assessment. As I understand it the conference provides not only the varieties that are recommended but also the areas in which the crop may be grown.

The point that the member makes about some areas, while a variety may be accepted, it may not be not grown in all areas, they go by that kind of recommendation. The crop would only be covered in the areas that it is recommended to be grown. While the member, if I understood him correctly indicates that the crop may be an insured variety but if the check is not made that this crop may not be able to be grown in the area that insurance coverage is requested when their claim is put in, that there is no coverage, that likely is accurate because of the fact that it was not recommended to be grown in the area that coverage is requested.

MR. C. MANNES: Well, that's exactly my point, Mr. Chairman. This is, I suppose what disturbs me to a degree and again my example is of a new licenced variety of Hard Red Spring Wheat which in all respects is superior to a variety of wheat that has been covered by crop insurance for the last 15 years within our area and all of a sudden the powers that be, in this case, the committees that lead up to the Agronomy Conference have made the decision that in fact this particular variety is not recommended east of a certain line.

I'm wondering whether crop insurance is always going to accept carte blanche the decision of this committee and in so doing, of course, will prevent those of us that want to grow this variety, which is superior in many respects, from so doing if we want total and complete crop insurance.

HON. B. URUSKI: Mr. Chairman, it would be the case generally, but I understand that there is an advisory committee in which these kinds of items are raised from time to time with respect to seeing whether or not the crop can be grown in an area that isn't normally grown.

However, the problem is that the testing may not have been done in all the regions, and therefore it isn't recommended in particular regions and that is the dilemma. Is the honourable member suggesting a different process that should be undertaken to deal with this kind of question, that the recommendations of the conference be changed and altered? If they are to be, I'd like to have some of the honourable member's suggestions there. He may have some innovative ideas that could be utilized. I don't think we have all the answers to all the problems. If he has some innovative ideas that should be examined, I'd be pleased to hear them.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: A final comment in this area. Certainly I see an emerging problem there as to the impact, that coverage, the crop insurance coverage, specific to certain varieties is going to have certainly in our major grains. I'm not talking now about some of our lesser acreages of special crops, I'm talking about our major crops. And as I see many many varieties, new varieties coming forward, that indeed this, what I consider to be an emerging problem, well, it could potentially be a very large one. Because in fact crop insurance coverage by variety, not by crop any longer,

but specifically the variety will determine what the Member for Pembina or indeed I can grow on our own farms. I just really put up a red flag and say maybe we should be looking into this major problem as I see it coming.

HON. B. URUSKI: Mr. Chairman, I'd like to know from the honourable member whether he has specifics to indicate his concern. I'm not even sure whether it's an emerging problem but it will be an ongoing problem, continually, as the development and the evolution of crops and variety of crops continue. That problem will always be with us.

There will be areas where a certain variety of crop will be tested and will prove out beneficial and be able to be grown in a particular area and it may not be able to be grown in other areas, notwithstanding the variety, it may be an acceptable variety. I believe that it really isn't an emerging problem, it will be an ongoing situation that will have to be monitored and reassessed and reevaluated on an ongoing basis. I really don't think it will be kind of a one-shot deal, that here's the problem. It will be an ongoing problem, whether it's by virtue of the frost-free days in an area, by virtue of a certain disease, or susceptibility of a disease, or weed in a particular area; there may be a whole host of reasons why a variety may not be recommended for particular areas.

But, Mr. Chairman, the crop insurance may be able to cover that crop, but may not be prepared to cover that crop for certain specific reasons, say, for disease or other items, which may be a possibility in one area, but may not be a possibility in another area. Those are the kinds of issues that are ongoing.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. I'd like to have the Minister receive a copy of his press release here please. I'd like to compliment the staff of Crop Insurance for a recent meeting I had with them with one of my constituents on an adjustment on a potato yield. They considered factors which were not available to them in the fall and they give it favourable review and it didn't amount to a claim on that individual's case but he was quite pleased with the openness to discuss that the senior management of Crop Insurance had.

Getting on to this matter of the press release, Mr. Chairman, the Minister has indicated that easier premium terms for crop insurance, namely, the elimination of a 6 percent general cash discount has allowed a general reduction across the board of 2.5 percent on premium rates. The Minister has indicated that this allows approximately 60 percent of the farmers who weren't taking advantage of cash discounts to save 2.5 percent on their premiums. I believe that's correct from his press release, and the Minister has indicated that that's so from his seat.

Now, Mr. Chairman, could the Minister confirm that under the old system, if they paid by August 15th they would receive a 6 percent cash discount on their premium; if they didn't pay by August 15th they had until December 31st to pay, with no interest penalty; that under the new system, the 6 percent cash discount

has been eliminated. Now one must pay by September 30th, or else face interest charges at, I believe, it's bank prime plus 1, or an interest rate of that sort. So that now, compared to the old system, one can no longer enjoy interest-free terms on the payment of their crop insurance premium up until December 31st, but rather that only extends to September 30th.

HON. B. URUSKI: I'm advised that's correct.

MR. D. ORCHARD: Mr. Chairman, I want to draw the Minister's attention to two types of customers in crop insurance. The first customer is one who takes advantage of the 6 percent cash discount under the old system. He would pay his premiums by August 15th, receive a 6 percent cash discount and figuring the roughly 18 weeks that the man had his money paid into crop insurance, he'd receive a 17.3 percent effective interest rate. That's why they got 40 percent of their customers to pay by August 15th.

Now in return for losing the 6 percent discount, that customer only received a 2.5 percent reduction in his premium rate. So that 40 percent of them, according to the Minister in his press release, are now paying 3.5 percent more for crop insurance than they were under the old system.

Now the Minister has justified this, Mr. Chairman, by saying that — (Interjection) — Well, now the Minister is going to have to justify what he put in his press release, but he says that lower income and young farmers now enjoy a benefit because of that reduction of the 6.5 percent. But I want to draw to the Minister's attention the fact that a young farmer, or a low-income farmer, who is used to paying his crop insurance premium December 28th, if he does so now, he is subject to three months interest charges, which amount at 12 percent per year, to a 3 percent increase in cost. The Minister has said that the premium reduction is 2.5 percent and in effect that young farmer, the other 60 percent of the policyholders, are being penalized by .5 percent on their premium rates because now they have to pay interest.

There is no saving in this policy change. The customer that was used to paying August 15th, now pays 3.5 percent more because he's lost the 6 percent and only gained a 2.5 reduction in premiums. The young farmer and the low-income farmer that the Minister says he's protecting in this press release, now pays .5 percent more because he can't pay December 28th, as he was used to paying under the old system without paying 3 percent interest charges on delayed payment of his bill, because now the Minister starts interest at September 1st. Could the Minister confirm that?

HON. B. URUSKI: Mr. Chairman, what has essentially happened is that everyone now pays the same premium rate by virtue of — (Interjection) — no, everybody doesn't pay more, Mr. Chairman. The fact of the matter is that there was a discount from payment that someone else had to pay for, Mr. Chairman. Now the premium rates are the same throughout. There is no discount. In fact — (Interjection) — Mr. Chairman, the honourable member knows that only 40 percent of the clients receive a benefit of 6 percent of a reduction. When the premium rates were changed not to allow that discount

to occur, it resulted in a 2.5 percent reduction in premiums for everyone across the board. That's basically what has happened.

Now the honourable member makes the case about the interest charges beyond September 30th, I will have to — (Interjection) — September 1st, he mentions. I will have to do a calculation as to exactly what that means in terms of savings, but what it does mean, Mr. Chairman, is a reduction of 2.5 percent for everyone in the program. It treats everyone equally, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, this press release put out by the Minister of Agriculture is another example of the false and misleading statements that we have come to expect from News Services under this government. This press release says that there is an across the board reduction in premium rates. That, Mr. Chairman, if it wasn't for the fact it was unparliamentary, would be a three-letter word spelled l-i-e, and that is what the Minister is putting in his press release.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. ORCHARD: The Minister has put out this press release saying that all people save money. Mr. Chairman, the Minister is not telling the truth in this press release, because customers who did not take advantage of the 6 percent cash discount now have to pay three months of interest that they didn't have to pay before. Either they pay it to the bank on borrowed money or they pay it to the Crop Insurance Corporation by paying their bill December 28th that they normally have.

Everyone pays more money for crop insurance, and this Minister has put out the misleading and false press release that they are saving money. The Minister has misled the public in this press release. He has used false information. He did not tell the truth in this press release because all customers of crop insurance will pay from .5 percent to 3.5 percent more for their crop insurance contract coverage under the new system than what they did under the old system. The Minister cannot deny those facts. They are written inherent in his statement and I submit, Mr. Chairman, that this press release is not factual. It is untrue and the Minister has misled the contract holders and the public of Manitoba by putting out this kind of false information through News Services.

There is no saving to any customer of the Crop Insurance Corporation on the 2.5 percent alleged reduction in premiums. That took place at the expense of the cash discount to 40 percent of the contract holders and at the interest expense of the other 60 percent. Everybody pays more, Mr. Chairman, and the Minister has misled the House.

MR. CHAIRMAN: Order please, order please. Order please.

The hour is 4:30, time for Private Members' Hour. I will leave the Chair and return at 8:00 tonight.

IN SESSION PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. The time being 4:30, Private Members' Hour, the first item on the agenda

for Tuesday is the proposed motion of the Honourable Member for St. Norbert, Bill No. 32, standing in the name of the Honourable Minister of Municipal Affairs. Can the House Leader indicate whether the Minister will be in to speak on the bill?

HON. A. MACKLING: Let the matter stand, please.

MR. SPEAKER: Stand.

SPEAKER'S RULING

MR. SPEAKER: On the proposed resolution, I have a ruling to give the House on Resolution No. 2, following the proposed amendment of the Honourable Member for Radisson when this matter was last before the House.

On March 15th, the Honourable Member for Radisson introduced an amendment to the private member's resolution introduced on February 28th by the Honourable Member for Turtle Mountain. The Honourable Member for St. Norbert rose in his place to claim that the proposed amendment was in breach of Beauchesne's Citation 437.

After other honourable members had offered their advice, I took the matter under advisement in order to review the rulings of previous Speakers. While our rules are silent on the matter of the content of amendments, there are numerous references by former Speakers. In perusing these former references, it is clear that considerable latitude has been permitted in the content of amendments during Private Members' Hour. Mr. Speaker Harrison, in a 1959 ruling on the admissibility of an amendment, stated that, "The law of relevancy of amendments is that if they are on the same subject matter with the original motion, they are admissible."

The same principle, concurred in by subsequent Speakers, has confirmed the practice in the Manitoba Legislature of giving wide interpretation to Beauchesne's guidelines. In conformity with the existing practice, therefore, I have no difficulty in finding that the proposed amendment is in order.

Are you ready for the question.

The Honourable Minister of Natural Resources.

RESOLUTION NO. 2 - AMENDMENT TO THE NATURAL RESOURCES TRANSFER AGREEMENT

HON. A. MACKLING: Mr. Speaker, I will decline to rise to the invitation of the Member for Pembina to engage in any silly talk and address the resolution. Mr. Speaker, there is recognition on this side of the House that the resolution framed by the Honourable Member for Turtle Mountain addresses a significant and serious matter, and we intend to deal with the subject matter of that resolution and we have amended it to indicate our concern, excepting that we do have a different approach to how we deal with that problem.

First of all, I think it would be helpful to indicate some parameters in respect to the problem itself. It might

be helpful to indicate the status of big game hunting in the province to some extent, and I have some statistics, they are estimates, but they are reasonably good estimates, I think, Mr. Speaker, at least the best the department could provide to me. It's estimated that the harvest of big game animals, and I believe this would be the 1982 season, although my notes aren't precise on that, would involve and in these categories: moose licenced hunters taking 1,700 animals, treaty Indians taking 3,000 animals. Remember these are estimates, because the treaty Indian hunting is not a controlled hunt; it is not by way of licence. It is by way of an Act and treaty rights in combination.

In respect to — (Interjection) — if the honourable member has a question, I'll certainly want to answer it.

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

MR. A. DRIEDGER: No, the Minister invited a question and I have a question.

HON. A. MACKLING: I didn't invite a question, I heard you asking a question.

MR. A. DRIEDGER: Mr. Speaker, if I might ask a question then?

MR. SPEAKER: Will the Honourable Minister accept a question?

HON. A. MACKLING: Sure, I'll accept a question.

MR. A. DRIEDGER: The Minister indicated that the estimated harvest of moose was 1,700 by licenced hunters and by the Native people 3,000, and my question is, how do they establish that 3,000 figure?

HON. A. MACKLING: The establishment of that figure is by way of consultation partly with the treaty Indian people, actual surveys taken during the hunts, conservation officer's reports as to kills, a large number of factors are taken into account in that assessment. It's imprecise as I've indicated, because it isn't strictly monitored or controlled, but it is the best information that my department is able to give me and I share that with the House.

In respect to the estimated harvest on deer, the department estimates that 26,000 deer were taken by licenced hunters and 12,000 deer by treaty Indian hunters; elk - licenced hunters 400, treaty Indian hunters 250; caribou - licenced hunters 60, treaty Indian hunters 125. Again, these are estimations and approximations because, as I've indicated, there is not a controlled hunting situation. They estimate that 75 percent of the animals taken by treaty Indians are comprised of females and young; whereas the licenced take of moose, for example, is 75 percent males.

There is a concern, Mr. Speaker, about populations of big game animals, particularly within the Interlake and the Northwest and Eastern regions. The populations have been declining and these declining populations were indicated in 1975 and that decline continues to the present day. A major factor in that decline is the uncontrolled harvesting of animals by treaty Indians.

Within the Duck Mountains in the Western region it has only been since 1980 that the harvest by treaty Indians has occurred with any degree of magnitude and has reached about 150 moose per year, again, by way of estimates.

There has been no licenced hunting of moose in Game Hunting Area 16 since 1973. In the mid to late 1960s, this area supported an annual harvest of 300 to 400 animals. However, with increased access, roads, snowmachines, etc., the herd was overharvested and the season closed. In 1982, a population estimate revealed a maximum of 50 moose in 1,700 square miles. From a biological viewpoint, this herd is incapable of increasing. It is still annually hunted by treaty Indians.

The presentation to the Minister, the then Minister on November 22, 1982 - pardon me, that's myself - dealt with the foregoing status of the moose resource and the presentation referred to above, keyed on the following additional points.

The moose population in Manitoba is estimated to have decreased from 49,000 in 1973 to about 29,000 today. Decline is attributed to the fact that the mortality exceeds natality. Factors affecting moose are weather, disease, habitat, predation and hunting with major emphasis on hunting and predation. The department can enact a degree of control over predation and hunting.

The treaty Indian harvest is not the only problem faced by Manitoba big game resources, particularly moose. A major importance in some areas is the lack of calf survival. Based on casual observations in Manitoba and extensive research in other areas, it is now known that Black Bears are a major factor in calf mortality, taking an exceedingly high number of calves in the first eight weeks after birth. With low moose populations and a high bear population, the problem is even more acute. The other predator of concern in some areas is the timber wolf.

Mr. Speaker, for some time the department has established criteria statistics and I would like to give the House the benefit of statistics in respect to prosecutions. Our records indicate that 897 prosecutions under The Wildlife Act were concluded during the 1981-82 fiscal year with an estimate of 852 prosecutions being projected for the 1982-83 fiscal year. Of these totals, 287 or 32 percent of the 1981-82 prosecutions were treaty Indians, with 136 prosecutions or 16 percent being projected as treaty Indians for the 1982-83 fiscal year. There has been a significant decline in treaty Indian hunting offences. This decline can probably be attributed to prevention strategies and a deterrent provided through penalties assessed by the courts.

Mr. Speaker, guidelines were established some years back by previous departments, previous Ministers working with the Departments of Natural Resources and, although a large number of people are under the impression that treaty Indian people can hunt at any time and under any circumstance and really, there is absolutely no qualifying effect to their hunt, that is not true. They cannot hunt at night when such hunting would be considered by the courts to be dangerous. Generally that qualifying factor is if there would be or are expected to be other people in the vicinity, whether by homes or other people there for other reasons. So, there are prosecutions that take place for dangerous hunting;

but short of that, the courts have historically held that in accordance with The Natural Resources Transfer Act and the rights of treaty Indians as followed for hundreds of years in North America, do provide a right to treaty Indians to harvest big game for food.

It's important, Mr. Speaker, to note that Indian people do rely, particularly in some areas of the province very very extensively on game for food. My department estimates that approximately 17,000 native people consume significant quantities of game. There are estimated to be 2,500 treaty deer hunters who probably hunt on a regular basis. There are estimated to be about 1,500 treaty Indian moose hunters who do so on a regular basis. Overall there may be 3,500 treaty Indian hunters and about 3,000 of those are north of the 53rd parallel.

Hunting in some bands is assigned to specific individuals who have more skill, or have better equipment, and those individuals do a good deal of the hunting, if not most of the hunting, for the band. It's estimated by my department that perhaps about 4 percent of the treaty Indian hunters have been involved in offences, so therefore 96 percent of the treaty Indian people involved in hunting have done so in compliance with conservation practices.

It is true that there is game, either deer or moose, provided to treaty Indian people in Winnipeg and it's alleged, of course, from time to time that some of this game might have been sold. We do investigate those claims but we do know that treaty Indian people do share meat that they harvest and, of course, that's quite lawful for them in my opinion to share with members of the band, the meat that they have secured from the wild because we do have treaty Indian people who are resident or belong to Indian reserves, not proximate to Winnipeg, but nevertheless in Winnipeg and they continue to be members of those bands.

Mr. Speaker, to get to the substance of the resolution, and the principles involved in it now, I would like to point out to the House that the problem of the higher and higher incidents of treaty Indian hunting to obtain a diminishing resource is not a new one to this House. As is indicated, problems have been brought to the attention of previous governments, including this government, that there is a significant concern on the part of naturalists, on the part of people who sport hunt, on the part of treaty Indian people themselves that there is a diminishing resource while there is an increasing demand.

I suppose, Mr. Speaker, the highlight of recent years interest in diminishing resource of big game could be focused on the barren-ground caribou herds, the Kaminuriuk and Beverley herds, where very substantial publicity was given to the marked reduction in the number of animals that comprise those two herds. Those herds, of course, are a mainstay for treaty Indian people living and depending on a game for food.

So it was that governments in Saskatchewan, Manitoba, and the Northwest Territories, and the Government of Canada came together by way of agreement, very heavily involving the treaty Indian bands most depended upon the supply, coming together to fashion an agreement to ensure the continuation of the herds. This work, I think, was started some years back; certainly the Honourable Member for Turtle Mountain, the Honourable Member for Lakeside, and

I think previous Ministers of Natural Resources had some interest in it. In this House, and at the time of the signing, I indicated my approval for the efforts of all who had initiated and followed through in respect to this work.

Mr. Speaker, the Honourable Member for Turtle Mountain was Minister of Natural Resources, I think, at the time when some of the most significant initiatives were taken in respect to that development. Now it was open to that former Minister, as it was open to that government, in light of the stark problem that existed in respect to those herds to have taken the route to appeal to Ottawa to amend The Natural Resources Transfer Act, and to provide for a clear responsibility on the part of the Provincial Government in taking control of the resource notwithstanding the overriding treaty Indian hunting rights, that course of action wasn't followed by the previous government and I commend them for it.

They chose the route of going to the treaty Indian people, talking to them about the problem and securing the consensus for an agreement to preserve the resource. That is the route that was initiated also in respect to concerns about moose in the Interlake and others. There have been discussions with treaty Indian bands, and those discussions are ongoing in respect to the need to conserve the resource because, Mr. Speaker, not just our government, but previous governments including the members opposite, have agreed by way of commitment to treaty Indian people, commitment that it recorded as priority use by government, that the domestic taking, the domestic food demand of treaty Indian people, is the top priority in respect to the preservation and conservation of the resource. There's no disagreement on either side of the House in respect to that. That is a commitment that we accept.

Now, there is a significant problem in respect to the need to have greater understanding in respect to conservation and I think a greater input in conservation technique and program, by treaty Indian people themselves. The Kaminuriuk and Beverley barren-ground caribou herd agreements I think indicate a way in which governments can sit down with the people that have the greatest priority in respect to that resource and try and work out sensible and realistic programs for the conservation of the resource.

That's why, Mr. Speaker, the amendment that is proposed to this resolution, while recognizing that a problem exists, puts the focus on discussion, on dialogue, on talking to the treaty Indian people themselves involving them in a policy develop and process in respect to preservation of game animals. That's the important thing, Mr. Speaker.

No one on either side of this House, I am sure, wants to deny the rights that treaty Indian people have in respect to domestic hunting and domestic fishing. There is a concern about conservation of the resource because of hunting pressures and because of other environmental factors, one of the most significant being the loss of habitat for wildlife throughout this province.

So, Mr. Speaker, it is with ready agreement that I speak in favour of the amended resolution which seeks to address the problem of conservation of the species. We have to involve treaty Indian people in that conservation program. I think that, as I've indicated,

the example has been set by previous governments, and by our government, that consultation is the best approach to take, and that's the one we want to follow. The amendment clearly indicates then that we want to consult, not only with treaty Indian people, we will also want to consult with the Federal Government, because the Federal Government was involved in the decisions in respect to the barren-ground caribou herd development, and I think it's appropriate for the Federal Government to be involved in those discussions and any resolution of the continuing problem to conserve our resources.

We were mandated as a province, through The Natural Resources Transfer Act, to conserve the resource. We are absolutely committed to doing that, but we're going to do it in a way that respects the rights of treaty Indian people; we are going to do it in a way which respects the need to conserve the resource in Manitoba.

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Mr. Speaker, would the Minister accept a question of clarification?

HON. A. MACKLING: Yes, if I still have time, I certainly will.

MR. SPEAKER: Order please. The Honourable Minister's time has expired. Does he have leave to answer the question? (Agreed)

The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you. The Minister indicating the figure of convictions indicated there were 287 treaty Indians that had been charged with violations. Considering the fact that the Indians can hunt, by whatever means, on a year-round basis, could the Minister indicate, or give a breakdown, what those convictions are for, the 287, just some kind of breakdown?

HON. A. MACKLING: The prosecutions, the 287 that were referred to, breakdown as follows under The Wildlife Act: night hunting, 158; loaded firearm in vehicle, 19; hunt during closed season, 31; possess illegally taken game, 7; hunt on private land without permission, 29; hunt from vehicle, 12; dangerous hunting, 13; all others the balance. There is one item in here, and I say the balance, it says, hunt without a licence. There's a figure put in there, but obviously it's not applicable to that section because they don't require a licence. There were also Migratory Bird Convention Act offences of 19 in number. — (Interjection) — Yes, it is. The number of non-Indians prosecuted for night hunting were 68.

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. W. MCKENZIE: Mr. Speaker, I appreciate the comments of the Honourable Minister of Natural Resources regarding this very important subject that we're dealing with in the resolution as proposed by my colleague, the Member for Turtle Mountain. Mr. Speaker,

I'm not a hunter, I'm not a fisherman either, although I was lucky this summer up in the north country to hook a char. I think that's the first time I've thrown a hook in the water for about 40 years, I'm not a fisherman. Mr. Speaker, in my remarks today there's no way that I'm speaking with any intent whatsoever to discriminate against any Indian citizens or any Indian bands in this province, Saskatchewan or elsewhere.

Mr. Speaker, I will have a terrible time supporting the amendment that has been proposed by the honourable members opposite and the reasons are many. First of all, the honourable Minister has eliminated the serious problem of nightlighting in this province completely out of the resolution; it's gone. Mr. Speaker, he's taken out the part whereby the Honourable Member for Turtle Mountain pointed out the duties of the government in dealing with matters such as this, the obligation to share a continued supply of game, of fish for Indians of the province, to simultaneously provide the authority to the government to require Indians to abide by conservation laws respecting game and fish; that's gone. He's ruled they've wiped out the part that says, "whereas court decisions over the past 20 years have largely removed the right of Government of Manitoba to require Indians to comply with conservation laws respecting game." That part has been eliminated, Mr. Speaker.

It goes on, and in my colleague's resolution where he's said, "AND WHEREAS this lack of authority has resulted in uncontrolled and indiscriminate killing of big game by Indians using hunting methods, such as, nightlighting and equipment, such as, four-wheel drives, power toboggans and aircraft, the use of which is capable of eliminating big game populations and hence ruled illegal for use by non-Indians." And the resolution that the honourable members have presented has eliminated that. So, they do, in my opinion, support night hunting and support some of the problems that we have out there today with our big game, or why would they eliminate that section out of the resolution. I'm very disappointed in the Minister, in his comments and his speech.

It goes on, Mr. Speaker, my colleague's resolution, and says, "WHEREAS it is a demonstrable fact that these practices are dramatically depleting big game population in some areas of the province, with the result that Indians and non-Indians alike are deprived of opportunities to hunt big game." That's eliminated, and my honourable colleague, he asked that this matter be negotiated; and what does the amendment say, Mr. Speaker? It says, they're going to continue to consult. They're going to continue to consult on this serious matter.

Mr. Speaker, I understand the problems of the Native people very well because I'm quite familiar with the Valley River Band which has been part of my constituency since I was first elected in 1966, and on that reservation there was game, there was fish there, the band were conservationists and they practised conservation to the nth degree. In fact, some members of the band were in charge for wild meat for the tables of the people that lived on the reserve, and other members of the band looked after the fact that there was fish on the table for the people that lived on the reservation.

So, I have no quarrel with the Indian people at all. The problem was, Mr. Speaker, they started to farm

that land; they started to actively farm the Valley River Band and so, consequently, the game went away and the water in the streams was depleted, so there was no game left and there was no fish left. Naturally, the people who lived on the reservation had to move elsewhere for their meat and their fish, Mr. Speaker. But, that problem I'm sure has created great pressures, not only in this province, but in Saskatchewan as well, because one only has to travel across our neighbouring province to the west and you'll find real quickly the same serious problem is facing that jurisdiction as well and they don't know how to deal with it. We're certainly not going to deal with it with amendments such as are being proposing by the honourable members opposite. The problems are real. The figures that the honourable Minister has laid on the table this afternoon gives us the reality and the seriousness of it.

Mr. Speaker, I was most concerned when I picked up the Annual Report of the Honourable Minister and I opened up the first pages of the book and read the statement his Deputy Minister made to him. There's not one mention of this problem in that Annual Report; not a line from the Deputy Minister to the Minister regarding this problem and the seriousness of it. Certainly, it's mentioned over on Page 57, but it's certainly not on the first page. So, I have a quarrel with the Deputy Minister and the Minister. They are not taking this matter seriously, Mr. Speaker, if they were, there would be some mention in that opening statement of that Annual Report about the real problem we're having today with night hunting. It's not there, not a line. That concerns me, Mr. Speaker. I thank the Minister for the remarks that he put on the record this afternoon, but the problem is real and the problem is serious.

I've had letters in the last few days. Here are statistics that came between the third week of December, 1982 and February 28, 1983. This is in the Porcupines and the Duck Mountains. There were 75 deer intercepted, 80 moose, 16 elk, that had been harvested by some nightlighters and which included Native and Indian and maybe some white people as well. Talk to the conservation officers there; they don't know how many more over and above those that were slaughtered.

I have a letter here, Mr. Speaker, from a farmer by the name of Mann in Roblin, who's got all kinds of evidence of the slaughter that's going on day after day in that jurisdiction west of Roblin.

Another letter here from Mr. Pollock, the President of the Roblin Game and Fish Association, whose letter I directed to the First Minister of this province to try and point out the seriousness of this problem and the fact that we've got to deal with it as quickly as possible, not by coming up with wishy-washy amendments, then more discussions. So, therefore, I don't think we can kick the matter around. There are enough statistics on the record today. The problem is, what are we going to do about it?

As I sit down, Mr. Speaker, I will have a very difficult time supporting the amendment that's been posed by the honourable members opposite as we try and wrestle with this problem which is very serious and certainly deserves much better attention than it's getting by this government at the present time.

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Thank you, Mr. Speaker. I'd like to deal with this from a different perspective. Last time I spoke on the original motion, I dealt with the demand side, and I ended up speaking briefly on the supply side. I'm sorry that wasn't pursued a little bit more by some of the people on the opposite side of the House, Mr. Speaker, because I think that may be where a large part of the problem lies.

For example, I know that in the Turtle Mountain area, between 1961 and 1971, there was a 39 percent drop in woodlands on farms in Census Division 4, and a 45.9 percent drop in woodlands in Census Division 3. Now obviously, when you have a drop in habitat, you're going to have a drop in productivity as well. Those are some old statistics, Mr. Speaker. In preparation for this, I updated them and I found that between 1976 and 1981 in the Turtle Mountain area, the woodland on farms has dropped a further 33 to 41 percent. As a matter of fact, as of the 1981 census, in Census Division 5, there were only 14,483 acres of woodland left on farms in those areas.

Even this is misleading, Mr. Speaker, because I'm sure many of the members know that a lot of the farmers graze their cattle in woodlots. If you put cattle in the woodlots, they're going to compete for the same food; they're going to change the habitat selection. — (Interjection) — The Member for Minnedosa says, they're harmonious and they can live together, but that's not entirely true.

Furthermore Mr. Speaker, I'd like to deal a little bit with the history of the white-tailed deer in Manitoba because that seems to be primarily what the problem is concerned with. About three-quarters of the hunting licences go to deer hunters. I'd imagine that members in this House should know that the white-tailed deer is not indigenous to this province. They don't know that, I see.

The earliest — (Interjection) — reference to white-tailed deer that I've been able to find is in Pembina, North Dakota about the year 1800 in the journals of the fur trader, Alexander Henry. He remarked how odd it was to see a white-tailed deer - a jumping deer, as he referred to it - so far north at that particular time. The fact of the matter is that the white-tailed deer did not move into Manitoba in any substantial numbers until well into the 19th century. That was primarily after the settlement of this country. After the homesteaders came in, broke the land and farmed it, the prairie fires were reduced in their frequency and you got the development of clumps of bluffs, of trees here and there around the sloughs and along the bluffs and this provided the habitat for the deer. That's when the deer started to move in.

Now unfortunately, the economic situation of farming today has brought about a situation where farmers are cutting down their woodlots. They're clearing land in order to put more land into productive agriculture. Now, this isn't something that the Member for Turtle Mountain would be a stranger to, I'm sure.

Back in 1978 in the Turtle Mountain Resources Conference, there was a paper that was presented, entitled, "Land Development Opportunities for Wildlife in the Turtle Mountain Area." The senior wildlife planner for the province said, "The basic problem is that the private landowner profits little from the wildlife crop. Consequently, he does little or nothing purposely, to

raise wildlife. This situation, and the trend toward land-use intensification are causing the replacement of the wildlife crop in southern Manitoba by other crops which show monetary return to the landowner."

The problem with deer and with wildlife in general is not entirely on the harvest side. Obviously, when you reduce habitat, you're going to reduce the supply which can be harvested.

Now, the situation is also complicated by the fact that deer are on the very margin of their natural limits in Manitoba. The Member for Turtle Mountain, I'm sure, can explain this a lot better than I can. He wrote a paper entitled, "Reproductive Biology of the White-Tailed Deer in Manitoba," which was printed in the Journal of Wildlife Management in January of 1967. The Member for Turtle Mountain wrote that.

In that, he detailed the problems of harsh winters in Manitoba; the fact that the climate is such that it is not optimum for deer production and you do have fluctuations in the population based on the severity of winters. This is what the Member for Turtle Mountain said in 1967, "Experience has indicated that the reproductive rate of deer in Manitoba is relatively low, as there has never been a deer eruption in the province and deer densities are generally much lower than in the lake states, and other good deer areas in the United States. There have been deer die-offs in Manitoba, but in all cases they have occurred during winters of deeper than average snow and severe cold."

I think it's interesting that on the radio this morning, I heard about some of the problems they're having because of the recent snow that we had with ice forming on the crust. The deer are having trouble traveling. They naturally gravitate to the railway tracks where it's easier for them to travel, and herds of as many as six have been run down by trains. So obviously the CPR is out there nightlighting now too. The problem is not entirely one of harvest. It is one of production as well.

This is what the Member for Turtle Mountain further says: "In summary, it appears that low temperatures cause deer to be in a state of negative energy balance for long periods during Manitoba winters. This condition results in relatively low annual increments, regardless of the food supply and despite high fertility levels." He goes on further to say, "Consequently, weather is more important in controlling deer numbers in Manitoba than is the degree of utilization of the food supply."

So there we have two problems related to the deer population in Manitoba: (1) something we can help, which is habitat; and (2) weather, which we can't do too much about.

Now, the Member for Minnedosa says we can do something about nightlighting, but I wonder, where is it shown that if we ban nightlighting, that Indians aren't going to hunt in a different manner and take just as many deer. Where is it said? They have not once proven that if the elimination of nightlighting makes hunting, say, 10 times harder, that Indians won't hunt 10 times as much. I mean, they have this simplistic solution that if you ban nightlighting, you can cure the problem and they haven't proven that at all in their debate here. They are engaged on a vendetta simply based solely on an intolerance of a method of hunting. Has it ever occurred to them once that if the Member for Turtle Mountain finds nightlighting a disreputable or whatever the word was he used - despicable - has it ever occurred

to him that other people may find hunting for sport equally despicable? But do we come out and say hunting is despicable and we're going to ban it? I don't. I am willing to tolerate that sort of sport attitude, but I would expect the Member for Turtle Mountain to be equally tolerant of a different framework, a different conception of hunting.

Mr. Speaker, I think we have a lot to look forward to in Manitoba in the way of habitat management, and that's where I think the key to this problem is really going to lie; not in restricting demand, but increasing supply. For example, according to last year's Annual Report of the Department of Natural Resources, forage crops have been planted on lands in several of the wildlife management areas. They have been funded by an impost on deer hunting licences; 80 tons of deer pellets were distributed. I guess that's for situations when the weather gets too bad and it is to alleviate some of the problem that the Member for Turtle Mountain has pointed out. An additional 130 hectares of Crown land was bought for wildlife management areas in 1981-82. There is also a recommendation in the MARC Report, recommending that some tax relief would be given to farmers who would keep their land in wildlife habitat instead of bringing into agricultural production.

There is a lot that can be said for where we're going on the supply side and, rather than tagging the Indian as the problem, I think we would be better advised to address the real problem, which is supply management and not demand management.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker. I want to add a few remarks actually to the resolution that has now been amended which really, I think, Mr. Speaker, takes away a great part of the intent of the resolution that the Member for Turtle Mountain wanted to have considered by both sides of the House. I've listened with interest to a great number of the speeches, but they didn't touch on the material in the original resolution, Mr. Speaker.

The amendment embodies some of the wording in the original resolution, but in the whereas the lack of authority has resulted in uncontrolled and indiscriminate killing of big game by hunters using methods such as nightlighting equipment, four-wheel drive vehicles, power toboggans and aircraft. That is nowhere shown in the resolution, and nightlighting was the main intent of the original resolution, to eliminate or to curtail drastically the bad practice or the illegal practice of nightlighting, whether it be by Native Indians or by whites, and then we know that there are a number of white nightlighters too that get by the odd time without being convicted or brought to trial.

But, Mr. Speaker, some of the comments that the former member who has just spoken, in his earlier remarks distributed a picture of nightlighting by whites in this Chamber, really I think even his remarks now missed the point and the intent of the resolution brought in by my colleague from Turtle Mountain, and that was the elimination of jacklighting or nightlighting. The

Minister, in the statistics that he gave us earlier, proved by any shadow of a doubt that nightlighting is a very, very serious offence and accounts for the greater amount of illegally taken game, because it puts them at a tremendous disadvantage and they're very, very easily taken when they're captured in a bright light.

The Member for River East went on to talk about the disappearance of woodlands and woodlots, Mr. Speaker, and would lead to the elimination of game. Well, I don't know what the population of the State of Iowa is, but it's a very well populated state and I have hunted down there. I've hunted pheasant, not deer, but the abundance of deer amazed me and that area is very, very heavily populated and heavily farmed, but there's a number of ravines and . . .

A MEMBER: Not summer fallow?

MR. D. BLAKE: There's not too much summer fallow. The land is very expensive and they crop it pretty continuously down there, but that area is abundant with white-tailed deer and with mule deer, Mr. Speaker, and down there of course it's illegal to hunt with anything but a shotgun using slugs which eliminates or cuts your range down to, say, 100 yards. There's no big rifles allowed, but there's a great deal of sportsmen who go out and use those hunting methods and there's an abundance of deer in that state. So the suggestion that we know the elimination of habitat is not helpful, but there's areas not too far from the City of Winnipeg where there's not much woodland, Mr. Speaker, and there's an abundance of deer. They've got ample feed from the surrounding farmland, so that really doesn't hold water.

Someone mentioned earlier, I think maybe the Member for Radisson, the number of licences issued in 1936 was 4,000 and in 1970 there was about 62,000. Well, Mr. Speaker, some of us can remember 1936 and in those days, not that I want to say that my parents hunted illegally, but it was pretty well generally known in the rural community that if things were a little tough and during the Dirty Thirties they certainly were, you just went out and got a deer whenever you really needed one, when the larder got a little low, and noone worried about a licence or anything else. I suppose those practices maybe didn't help with the population increase.

But there's no question, Mr. Speaker, that the resolution brought in by my colleague, the Member for Turtle Mountain, was in no way intended to discriminate or to eliminate the rights of the Native people to hunt for food. It is merely to have them use methods that are considered legal by the rest of the community that does hunt and it's been said by many speakers. There has been a great deal of consultation with Native bands, and I had a meeting with the chief biologist for the province a couple of weeks ago who tells me they're making great progress in convincing many of the bands that they have to use measures of conservation. Otherwise, they will eliminate game completely.

In some areas where they have had that co-operation, it is evident now to the bands that the moose population has increased tremendously, using some reasonably good conservation methods and they were still allowed to take a certain amount of game. But it's, by and large,

the illegal and the illicit sale of wild game that is causing the problem and it's eliminating the moose population in some areas, virtually wiping them out; and that, by and large, is done with jacklights or with nightlights.

I know the Conservation Branch is making a good attempt to apprehend those guilty. We pleaded with the Minister last year to provide some more funds to that department to bring them some up-to-date equipment and allow them to bring these culprits to justice. The Budget was a little short at that time, as we found out about \$498 million short that year, and I suppose that's the case this year.

But the men in the field will do a job, Mr. Speaker, and I pass that on to the Minister. If they are given proper equipment and some co-operation from the citizenry and the various police forces they can do a job of bringing these illegal hunters to justice. I'm not saying that Native hunters are to blame for a lot of that, because they have an awful lot of co-operation with their white brothers in disposing of the game or taking it in the first place. But, as the Member for Roblin has said, he can give you case on case where there's been indiscriminate killing, late in the spring, of cows in calf and the slaughtering of young animals, which certainly does decimate the wildlife population.

But I wanted to place a few remarks on the record, Mr. Speaker, because I enjoy hunting. I think it's part of our rich heritage that we have in this part of the country and I believe that I'm a conservationist as much as anyone else, but hunting has been traditional in our family and it certainly provides a great deal of recreation for me and my neighbours in Minnedosa and my family. My sons both hunt with me and I think it's something that we have to strive very hard and very earnestly to maintain the game population so that we will have an abundance of wildfowl and big game animals for those that wish to hunt big game animals.

I don't want to belabour the point, Mr. Speaker, with the statistics that we've had placed before us today, there are certainly encouraging signs, I think, that great strides are being made in improving the caribou herd. But, as the Member for Turtle Mountain pointed out earlier, that it's the methods used now to hunt that weren't available years ago. At one time, especially with the caribou herd, the native population intercepted the herd on its migration north and south so many times a year. But now they can pursue the herd, they can pursue the herd and hunt it unmercifully with power toboggans and high-powered rifles, things that they didn't have before. So, that area has to be very very carefully supervised if you want, for lack of another word; I think those bands now realize that the more control there is on their hunting methods the longer their going to be able to have caribou. With the other assistance that they have now, they don't really require it for their complete livelihood. That's something that will be there for generations to come for them. I think as long as they manage the herd properly, and I think that message has gotten to the native people that are in charge of those Bands, that they are going to use a fair practices and allow the herds to continue to increase.

But, Mr. Speaker, I am disappointed in the amendment to the resolution that has been brought forward by the Member for Radisson because it doesn't really cover the points that my colleague, the Member

for Turtle Mountain, was trying to place on the record and trying to get the co-operation of the House, and that was the elimination and indiscriminate killing using methods that are really foreign to the good management practices and the conservation of our wildlife. So, it's with disappointment, Mr. Speaker, that we've seen the amendment brought into the House that really takes the heart and meaning right out of the resolution.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Yes, will the honourable member accept a question? (Agreed) The Honourable Minister has indicated, I think quite rightly, and reflected on the efforts of the Department of Natural Resources for some years, and laterally in respect to consultation with Indian bands about big game populations, and would the member not agree that those consultations have also centered on hunting technique, including night hunting, and that there has been favourable response on the part of those treaty Indian bands?

MR. D. BLAKE: I think that is true, Mr. Speaker. If I left the impression that wasn't part of the discussions I didn't mean to leave that there. They are discussing the whole gamut of proper management techniques.

A MEMBER: Including the caribou.

MR. D. BLAKE: With the caribou, of course, the native population are the only ones that are allowed to hunt

caribou. So, we hope that herd continues to multiply and provide sustenance for them for many generations to come.

MR. SPEAKER: The Honourable Member for The Pas. The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, could we call it 5:30?

MR. SPEAKER: Is it the pleasure of the House to call it 5:30.

The Honourable Member for Turtle Mountain.

MR. B. RANSOM: I assume, Mr. Speaker, that the resolution is open.

MR. SPEAKER: It will stand in the name of the Honourable Member for The Pas who was recognized.

MR. B. RANSOM: Okay, that's fine.

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

HON. A. MACKLING: Agreed.

MR. SPEAKER: It is moved by the Honourable Minister of Natural Resources, and seconded by the Honourable Minister of Municipal Affairs, the House to now adjourn. Is that agreed? (Agreed) The House is accordingly adjourned and will stand adjourned until 2 p.m. tomorrow afternoon. (Wednesday)