

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 23 May, 1985.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CULTURE, HERITAGE AND RECREATION

MR. CHAIRMAN, C. Santos: Committee, please come to order. By leave, we are leaving also Item 1.(a) Salaries, and going back to Item No. 4., Telecommunications Policy, 4.(a) Salaries, 4.(b) Other Expenditures, 4.(c) Grant Assistance.

Mr. Minister. — (Interjection) — The Minister responsible will now make some opening statements.

HON. A. MACKLING: I ask your apology, Mr. Chairman. I was talking to the House Leader about a change in the Estimates review process, and I talked to one of the members of the opposition. I was anticipating going next in this committee. I understand they want Government Services next. I was just trying to clarify that with the House Leader.

Mr. Chairperson, members of the committee, as you are aware, responsibility for the government's Telecommunications Policy was transferred to this Minister from the Honourable Eugene Kostyra in January, at the same time as responsibility for the administration of The Manitoba Telephone Act was transferred to this Minister from the Honourable Sam Uskiw.

As you will note from the Estimates before you, the Telecommunications Policy office is a very small unit with only three staff who advise the government on policy issues related to telecommunications and broadcast matters.

When administrative questions arose after the change of portfolios, we could not create a new mini-department which would report to this Minister, nor could we move it into the Department of Labour as there is no relation between my telecommunications responsibilities and my responsibilities related to the Department of Labour. My colleague, Mr. Kostyra, and I have agreed that although the Telecommunications Policy office will stand as a separate appropriation for which I am responsible, it will benefit from administrative support from the Department of Culture, Heritage and Recreation.

The work of the Telecommunications Policy office will be monitored by a committee of Deputy Ministers from the Departments of Culture, Heritage and Recreation; Industry, Trade and Technology; and Crown Investments.

This is a time when we must follow telecommunications policies very carefully. In response to the introduction of competition in telecommunications services in the United States, the Canadian Department of Communications, DOC, and the Canadian Radio Television and Telecommunications Commission, the CRTC, have launched policy review processes to consider the introduction of competition in the provision of long-distance telephone services.

We are concerned that introducing competition will result in a transition from the traditional rate averaging

of the telephone companies and their regulators to a system where all services will be priced according to their cost. If this occurs, rates for local telephone service would increase substantially in Manitoba with the greatest impact being felt in rural and remote areas.

As this is a critical issue for Manitobans, this government has:

1. made the public aware of the issue;
2. advised Federal Ministers of Communications of the need to develop a national plan, rather than let various regulators across the country set policy;
3. invited the CRTC to hold a public hearing in Winnipeg and advise the commission of the government's concerns;
4. participated in a federal-provincial study to determine the impact of inter-exchange competition on local telephone rates;
5. sent a letter to all Manitoba Telephone System subscribers, asking them to advise their Members of Parliament of their concerns on this matter;
6. the Legislature has passed an all-party resolution asking the Federal Government not to proceed further with changes to the structure of long distance telecommunications without the agreement of the Government of Manitoba.

In the coming months the government will take further action to ensure that Telecommunications policy is set through co-operative negotiations between governments rather than through decisions by individual regulatory authorities. This is the key issue which we will be monitoring in this fiscal year. We have plans to undertake another federal-provincial study, this time to examine the extent to which Telecommunications traffic, currently using Canadian facilities, might be routed through the United States facilities in the coming years.

We are also encouraging our federal and provincial colleagues to undertake a study of Telecommunications rate structures in Canada to establish a common base of information upon which we can negotiate between governments any changes required to maintain the international competitiveness of the Canadian system without jeopardizing the affordability of high quality telephone service which we now enjoy throughout the province.

Mr. Chairman, and members of the committee, I think most of you have met or have been introduced to Joy Constant who is a Deputy Minister of Cultural Affairs and I think most of you know Charles Feaver who is the Senior Policy Advisor in respect to telecommunications policy matters. Miss Constant is with me and Mr. Feaver is with me to help answer any questions that members may have on any item of the Telecommunications Estimates.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina.

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

Mr. Chairman, the Minister mentioned three staff. Could the Minister indicate if all positions are filled and if they are filled in permanent staff position or whether any are filled on an acting basis?

HON. A. MACKLING: I'm advised they're all permanent positions, all filled with the exception of an administrative secretary who has been ill and is being replaced temporarily with a term position.

MR. D. ORCHARD: Mr. Chairman, to whom does the Grant Assistance go? Who is supported under the Grant Assistance?

HON. A. MACKLING: That grant is to Native Communications Incorporated of \$126,800.00. I should elaborate I suppose, they provide media services to Native audiences in Northern Manitoba.

MR. D. ORCHARD: Mr. Chairman, when was the grant to Native Communications Incorporated first established?

HON. A. MACKLING: I am advised that it's probably at least 10 years ago a grant was established, and it was then under Northern Affairs, and now it's been transferred under this section.

MR. D. ORCHARD: So then I take it that transfer occurred prior to this fiscal year because it isn't in the reconciliation statement.

HON. A. MACKLING: My advice is it was two years ago.

MR. D. ORCHARD: Mr. Chairman, the Minister has, in his introductory remarks, dealt with the area of competition, the issue as it applies to provision of long distance and competition in that area.

Mr. Chairman, could the Minister indicate whether his staff complement here are doing all of the research into the potential impacts of that competition, if it should be allowed, or are they working and using primarily information developed by Manitoba Telephone System staff resources?

HON. A. MACKLING: We are developing our own information base, but we are also privy to the information and the data collecting of the Telephone System, and also we are sharing information from other similar telecos, SaskTel, and the provinces themselves.

MR. D. ORCHARD: Mr. Chairman, I am not sure what has happened in recent years or recent months of the communications conference, Ministers of Communications having a conference. Could the Minister indicate whether there is agreement amongst the provincial Ministers as to a position on the competition, the application by CNCP to compete?

HON. A. MACKLING: I am advised that there is general agreement amongst the prairie provinces and the Maritimes. The Governments of Ontario and British Columbia - when I said the western provinces, I meant the prairie provinces - Alberta, Saskatchewan - B.C. and Ontario are taking a somewhat different approach.

MR. D. ORCHARD: How does B.C. and Ontario's approach differ?

HON. A. MACKLING: I am advised that British Columbia has taken a philosophical position that competition will be encouraged and I suppose whatever happens will happen. Ontario believes that while competition should be allowed that the rates must be regulated to ensure that there is no substantial increase. Now how they can do that we don't know.

MR. D. ORCHARD: Where does Quebec fit into this debate?

HON. A. MACKLING: I'm advised that Quebec does not agree with the competition because of the concern of the impact on local rating.

MR. D. ORCHARD: It's fair to say then that the provinces who have Crown corporations are the ones who hold the greatest concern over the potential impact of competition from CNCP and that Alberta, Saskatchewan and Manitoba are primarily - if you could use the term - headmanning the opposition. Would that be a fair assumption?

HON. A. MACKLING: Yes, that is true. But in addition to that I'm advised that the Maritime Provinces, who don't have a high concentration of population and urban centres, are very concerned about the effect of competition on the rate base.

MR. D. ORCHARD: The Minister mentioned earlier on in his opening remarks that his staff will be undertaking a study into how much - I don't know whether it's possible traffic or how much - traffic could be routed through the United States communication companies. Is there a time frame on that study and has any preliminary work been done to give an indication as to how that impacts already because it's my understanding that there is a fairly substantive use out of British Columbia of the American network for long distance connection to Eastern Canada, Southern Ontario in particular?

HON. A. MACKLING: I'm advised that the Federal Government and the provinces are presently negotiating the study. It's anticipated the study will take six months from the time that agreement is reached on the study.

Further, I should answer the second part of the member's question. That was the impact in British Columbia. There has been impact in British Columbia, but the impact has been the subject of a hearing in British Columbia involving the CRTC.

MR. D. ORCHARD: Has that hearing drawn a conclusion? Has the CRTC reported on that?

HON. A. MACKLING: I am advised that a decision has been handed down by the CRTC, the effect of which is to increase the rates in the routing through the United States with the effect that there has been a reduction in the volume of routing of long distance through the United States already.

MR. D. ORCHARD: Mr. Chairman, I suspect that when you take a look at the three prairie provinces that, quite

possibly, Manitoba would have the most severe impact of the three Crown telephone companies in terms of their percentage of revenues which come from interprovincial long distance tolls.

Alberta and Saskatchewan have the quite favourable advantage in that they have each two major cities and a number of very vibrant smaller communities. I would suspect that intraprovincial long distance in both Alberta and Saskatchewan would make up a higher percentage of their revenue based on what Manitoba is.

Manitoba suffers from a 600,000 person single telephone directory in which there is nothing but basic telephone monthly services derived in main from that. A lot of long distance certainly originates from that, but not nearly the circumstances of Saskatchewan and Alberta.

Now that brings one into the interesting case study when you are taking a look at this proposal. Can the Minister indicate whether the Telephone System, or his communications staff, have developed any potential revenue impact figures on MTS? We've talked about an impact on the telephone rates; have identifiable numbers been put to that discussion for Manitoba?

HON. A. MACKLING: I will get some further information on the numbers, the dollars estimated, but I've been advised that there was a revenue impact study, that's a federal-provincial joint study, last summer and they had looked at the potential impact on each province, and their study confirmed that Manitoba and Saskatchewan would be very heavily impacted from a financial point of view from long distance diversion.

Dollar amounts, I'm trying to get some further confirmation on. Mr. Chairman, we don't have dollar breakouts, but the report indicates that if, out of the long-distance market, the competition captured 28 percent of the market, the local rates would increase in Manitoba about 51 percent.

MR. D. ORCHARD: Could the Minister indicate on what basis the 28 percent figure was used? Surely it wasn't just simply picked out of the air. There must be some significance to the 28 percent.

HON. A. MACKLING: I am advised that the study looked at the effects of deregulation in the United States where it averaged between 14 percent and 28 percent. So there was the two scenarios looked at.

MR. D. ORCHARD: Then the worst case scenario was the rate impact of 51 percent, and I presume that's a 51 percent anticipated or projected increase in the monthly rental rate, all of the charges remaining the same. What would the impact have been at the 14 percent assumption level?

HON. A. MACKLING: While I'm getting information, I would like to clarify. The honourable member used the expression, "worst case scenario." We haven't seen the full results of the competition yet in the United States. At this time, it's measured at 28 percent. I don't know whether that's necessarily the worst case scenario. It could be worse than that. The 51 percent would not necessarily be just on the monthly rate. I think that part of that would reflect the local rate tolling.

The effect is that they would have to apply for an increase in revenues within the province, the intra movements, and the short long distance rates within the province would also be affected, be increased.

MR. D. ORCHARD: Well, are you saying that the impact would be that the intraprovincial revenue generation by MTS would have to increase by 51 percent whether it comes through long distance increases, or through basic monthly rentals?

HON. A. MACKLING: The expectation is that since they would need an increase of 51 percent in the local returns, that would be a combination of an increase on the base rate telephone service and long distance service within the province, because it's not anticipated they'd be able to recapture it on the commercial, because the commercial side is where you'd be facing competition.

MR. D. ORCHARD: Mr. Chairman, that's an interesting set of figures. I presume that they will be flushed out to a greater extent over the next number of months. Can the Minister refresh my memory? It seems to me that in CNCP's application to basically provide competition, they were going to, by and large, interconnect with Bell Ontario, is my understanding of the application. I also was lead to believe that in making the application CNCP indicated that they would provide a form of, I guess, if you will, cross-subsidization to the member companies of TCTS to lessen the kind of impact that we're talking about here. Was that in fact, part of the application before the CRTC?

HON. A. MACKLING: I'm advised that there is a copy of the report that we can make available to the member and we'll do that. But, in a specific answer, CNCP in their application to interchange with Ontario and B.C. has offered to pay some support to Bell and BC Tel, on certain conditions for calls which originate, or terminate, in their territories. They are not offering to share revenues with other Telecos stand to lose revenues. As the honourable member knows we obtain revenues by the fact that the communications run through the province from B.C. to Ontario.

MR. D. ORCHARD: Okay, that's interesting. Their application provides some conditional support to Bell Ontario to Bell B.C.

Now, Mr. Chairman, this is one of those issues which there are pros and cons on. The difficulty with this particular issue is that there appears to be what could be a fairly significant impact on the nonlong distance telephone user which probably, if you took your statistics in Manitoba, would be, I would guess, probably better than half your telephone customers are very infrequent users of long distance. So that they would not benefit as significantly as your commercial customers in the business world and, for that matter, governments who do a lot of telephone calling. One of the dangers that I can see for the telecommunications consumer in Manitoba and, indeed, Canada for that matter, is that is such a rapidly changing technological world. Soon you'll have - I believe there's an application right now, your staff can probably tell you - for cellular telephone

in Ontario, and that completely by-passes the whole system. We're not just talking about by-passing Manitoba on some long distance revenue sharing, that cellular telephone makes obsolete our billion-dollar investment in Manitoba, or has the potential to.

We're caught in a very very thorny problem because, on the one hand, you want to protect your investment that all Manitobans have in the Manitoba Telephone System but, on the other hand, there's the other side of the coin, that you can't be protective to the extent that you make Manitoba not competitive in the communications world. That can have a far greater impact on Manitobans if, as an area to do business, we're not as effectively competitive. It's a heck of a balancing act.

But one of the problems that I think Manitoba has that makes the impact on Manitoba more severe than maybe Saskatchewan and Alberta is, as I mentioned earlier about the revenue structure in Manitoba is probably more concentrated, a greater percentage coming from interprovincial sharing of long distance, rather than local toll and intra provincial long distance. Secondly, that the Manitoba Telephone System has consistently run about an 85 percent dead equity ratio, and that leaves our telephone system almost with their hands tied to cope with the new investment and technology that will be here - that's not an if, that's not a maybe, that's a definite - and we get caught in the unfortunate position that we have enjoyed low telephone rates for the last number of years, amongst the lowest in Canada. But it has had its price on us in terms of what may well be a lack of flexibility at the Manitoba Telephone System right now to cope with the new technologies.

We discussed this, before this Minister was given responsibility for MTS, at the Public Utilities hearings last year, where Bell Ontario, I believe, has a dead equity ratio of about 53 percent, somewhere in that neighbourhood. Therefore, they have the ability to meet new technology, they have much more market flexibility, if you will; and what we're probably seeing now is a situation where the government and, indeed, we have concerns on it as well, are forced to react and maybe overreact to a competitive situation because of the position or low rates that put us in, in terms of the fiscal maneuverability of our telephone system. And maybe some of the past economies are going to come home to hurt us in Manitoba and we're going to pay a more rapidly increasing telephone service rate in Manitoba than say in other jurisdictions that don't have quite the same unique problems as Manitoba.

But, on the other side of the coin, you've identified at a 28 percent penetration level with long distance, you've gestimated a 51 percent increase in intraprovincial revenues would be needed. Has there been a calculation to indicate what would be the saving to the business community who would benefit theoretically by the competition hence presumably lower rates on long distance?

HON. A. MACKLING: The honourable member made some statements and I would like to respond to some parts of the statements he made. He is right that our debt equity ratio, that is the Manitoba Telephone System debt equity ratio, is higher than say Bell; but the cost

of capital is lower for the Manitoba Telephone System because we borrow at a public rate rather than a private rate as Bell is required to - our cost of capital is lower.

In respect to the issue of competition, what we're looking at in Manitoba is price averaging, or subsidization, greater uniformity in sharing as against cost-base pricing so that the small homeowner, the small business person - and Manitoba is largely a small business province - gets the benefit of a full system at the average cost of that service. So those who would gain in Manitoba by a competitive system would be the very large corporations, the very large users, whether it be stock broker companies, finance companies and so on, to all of whom the cost of that service is a cost of service that's calculated in our income and they can offset that cost against their income. Whereas in a lot of the base that MTS serves is for individual homeowners, individual users right throughout the province to whom telephone service is not a business deduction, but is a basic communication tool.

I make the point that I think the position we have to take as a province is that we must not fight technological change and we must be responsive to the need for change wherever that occurs when systems are developed, but we would rather negotiate and develop those changes in understandings with the Federal Government than have them forced upon us by a regulatory agency.

Now I think the member asked me what the savings would be. I suppose they could be calculated, but again I say, the savings would be to that portion of the market that is in the fields I've mentioned, the heavy users, the banks, the lending institutions, generally, trust companies, stock broker companies perhaps, insurance companies, those companies that have a very heavy reliance on data communication.

MR. D. ORCHARD: Then I take it that that aspect of it, the offset on potential cost savings has not been done then.

HON. A. MACKLING: Then the further point is in the dismemberment, if that occurs, of the system we now have, we lose the benefit of the sharing of the revenue of the communications that transverse our province.

MR. D. ORCHARD: Only that portion though that goes theoretically to the competition.

HON. A. MACKLING: There would be nothing to prevent Bell from providing that service right across the province, once you open it up.

It has been pointed out to me, Mr. Chairman, that Bell own Trans-Canada Pipeline now, so they have a corridor.

MR. D. ORCHARD: Maybe they'll take over the post office, too.

Mr. Chairman, what is the next step in approaching Ottawa? Has this Minister met with the Federal Minister of Communications to discuss the issue? Have the Communications Ministers across Canada - presumably they don't have a unified position to present to the Federal Government - but are there discussions scheduled with the Federal Government?

HON. A. MACKLING: I have discussed with staff and we are looking at obtaining an early appointment with the Minister. The process is under way now to try and get that sort of meeting.

MR. D. ORCHARD: Is the Minister indicating to me that until now he has not made an attempt to have a meeting with the Federal Minister, that's been in place now for some - what? - seven months?

HON. A. MACKLING: My predecessor, Eugene Kostyra, did meet with Marcel Masse and staff had arranged a meeting for me. A tentative meeting date was June 3rd, but apparently that was cancelled. I'm endeavouring to get an alternative meeting date with Mr. Masse.

MR. D. ORCHARD: Mr. Chairman, has Saskatchewan or AGT, to the Minister's knowledge, undertaken a mail promotion campaign?

HON. A. MACKLING: Saskatchewan has, the Honourable Gary Lane has had quite an extensive Communications campaign. I'm not familiar with Alberta. I'm advised that Alberta has not.

MR. D. ORCHARD: Mr. Chairman, I don't have that mailer here.

HON. A. MACKLING: I can give you a copy of it.

MR. D. ORCHARD: That was the only advantage to it.

HON. A. MACKLING: Maybe we don't have one here for the honourable member, but I think you're familiar with it anyway.

MR. D. ORCHARD: Well, that's all right. The information that was on that, who developed that information?

HON. A. MACKLING: Our staff.

MR. D. ORCHARD: Mr. Chairman, that was an interesting brochure. I have had a few calls on it, and people wanting to know what the story is. Now I say this and I try not to be political when I say it, but no doubt it will be interpreted as political, but they want to know if everything is as bad as it would appear to be painted in that picture. They certainly don't understand the issue because it's not anything that even members of the media have a great deal of understanding for because it's a fairly technical issue, and when everything is happening in Ottawa to Bell Ontario and CNCP, and not directly in Manitoba, it gets even less coverage.

But there is a feeling developing that these sorts of things can't be entirely all bad, and I think if there is one criticism of the Minister's letter and his description in it, is that it was - what's the word the Premier uses, the knockers, or whatever he calls them - it was too negative a piece. I think the Minister could have probably developed the same kind of response by not attempting to be quite so alarmist because it's sort of like the Limestone ads. They're asking, what's the

matter with the Limestone project if the government has to advertise this to tell us how good it is? And, similarly, can this interconnect be all bad?

The Telephone System, in general - and I am speaking for rural Manitoba - the public impression of it, I think it's fair to say, has been on the decline lately. That used to be a top-notch credibility amongst its customers, and that has been on the decline lately because people are seeing areas where they're not satisfied with the service, where private lines are difficult to get, etc., etc. There is a whole related group of problems out there that make the Telephone System a not as highly thought of Crown corporation as it used to be.

One of the things that often comes up is when you mention the competition, a lot of people believe competition might well help them, not hinder them; and not understanding the issue and how the revenue sharing is going, there is another area of suspicion because MTS, being a monopoly, has from time to time done things that make people wish they had another area of competition to keep them sharp, keep them on the ball.

So, Mr. Chairman, that's why I am keen to know who developed the message for the Minister, and those are comments that I am getting on it.

HON. A. MACKLING: I think I indicated that our own staff developed the message. I am sure that some of the calls that the honourable member is getting, and some of the returns I have seen, reflect the concern that we have and we bring it to the attention of every Manitoba Telephone System subscriber as to what is the result of deregulation and the opening of competition where it has occurred.

It's not a matter of conjecture; it's a matter of fact. We are able to look at our neighbouring states south of the border and see what has happened there. Those results, just for one state, were exhibited in a comparison in that telephone stuffer, if we can use that name, and it sets out just what happened there, and that is alarming.

When we talk about a 51 percent increase, that's the result of a study by a federal-provincial study group. So it's not conjecture; it's not just idle speculation or something that has been developed by a partisan government who is trying to make any mileage, if you can use that, out of that issue. We have obviously a great concern that the people of Manitoba realize what the impact of deregulation would mean.

I am pleased that the honourable member, in referring to the booklet, wasn't as critical of my picture being on the information pamphlet as was his leader. But his leader kind of indicated that if his picture had been on the leaflet it would have been okay. Now I kind of thought that was a bit strange.

But I met with Mr. Sutherland of CNCP, and he didn't react violently to the communication we were making, he had seen it. He had a copy of it with him when he met me in my office. He had indicated he was somewhat relieved that at least it wasn't as strident and as evocative a message as was being put out by our sister province in Saskatchewan.

I think we have an obligation to bring to the attention of the users, who are the owners of the Manitoba Telephone System, what it is that's at stake. I want to

impress that it's not just the base user. There are a lot of small businesses in our smaller centres in Manitoba who have service obligations. They use either Brandon or Winnipeg as a service centre. There is a fair bit of intraprovincial long-distance use, and that service would go up markedly; that cost for those businesses would go up markedly in this process. So we are endeavouring to get as much public understanding.

The honourable member is right. It's not easy to appreciate and fully understand the ramifications of the revenue sharing that exists with the telecoms across Canada through that formula. I have looked at the formula, and it's a mathematician's delight, but we know the results of the revenue sharing, that it's made it possible for us to provide excellent service at extremely low cost for the users in Manitoba, users that have come to appreciate that the Telephone System, while not being perfect in every instance, is invaluable from the point of view of business; and life in the province would just not be as full and as responsive without the excellent service we enjoy.

MR. CHAIRMAN: 4.(a)—pass; 4.(b)—pass; 4.(c)—pass.

Resolution 45: Resolved that there be granted to Her Majesty a sum not exceeding \$254,900 for Culture, Heritage and Recreation, Telecommunications Policy for the fiscal year ending the 31st day of March, 1986—pass.

Back to the Minister's Salary, Item No. 1.(a)—pass.

Resolution 42: Resolved that there be granted to Her Majesty a sum not exceeding \$1,046,500 for Culture, Heritage and Recreation, Administration and Finance for the fiscal year ending the 31st day of March, 1986—pass.

Any other item?
Committee rise.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, P. Eyler: Committee, please come to order. We are considering the Estimates of the Department of Agriculture, Item 3. Manitoba Agricultural Credit Corporation - the Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Chairman.

When we adjourned at 5:30, the Honourable Member for Arthur raised a number of questions dealing with specifics of MACC. I wish to reply to some of those points that he raised. As well, the Member for Morris in his comments raised questions concerning the Young Farmer Rebate, and I'd like to indicate to the honourable member, while the press release, it was true, did not specifically indicate that the Young Farmer Rebate was not included, it didn't specify it was excluded. I wish to advise the honourable member, put it on the record that in my statement that I released to the press and, during the press conference, I made specific reference to the Young Farmer Rebate Program and I indicated that once - and I quote from the press statement - "Once the Young Farmer Rebates for 1984-85 are deducted the net cost to the province is approximately \$6 million." So those statements were made at the press conference.

Mr. Chairman, the release of the names of the successful bidder, I think, certainly should be considered

by the corporation in terms of the leasing of land as the honourable member had raised in his remarks to me before supper hour. He also raised the question about administrative costs, why there is a reduction in administrative costs? There is no reduction in staff, Mr. Chairman, in fact there is an increase in staff in the corporation. We are attempting to, because of the wide variety of programs, have for the summer - and it is for the summer months, for the season - have hired six credit agents to assist in the field offices to do most of the routine in handling the additional workload the corporation has, in fact, undertaken. The reduction in the administrative cost is due to the way that, I guess it's the auditor in the Department of Finance, wishes to show our allowances for doubtful accounts. As I understand it, previous years we made provision in our estimates as to what might be the allowance for doubtful accounts for the year as an estimate; they are now to be shown on some actual lines after they are incurred. That, in terms of accounting, shows the decrease of \$728,000. It's basically an accounting presentation change in terms of how the doubtful accounts will be changed. That's not only the main, it's the reason for the change in administrative costs in the corporation, Mr. Chairman.

Mr. Chairman, the honourable member also made some to-do about the new loan program under the Manitoba Properties Fund. He should be aware, and I indicated it before, that our priority in the springtime has been to make sure that operating lines of credit are, first and foremost, made available, and we've had a fairly, as the record shows, major increase in the number of loan guarantee applications through the department and through the corporation. So that's been our priority.

We will be using and are using the funding that I indicated before, the funding that will be disbursed throughout the year to try and make sure that those funds can be used for refinancing of farmers who are in difficulty, and use that money in terms of in some cases leveraging, set asides, breakdowns, and basically trying to restructure some of the farm community that can have and will have a hope at long-term survival. So that we've never pretended that entire amount of money will be put on the market, put out very quickly as the honourable members have tried to suggest that they should.

There is no doubt that there are many farmers, and we've never pretended that, are in financial difficulty. I believe that there is an onus on all other lenders to play their part in the whole matter of agricultural credit. Clearly, that's not being done and it's not happening. It appears from all indications that tonight's Budget will not change that at all in terms of national commitment to the farm community. If anything, you will find, Sir, there will be cost transfers, reductions in service and, of course, basic offloading from the Federal Government onto producers and the provinces.

In fact, Mr. Chairman, what you will see in the next while, I predict, that to-do that we had the other day on crop insurance in terms of financing, the greatest attempt to offload onto provinces by this Budget on one of the major programs that we have had. That, I predict, will be the occurrence. While the program is a five-year program, Mr. Chairman, what you will find - you know, it's kind of interesting that the honourable

members made such a to-do. Why can't we go ahead? Why can't we have new programs? Why don't you go ahead and implement these programs? Mr. Chairman, we will just see what kind of moves of offloading will occur as a result of this Budget onto the provinces and onto producers in terms of additional costs. That's what I will predict will occur.

Mr. Chairman, all that fanfare that we heard yesterday and the day before in terms of crop insurance, it's just a puff into the wind. The puff, we will see what moves are going to be made nationally in terms of how agriculture and how the farmers will be treated. But certainly on the financial side, other than the capital gains for retiring farmers, a reduction, and I want to acknowledge that. The move on capital gains is the only move that we can see that has any direct bearing on that. For the existing farmers, Sir, those who are on the land who are having difficulties, really there is little they can cheer about.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. H. ENNS: I can't help but chuckle at the fact that here we have an NDP Minister acknowledging the removal of capital gains tax from farms, capital gains tax anywhere, as being a positive move. Mr. Chairman, I've been in this Chamber for far too long and listened to too many speeches about how wealth has not been transferred from one generation to the other generation. . . .

The issue that I want to bring to the Minister's attention is what we discussed briefly, it was raised by my colleague, the Member for Arthur, and that is, what are the possibilities of extending MACC help to what we refer to as the hobby farmers, or the people who are getting into agriculture, because I believe that more and more young people, hobby horse farmers, who wish to get into agriculture will choose that route, and there's nothing wrong with that. As the Member for Inkster says, is he opposed to something before he wants to make the plunge, that perhaps he purchases some little property, gets involved in agriculture? — (Interjection) — The Honourable Member for Inkster doesn't like the concept of property. That of course is the basic things of agriculture. You have to have property; you have to own; you have to love; you have to feel for the land that you take a partnership in.

But my question to the Minister of Agriculture is, recognizing as we said prior to the supper hour adjournment, the existing farmers are getting older. Recognizing that financial difficulties that the farm community generally is in and even established farmers find themselves technically breaking the regulations and rules when they truck fuel for co-op, fuels during the winter, or drive a school bus, or do other things to keep the cash flow going while they hope for better cattle prices or for better grain prices. I would sincerely hope that the Minister would look at the corporation, to look at ways of not making individuals inadvertently break the rules, and to make entering into the farming community a little easier. I think you've got acknowledgement from the opposition that we will not criticize the Minister or the corporation if they do this.

I'm not talking about extending subsidized money into those speculators who want to dabble in agriculture,

the doctor, the lawyer, the real estate developer who wants to run a few head of cattle or a quarter-section of land, but I'm talking about the person who is developing a small agricultural enterprise. Is there not some room for the corporation to give them some consideration?

I simply put that question to the Minister. I think that, without looking at these avenues, the entree into farming is simply going to become more difficult all along. I have to confess to the Minister, many of us who originally got into agriculture, including myself, touched it perhaps a little bit as we purchased our first piece of land and our first number of head of cattle while still working in the city to meet the expenses. I remember that, that goes back, in my case, to 1959-1960. I think that, if anything, that situation is more important now.

I just simply indicate to the Minister and to the corporation that they ought to at least present to us, next time these Estimates come under consideration, some new programs that, within definable limits, exclude the taking advantage of those people who only dabble in agriculture for speculative purposes but, on the other hand, includes those people who are generally saying, okay we are taking it one step at a time.

Maybe it's just the purchasing of 40 acres that is sometimes allowable in the municipal bylaws; maybe it's the purchasing of a quarter-section, but the husband still has to work in the city to pay the bills, keep the kids in school, or the wife. I was going to say, the wife on the tractor, putting in the crop and looking after the cows while the other spouse is trying to earn a few dollars, that that should not disqualify automatically consideration by the corporation for some help.

I say to the Minister, quite seriously, when you view the demographic stats of our farmers, the fact that our farmers are getting older, how else do we encourage young farmers, young people into the industry? I hold out to the Minister that here's an opportunity for a bit of innovation on his part and the part of the corporation to introduce new people into the very satisfying field of agriculture.

HON. B. URUSKI: Mr. Chairman, I appreciate the honourable member's comments. It sounds a little bit like a speech I made about a year ago when I was before this Chamber with my Estimates, indicating that we certainly would be pursuing that kind of work.

MR. H. ENNS: Why haven't you? What have you done?

HON. B. URUSKI: Pardon me? Mr. Chairman, just don't panic. We are moving in the direction that I indicated. If he wants some indications, he'll have to just be a bit more patient. Certainly the honourable member should be aware that certainly I indicated last year that we would be pursuing that kind of an issue, because we felt that there is a legitimate group wanting to enter agriculture and do not have access to capital. We would try and accommodate that and see what changes we could make. We did some surveying, as well, in discussion with farmers in some of the meetings that the honourable members wouldn't . . . for, and some of the discussions we had with farmers were on that very issue. There is a fairly feeling in the farm community about how one designates and how one defines who is eligible or not.

And that is the tricky area that a corporation will be faced with because farmers, for example, in our discussions and our surveys of the farmers, we asked the question if part-time farmers should be eligible for MACC loans? The vast majority, over 70 percent of the farmers said, yes. But when we — (Interjection) — Well no, Mr. Chairman, we wanted to get the views of farmers and raise a number of questions. That wasn't the only question we raised. We asked farmers who were forced to take a job, in defining the categories, to take a job to sustain their operation. There's where the overwhelming support of the farming community said, almost over 90 percent of the farmers surveyed said yes. This group, who was actively farming and had to take off-farm employment to sustain their operation, should, in fact, be eligible to have capital from the corporation, or be eligible for loans.

We asked another question indicating that another category, people who wish to start farming but do not have an adequate farm base to be full time. There was still high support for that, overwhelming majority, almost 80 percent of the farm community said, yes they would.

The difficult one, and where the honourable member touched on, about part-time and doctors and professionals, people with full-time jobs off the farm who want to supplement their income and start farming, the vast majority of farmers said, no. They said, no, and that's where the difficulty of defining who will be eligible for capital will come in.

That isn't the only issue, Mr. Chairman, and that's why I raised the question of the Budget earlier in my remarks. There is a major issue confronting the farm community, and that deals with Section 31 of the Income Tax Act, as to how part-time farmers will be treated in terms of actual operating expenses, and that's been the difficult question for many people getting into farming and, over the last number of years, not having adequate returns from the farming operation to, in fact, get into it full time and the actual cash expenses not being allowed beyond the \$5,000 limit. And that's where the difficulty comes in. So it goes beyond just the desire of the province and we're looking at that.

I want to indicate to the honourable member that there will be measures presented before this Chamber, this Session, to deal, at least in principle, with that question. We will be dealing with that and I indicated that last year, but it's taken a fair bit of work and it will not be a grandiose program, it will be a slow starter which will take time to develop. There will be errors and mistakes and changes because it is a fairly sensitive area; because there is the argument by some of the farm community that we want to maintain full-time farmers and have farming as a full-time occupation. I think that's certainly a laudable objective but doesn't recognize the reality of what's happening, and that we have to look at provisions along the lines that I have suggested. But there also has to be some further sensitivity and further amendments to Section 31 under the Income Tax Act to at least, Mr. Chairman, deal with the question of cash costs and the deduction of cash costs in a legitimate farming operation.

The question of - because I have had to write on behalf of constituents and negotiate with the Revenue Department, I put forward a proposition in some cases to them to say, all right, leave the deductions on capital costs allowance off for a while until that farming

operation goes up, but at least recognize the cash costs. It's sort of a 50-50 proposition and is a very difficult one, and I recognize the revenue people, but that certainly is an issue tied to the question of making capital available for part-time farmers.

I appreciate the comments because I made the same comments last year. We are moving along the way and there will be measures introduced to further that approach this Session.

MR. H. ENNS: Well, Mr. Chairman, I appreciate the Minister's indication that he is prepared to ask the corporation to look at the matter that I raised.

But, Mr. Chairman, I just want to remind him this year that he is responsible for a legacy that was left to him by a predecessor of his and mine that established the Manitoba Agricultural Credit Corporation, probably in response to an institution that is perhaps attacked more vociferously than any other one, the banking system, and certainly this Minister has attacked the banking system as of late.

But there was a previous Minister of Agriculture who said I am not satisfied with what the private banking institutions bring forth, meeting the agricultural credit needs in Manitoba, and established the Manitoba Agricultural Credit Corporation.

I think it's just my responsibility now to remind the Minister that it is his bank that we are talking about.

HON. B. URUSKI: M'huh, our bank; not my bank.

MR. H. ENNS: Well, I use "his" in the sense that he is responsible for its policies, that he can effect those changes by bringing up the necessary changes for Cabinet consideration. There is no other elbow room here.

Let's not talk about what the Bank of Nova Scotia, the Bank of Canada, or the Royal Bank or the Imperial Bank of Commerce is doing. This is your corporation, Mr. Minister. Just as a predecessor of yours did the pre-innovative move of saying, hey, we are going to establish an agricultural bank to begin with, and we are going to say that young farmers - at that time it was under the age of 34 - will get money at 4 percent; we are going to extend certain conditions.

Those are all the kinds of things that were done because it was recognized at that particular time there was a failure, quite frankly, on the part of the private institutions, the private banks, of meeting agricultural needs.

Mr. Chairman, in the intervening years, the private institutions, and I will be the first one to acknowledge, to a large extent, spurred on by the public institutions, have changed a lot of the attitudes of private banking. There is a great deal more co-operation going on now between the two and that should be encouraged.

But we have heard too much from this Minister, Mr. Chairman, about still carrying on a little battle, regaling against the banks, calling them in to reduce interest rates when this Minister has so very little leadership in that field. Mr. Chairman, I can't think of any better comments than were made by the Honourable Member for Turtle Mountain just a little while ago this afternoon reminding him about what kind of deals there were. He was sitting there next to the Minister of Finance

and he was always going to raise \$2 million and if some of those coins are going to be made available to the Manitoba Agricultural Credit Corporation. All I'm suggesting to this Minister is that he use the authority he has with respect to bringing about innovative credit needs of the agricultural communities of this province at this time.

HON. B. URUSKI: Mr. Chairman, I enjoyed the comments of the Honourable Member for Lakeside and at times in fact I agree with him a fair bit and he does bring up points that certainly I have on many issues.

Mr. Chairman, to suggest that somehow this government and this corporation hasn't done enough just really flies in the face of reality when they were in office. Mr. Chairman, this little graph just really tells the picture of the activity in '75-76 it's still up and started going down. Number of approved loans. Just look at the chart, and then, when the change in government occurred, it changed the way we went. We did get actively involved, but the role of the corporation has been to provide a complementary role, to complement the lines of credit provided by both the Federal Government, private lending institutions, the co-operative movement to act as a catalyst primarily for young beginning farmers. That has been their role and will continue to be the role of the Manitoba Agricultural Credit Corporation as long as I am Minister here. But, Sir, for the Conservative opposition now to suggest that somehow we haven't done enough or haven't really responded, Mr. Chairman, I take that criticism very negatively because we have been critical of the banks.

Mr. Chairman, the members opposite say that your loaning money and you're charging serious rates, where were they when the rates were at 17.5 percent? Where were they when they were loaning money at 17.5 percent? Where were they when we were calling for a write-down? I was standing here two years ago when the Member for La Verendrye and the Minister of Finance were saying, "Why don't you do something about the write-downs? What are you going to do about those loans at 17.5 percent?" Well, Mr. Chairman, we did something about those loans at 17.5 percent and it took us two-and-a-half years to convince either the Liberals or the Conservatives in Ottawa to write down FCC rates to more lower levels, more acceptable levels. They're still not acceptable until those rates are down to at least two to three points over the rate of inflation.

Mr. Chairman, the Interest Rate Relief Program, almost 1,300 farmers received \$12 million worth of assistance. That isn't peanuts, Mr. Chairman. The Honourable Member for Lakeside smiles, Mr. Chairman, comprehensive refinancing to the farm community, guaranteed operating loans - \$100 million loan program. You know, Mr. Chairman, there were very few loans. The banking community wouldn't even touch your quota when you guys were in office. That's why the Conservative record says, we are for farmers and I'll tell you how we'll deal with those. We will deal with them. We will deal with the farmers by shutting the doors of the corporation. We'll shut the thing down, but we are for farmers, just like the Federal Government in their Budget. We will now reward the farmers by transferring \$50 million of extra cost from the farmers

of Canada. That's how we'll do it, over and above the 60 million. That's how we will treat agriculture in this country. It's a prime industry, \$8 million in November, \$60 million by the cuts of Neilsen, \$30 million recovered out of that \$60 million and now an additional \$50 million. We'll wait to see when we find that. Mr. Chairman, that's how we support our Canadian farm community in terms of national policy. Boy, that's performance, Mr. Chairman.

MR. H. ENNS: Mr. Chairman, the trouble we had with this Minister, it's an automatic reaction to when anybody gets up on this side, he has to call it a record player and charge. Mr. Chairman, I would ask the Minister tomorrow to read Hansard and ask what I asked him in this little exchange. I wasn't attacking the corporation. I wasn't telling the Minister that the Agricultural Credit Corporation wasn't doing its job. In fact, what I was doing, Mr. Chairman, and I'm sure you will recall, being the neutral chairman that you are, Sir, objectively at all times in the process that is reached, that you will remember, Sir, that all I asked the Minister about whether or not the corporation under the Minister's direction reminding him of the legacy that he holds as being responsible for this very important Agricultural Credit Corporation, whether or not they would consider widening the parameters of consideration of hobby farming, start-up farmers, farmers earning off-farm incomes, etc. I didn't really invite the tirade that I just got from the Minister. Mr. Chairman, you would acknowledge that Mr. Chairman, just nod once in my direction and I'll know that you are a fair and objective chairman. I didn't deserve those comments from the Minister, Mr. Chairman.

Mr. Chairman, I'll leave it at that. What I was asking for from the Minister is to direct the corporation into examining more ways of allowing young entrants into agriculture. That's all.

HON. B. URUSKI: Mr. Chairman, I think I answered that question in my first set of remarks. I certainly said we would and I said that would be coming before the Legislature. That was my second comment and I'll leave it at that.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, in listening to the Minister, I said before the supper hour that I had a few questions dealing with particularly the Young Farmer Rebate Program, and I have some specific questions in that area, but I would like to know the policy of the Minister and the Manitoba Agricultural Credit Corporation.

It falls along the lines of my colleague from Lakeside, some of the comments that are being made. Some of the activities that have taken place in the last few days, particularly dealing with the people who want to ship cream and sell cream to creameries. The simple fact is that there is a certain amount of hypocrisy to this Minister and to this government when they stand up and say we're all for supporting the young farmers and the entrants to agriculture; that we are very supportive or going to be introducing legislation to allow part-time farmers to participate in the Manitoba Agricultural

Corporation. But what I have a hard time understanding, Mr. Chairman, and I would like the Minister to answer, is to what line of farming or what type of farming is he able to encourage people into under his administration?

We have a dairy industry that has got complete restrictions of transfer of partial quotas so that a person, a family, who wanted to start farming in a part-time way and producing milk, milk cows in the morning, drive a school bus, milk cows at night and sell the milk to the system, they in fact can't do it, Mr. Chairman, because they don't have the ability to have any quota or cows to do it with. They have no market opportunity. An individual who wanted to milk - and I had a call this morning from a person who milks 12 cows, shipped three cans of cream of week, but they now have no place to market it because they don't have a quota, Mr. Chairman.

An individual who wants to produce 500 eggs from 500 hens, Mr. Chairman, on a part-time basis to help supplement their income, because they have a desire — (Interjection) — The Minister, I would hope, would listen to this, because he has got to deal with it. — (Interjection) — Yes, you're darn right he has to, and we'll make sure that he does because we do have some answers that will support the farm community. We were able to deal with the challenge that came before us.

But, Mr. Chairman, how does the corporation, the Manitoba Agricultural Corporation, deal with the policy principle of helping people to get involved in agriculture when in fact there is nothing for them to get involved in? Oh, they can get involved in the production of wheat and compete with people like my colleagues who are farmers or people who are already involved in the production of wheat. Yes, they can produce special crops and rapeseed, flax. They can find a piece of property to get into. But, Mr. Chairman, the cash flow to service the debts that are going to be incurred through MACC is not there on a very regular basis. So I'm having a difficult time, as I'm sure many farmers are, in understanding this government and this Minister as to what they can do in the area of agricultural production.

Further, Mr. Chairman, we have a Minister who has introduced draconian legislation in farmland ownership laws that have in fact prohibited support from other family members or other people through a corporate structure to assist in the financial aid of that farm person. What I'm saying, the restrictions and the lack of opportunity developed and created under this administration really brings the question forward as to what are they really talking about when it comes to supporting the young family farm, the person who wants to get off farm employment, when in fact they really can't get into farming. They really can't get into farming on a part-time basis in the same way as which would be I think part of a policy that would fit together.

As I said, I use the example of people working a few hours of the day off the farm, as well trying to produce some eggs, trying to produce some cream, sell it to who? To whom, Mr. Chairman, are they going to sell it to?

I ask the Minister of Agriculture, that under Manitoba Agricultural Credit Corporation policy, if individuals — (Interjection) — well, Mr. Chairman, if the Minister is prepared to listen, I am prepared to talk to him about

it. What I am saying, Mr. Chairman, is that there is a dilemma in the farm community. They aren't able to go out and look after their farm operations and make payments to the Credit Corporation if they have a loan, because they can't sell their commodity. If a cream producer today who has a loan with MACC and has a note due, Mr. Chairman, and cannot sell the product which he or she is producing, what are they going to do? Are they going to foreclose from MACC? I don't think they would take that harsh view, but I am saying that I can see no direction. I can see no light at the end of the tunnel for young people who are part-time farmers, who are full-time farmers, who want to diversify. There is nothing there, Mr. Chairman. There is nothing there.

How misleading can he be when he stands up and he says our objective is to create an opportunity for young people to get into farming? It isn't there, Mr. Chairman. He criticized me a year or two ago for saying what did I want the people to do, did I want them to go back to more cows? Was that my objective? Mr. Chairman, I want the freedom for people to produce agricultural commodities in an unlimited way.

MR. A. ADAM: Except when they're in trouble.

MR. J. DOWNEY: I want them to produce in an unlimited way.

The Member for Ste. Rose makes a comment from the peanut gallery saying, except when they're in trouble. Mr. Chairman, they appear - and I go back to the Schreyer years; I come to the years now under NDP administration - to be the years that farmers get into trouble. Mr. Chairman, we had four years of relatively good agricultural success. We had the drought; we had flood. We were able to cope, Mr. Chairman. We introduced programs on a short-term basis that dealt with it.

You know, the Minister - this is interesting, because there's a principle here - makes a lot of to-do about the fact that under our term of office there wasn't the kind of activity under the Manitoba Agricultural Credit Corporation that was under his government. Mr. Chairman, let me tell the Minister of Agriculture that you don't better the farm community by putting them further in debt.

HON. B. URUSKI: So you close the doors.

MR. J. DOWNEY: No, you don't close the doors, Mr. Chairman. I will make reference to a policy and a program that was introduced during our term of office. — (Interjection) — Yes, it was the Young Farmer Rebate Program. They didn't cancel it, Mr. Chairman. In fact, what am I hearing the Minister say? I've heard the Minister say in his press releases, we've helped in a big way, through the Young Farmer Rebate Program, a lot of farmers, \$2 million rebate.

I am proud, Mr. Chairman. I'm an extremely proud person that I had a program in place that assisted people with interest rates, that I didn't have to be hounded. I didn't have to be pushed and shoved by everyone in society to take action to support the farm community; that we showed leadership; that we developed a program, Mr. Chairman, that supported the young people to get into farming.

Yes, Mr. Chairman, I will say this, and we'll have more to say about it when we get into the marketing area in agriculture, that our dairy policy did allow people to buy cows and quota, not a total dairy farm. They didn't have to spend a half-a-million dollars to get into a dairy farm operation. They had the opportunity to buy five cows with the quota for five cows or 10 cows and quota. Yes, they had that opportunity under our government, Mr. Chairman. They had the opportunity to produce a reasonable amount of eggs from the policy of egg production.

Yes, Mr. Chairman, and at the same time, the Minister of Agriculture and our government were emphasizing the expansion within Canada of the opportunities to produce and to sell into the Canadian market and into the international market.

But I tell you, Mr. Chairman, and I tell the directors of MACC that you have to look over the horizon a little bit. You have to have a little bit of vision. That's something that this Minister of Agriculture lacks. He has not introduced one program in MACC, the Manitoba Agricultural Credit Corporation, that really had any of his own initial thoughts in it; I don't know of one program. He was forced to deal with the Interest Rate Relief Program; we kept pushing him, challenging him. — (Interjection) — No, Mr. Chairman, the Minister makes reference to losing the election. That is not true. What I am saying to the Minister is, I have not seen one evidence of leadership come from his office.

But I would ask him, Mr. Chairman, as to why and how he is going to encourage all these young people to get jobs when they have an MACC loan, if they have off-the-farm jobs? Is he now saying policies of his government are that you can get an MACC loan at the same time you can drive a school bus; but you can't milk or produce cream to ship to your creameries; is that what he's saying? Or you can't produce enough eggs to help sustain your operation; is that what he's saying? Where do his priorities lie? Do they lie with the supporting of the agricultural community, or is he saying; I, as a New Democratic Minister of Agriculture, am admitting defeat? I am admitting defeat because I can't, within the agriculture industry, that he can't within the agricultural industry, he can't create the kind of environment which has been traditional to the production of food. It's an admission of failure; it is totally an admission of failure by this Minister of Agriculture. It is an admission of failure.

So I say to him, where does he stand? Why, Mr. Chairman, does he not come forward and say he is beat with ideas, that he has not got an original idea as to lead the farm community through times of difficulty; that his only option and his only answer is to change The Manitoba Agricultural Credit Corporation Act which would provide the farmer who has the opportunity, yes, to produce wheat and to produce oats, to produce barley, to produce the coarse grains or the special crops. But there isn't one other opportunity. Oh yes, he can produce beef cattle and hogs, that's right, he can produce beef cattle and hogs. But when it comes to the dairy industry, there is no opportunity; when it comes to the poultry industry, the feather industry, there are no opportunities; when it comes to the production of cream, there are not opportunities, because there is no market there.

He says the only answer now, because I'm beat, I really, as the Minister of Agriculture, can see no

opportunities for you because I've got the system completely sealed and I have no new directions within that industry; that I will provide you the opportunity to borrow money from MACC, but you'll have to get a job off the farm to make . . . — (Interjection) — But that's the point.

A MEMBER: You've got a job off the farm now.

MR. J. DOWNEY: Yes, you have a job off the farm. The point I'm making is that he is defeated, he has not got an idea as to how to deal with the problems.

A MEMBER: He's a farmer.

MR. J. DOWNEY: That's debatable. Mr. Chairman, I ask the Minister how many young farmer loans have been made in the last year? How many applications are now before the Credit Corporation? The majority, and I would say the majority, I guess if the average age is 27 years of age, that the majority of the people who are applying to MACC qualify for a program which we're very proud of and introduced, they have the Young Farmer Rebate, automatically, they don't have to go through a lot of hoops; they don't have to go through a bureaucratic red tape; but, on approval of the loan, they automatically qualify for a 4 percent reduction on the first \$50,000.00. But that was in place, I didn't have to be pushed to do that; I didn't have to be shoved and dragged, kicking and screaming. No, Mr. Chairman, we showed leadership and moved with programs.

So I ask the Minister to tell me what type of agriculture production he expects the new farm entrants to get in within his policies? I ask him, does he recommend they go to the Credit Corporation and borrow money to get into production of cream? Does he recommend they go to get into the production of milk on a part-time basis? Does he recommend they go to try and borrow money from MACC to get into the production of laying hens up to 500? No, Mr. Chairman, because they can't do it. That's the point I'm making. He can pretend, he can let on, he can talk about, on one hand, all the assistance in the world that he's providing, through Manitoba Agricultural Credit Corporation, and they can't do a darn thing with it. There isn't one opportunity, Mr. Chairman. So that's the point that has to be brought forward. And he has to be shown for his incompetence.

It's tough, I know he's hurting, Mr. Chairman. He's hurting because he has had very few success within his operations as Minister of Agriculture. Tell me what he's going to encourage the people to get into that go to the Manitoba Agricultural Credit Corporation? Or is he going to say, we're going to encourage you as a young farming person to get into the production of grain, which my colleagues all know, is a very very competitive and tough business. Is he going to encourage them to get into the production of beef, which is, again, an extremely tough and extremely high-cost operation? Certainly, the production of hogs which today we've seen extremely difficult times because of the imposition of tariffs in the United States. What are the opportunities? What is he telling the Manitoba Agricultural Credit Corporation when it comes to laying out policies for their loans? I am extremely anxious to know, as are the farm people extremely anxious to know, what are the policies?

As well, Mr. Chairman, he makes a lot to do about the Interest Rate Relief Program that he was pushed and shoved into introducing. Mr. Chairman, what about the repayment, because there is a repayment of half the funds; half the \$6,000, as I understand it, is a loan and half, as I understand it, is a grant; am I incorrect? Has he now taken action to put forward a request for those loan portions of those Interest Rate Relief funds? Has he, and if so, what is his success in getting back those funds?

I think, Mr. Chairman, we have a lot of answers that have to come from this Minister of Agriculture when it comes to dealing with the Agricultural Credit Corporation and its operations under the Minister. I would like to know what the longer-term objectives of he and his government are when it comes to the lending of monies from the Manitoba Agricultural Credit Corporation? Is it, Mr. Chairman, the objective of the corporation to lend money only to a dairy farmer if he wants to buy a complete dairy farm and the operation; a broiler farm if they want to buy the complete operation; egg producing farm if they want to buy the complete operation, or a grain, beef or hog farm if they want to go into debt, to the tune of how much money - a quarter of a million dollars? Or why doesn't he follow along with the principle which he says he's going to introduce and allow people to do part-time farming and borrow money from MACC?

But why force them to get off the farm employment when in fact they could produce agricultural commodities if he would take hold of his responsibilities, deal with the marketing problems that are now before us in the cream shipping area, the milk shipping area, the egg producing area? It is incumbent, Mr. Chairman, upon him as Minister to deal with it. He says the Member for Arthur knows that it's a federal problem. We've got a problem with our national supply management system. He says we know we've got a problem with overproduction.

Mr. Chairman, under this Minister, it has been worsening, not getting better. I would ask him if it is possible to borrow money from the Manitoba Agricultural Credit Corporation to get into the production of a few chickens, to get into the production of cream.

Remember, responsible management in the Manitoba Agricultural Credit Corporation has to take a look at the situation and say, well, really, we can't finance your cream shipping operation because when we lend you the money, we want you to pay it back. He says, well, I'm sorry, I am going to milk cows and produce cream, but I can't sell it to anybody. So, end of story.

So let the public know that this Minister of Agriculture isn't capable of dealing with the Credit Corporation, isn't able to deal with opportunities that could be created in this province for the production of all agriculture commodities.

I would hope that he would tell us how many farm applications, how many young farmers has he got now currently getting support under the Young Farmer Rebate Program; and how many applications are before the corporation with young people trying to start farming; and what are the types of farms that people are trying to buy with the Credit Corporation money?

HON. B. URUSKI: Well, Mr. Chairman, I want to address the comments made by the Honourable Member for Arthur.

I think what I should be doing is likely writing every farmer who is in Supply Management commodities and tell them what a member of this Legislature, who was a former Minister, is suggesting.

Because, Mr. Chairman, what the Conservative critic is suggesting that we do is disband all the marketing boards in this province. That's what he is suggesting.

MR. CHAIRMAN: Order please, order please.

MR. J. DOWNEY: Mr. Chairman, a point of order.

MR. CHAIRMAN: Order please.

The Member for Arthur on a point of order.

MR. J. DOWNEY: Yes, Mr. Chairman, I want the Minister to withdraw that statement because it is totally inaccurate. I did not say that I wanted the disbanding of marketing boards in the province.

I was asking the Minister questions as to how he was going to deal with the difficulties that were created under his administration, and I did not - and I say it again - did not say I wanted the disbanding of marketing boards in the province.

MR. CHAIRMAN: I thank the member for that clarification. However, a difference of opinion is not a point of order.

The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I will make sure that I will tell you how the member is intending to disband all the marketing boards by the very comments that he has been making here this evening and all through the Session.

Mr. Chairman, whenever a problem comes up in a supply management commodity, what do you hear from the Conservative caucus? Let's get everybody to produce, let's go ahead and let's dilute the system and let's break the system down, because if we overproduce the system will fall apart and let it go. That's what the Conservative Party is advocating in this Legislature. That's what they want, Mr. Chairman.

Now let's look at the situation one by one. Mr. Chairman, when that party was elected, we heard a great to-do for a couple of years that we are going to fight for Manitoba in our share of natural products under the existing marketing board structure in the province. Mr. Chairman, what did we find? We gave away the barn, Mr. Chairman; not only the horses, we gave away the barn.

When he was Minister, he allowed one of the marketing boards to break the long-standing tradition of using comparative advantage as a major criteria from the overweight quota, Mr. Chairman.

MR. J. DOWNEY: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please, order please.

The Member for Arthur on a point of order.

MR. J. DOWNEY: Yes, Mr. Chairman, I believe I was debating and making a complete reference to the Manitoba Agricultural Credit Corporation and the money which they would be lending for farm operations.

He is dealing totally with the marketing section which, if that's the way he wants to handle his Estimates, then we'll have a full and wide open debate.

HON. B. URUSKI: Mr. Chairman, all my comments were related to the viability of the farming community dealing with credit, and I am dealing with them in a context of the issues raised by the Member for Arthur.

The former Minister of Agriculture virtually, by the actions that he undertook in 1978, could have blown Manitoba off the map in terms of agricultural products in the supply management.

Mr. Chairman, the Member for Morris says, what do you mean? Mr. Chairman, it took us two-and-a-half years to get back to the position of making sure that comparative advantages have made this criteria. Now he gets up in this House and has the audacity to suggest that what we should do in order to allow people to produce eggs and chickens and cream, we should break down the system because that's what he is suggesting, Mr. Chairman.

MR. J. DOWNEY: The systems broke down under you.

HON. B. URUSKI: Mr. Chairman, the honourable member hasn't got a clue. The Conservative Party, and I ask the deputy leader, and it may be to his advantage to get himself another critic in agriculture who understands something of the workings of marketing boards and the whole structure of agriculture, Mr. Chairman. Maybe he can accomplish something more.

Mr. Chairman, the young farmers of this province have benefited greatly under this administration to carry on through these difficult times. Let's just compare what MACC has done and what other lending agencies are doing in this province.

The Farm Credit Corporation, which normally has two, two-and-a-half times the quotas, and the lending, it does more lending than MACC; it has a much larger staff. Mr. Chairman, last year, MACC loaned out over \$75 million to Manitoba farmers in refinancing. The bulk of the financing was to young farmers under the age of 39; almost 90 percent funding under MACC went to young farmers.

Mr. Chairman, what did the FCC do in the Province of Manitoba last year? Eighteen million dollars worth of credit. Why, Mr. Chairman? They are still hung up on continuing the policy of high interest rates. We have the 17.5 percent Minister in charge, Mr. Chairman. Did they do anything to farms? Oh no.

Now, Mr. Chairman, we have to pick up all the difficulties that went on for four years because bankruptcies, Sir, don't occur overnight. They are not there with the snap of a finger; they are there as a result of financial difficulties over many years, Mr. Chairman.

The Member for Pembina smiles; he doesn't need the money. Mr. Chairman, I should write every client of MACC and tell them you guys don't need the money because the Member for Pembina said that you don't need the money.

MR. D. ORCHARD: Do it, do it.

HON. B. URUSKI: The Honourable Member for Pembina says do it. Mr. Chairman, I believe that that may be what I should be doing.

MR. J. DOWNEY: Why not? You lied to everything else. Why don't you do that too?

A MEMBER: Let Pete do it. He'll do your dirty work for you.

HON. B. URUSKI: He doesn't have to do my dirty work, Mr. Chairman. I will do my own dirty work, Mr. Chairman. If nothing else, it will be a pleasure. It will be a pleasure to deal with the kind of comments that I have been getting from members.

What they want to do, Mr. Chairman, as negative as they have been in these Estimates, they are trying to cover up for their four years of failures, and they are now trying to cover up for the neglect of their federal counterparts. What they are trying to do — (interjection) — Well, Mr. Chairman, the honourable members will see when the farmers start paying that additional \$50 million in extra charges this year imposed on them, then we will see how well they treat the agricultural community.

Mr. Chairman, the honourable member opposite in his comments about how does the breakdown of MACC loan portfolio work and who has the opportunities. I will tell you, the bulk of the lending that MACC has done in the last number of years has been to both the grain and the livestock industry. The bulk of the loans, in percentage terms, just under 80 percent of the loans made are both to the livestock and the grain sector; specifically, farming in beef about 7 percent; dairy about 2 percent of the loans; hogs, specifically in the hog sector, about 3.5 percent; and mixed farming in terms of hogs and grain, just under 10 percent. Those are the bulk of the breakdowns of the loans in terms of categories under MACC — (Interjection) — Mr. Chairman, pure grain, 36 percent, 36 percent of the loans in the last four years are for grain operations. Mr. Chairman, the Honourable Member for Minnedosa asked that question from his seat.

But what I find incredible are the comments of the Honourable Member for Arthur about opportunities. What he has suggested is that we tear down the present system in favour of opportunities. Mr. Chairman, every producer of eggs, for example, has to pay a levy of 38 cents, a penalty of 38 cents a dozen of eggs that is produced by an unregistered producer. They understand what unregulated production means in terms of their income and their opportunities.

What the honourable member is saying, let's expand the industry and let's put on 200 or 300 farmers additional production, and let's make sure that those in the program are paying an additional 38 cents for every dozen eggs. That's what he's suggesting, Mr. Chairman. We will cut the incomes of existing producers to allow for the expansion of others. Mr. Chairman, rather than promoting the sale of eggs and the consumption of eggs in this country, and making sure that the industry expands, no, we in fact will cut down on the incomes of the existing producers.

Then what would the corporation do? What would MACC then do, Mr. Chairman? What would those egg barns be worth, Mr. Chairman, when their production has been cut in half by unregulated producers? Is that what he's suggesting, Mr. Chairman?

Let's look at the milk situation. What happens in the milk? We have a national quota; there has been a

reduction in milk. Now we have an overproduction. Does he suggest that if we sell quota for producers that there will be more producers in the business? What a bunch of malarkey, Mr. Chairman.

What is happening is that the industry itself recognizes that there is a contraction in the industry? There will not be any more milk producers, there will be less, Mr. Chairman. That's what will occur, not what the honourable member suggests. Is he suggesting, let's allow any new producer into the milk industry? Can you imagine the cutbacks on the existing producers? Because that's precisely the role that he wants to take, Mr. Chairman; that's what they're advocating.

Let's look at the chicken industry, the only industry that has had an expansion in terms of production, Mr. Chairman, and it is as a result of some very hard negotiations and some very hard work on behalf of our staff and our boards to get back to the position we were before 1978. Mr. Chairman, we were on the slippery slope as of 1978 . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.

HON. B. URUSKI: There are 17 new producers building new barns or filling barns in terms of the broiler industry. That has been our only area in supply managed commodities that there has been an expansion. It is clearly, Sir, and I say this for the record, that it is as a result of the hard work of members of the Broiler Board and all the other boards and our staff in the National Products Marketing Council, and our Policy Economics Branch that assisted the boards in working very hard to . . .

MR. C. MANNES: That happened over two terms, two governments, you know that.

HON. B. URUSKI: Mr. Chairman, that change in criteria . . . the Honourable Member for Morris from his seat said it happened over two terms. Mr. Chairman, let the record be clear that it was under their administration that they allowed the Turkey Board to deviate from the normal criteria to allow for population growth, for regional market share, and downplayed comparative advantage in terms of the national agreement. It was your administration that put all the supply-managed commodities on the line. It put Manitoba's neck on the line in terms of future production, and Manitoba, Mr. Chairman, is a province that has to depend on interprovincial trade and production out of the province. — (Interjection) — Mr. Chairman, they don't like to hear the facts, that's why they want to chirp from there. They don't want to hear what the story was, because that's what happened, Mr. Chairman.

The Honourable Minister of Agriculture, when we confronted him in 1978, didn't even know what was going on, and now he wants to suggest that we should get involved in deregulation and in the delivery the setting up and monitoring, or actually handling, of quota in the dairy industry. Mr. Chairman, what would you hear tomorrow? You would hear, Mr. Chairman, that this government is interfering in the workings of the marketing boards. They now want to get themselves

involved in the day-to-day operations of the boards, that's what you would hear from honourable members opposite.

Mr. Chairman, that is nonsense. The responsibility for the handling of quotas and the interproducer relationship between the board and their producers is, in fact, their responsibility.

MR. CHAIRMAN: Order please.

The Member for Morris on a point of order.

MR. C. MANNES: Mr. Chairman, on a point of order. I think the record should show and I would, hopefully, lead into a major discussion of this once we move into the right section, but I want the record to show that, as a former signatory to national planning, as representing the provincial Natural Products Marketing Council, I attended several meetings on behalf of that council, in attendance with Morris Kraut, the former Assistant Deputy Minister of Agriculture, at which time we fought very hard to bring forward comparative advantage dealing with overbased quota within the broiler industry.

The Minister knows that and I've heard him now for two years indicate that something was contrary to them, so I put that on the record. This isn't the time to say so. If the Minister wants to engage in a further discussion on this matter, once we come to the proper part of the Estimates, I would be glad to do so.

MR. CHAIRMAN: I thank the member for that clarification, it was not a point of order.

The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the agreement that was signed was with the Turkey Board; that placed into jeopardy all the other boards. Mr. Chairman, I would not have gotten onto this debate if the honourable member . . .

MR. J. DOWNEY: I ask you how you're going to handle it.

HON. B. URUSKI: Mr. Chairman, I would not have gotten onto this debate. They don't like the information I am putting on the record, Mr. Chairman, when, in fact . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.

HON. B. URUSKI: Mr. Chairman, if the Honourable Member for Pembina wishes to speak, he'll have his turn.

MR. D. ORCHARD: I will.

MR. CHAIRMAN: Order please. The Member for Pembina will have his opportunity to speak.

The Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Chairman.

When the honourable members want to take away from the negative situation that we are getting on the

farm community in terms of the financial situation of Canadian farmers by today's Budget, Mr. Chairman, and dovetail it and try to remove responsibility away from themselves and away from their colleagues in Ottawa by the dribble and the misinformation in terms of how they intend to deal with the issues in agriculture, Mr. Chairman, then I certainly will move back to the specifics of the Estimates. Every time that anyone of those members rises and wants to put in extraneous information, Mr. Chairman, I will do likewise. So, if they want to hold to the subject, I will be very pleased to hold to the subject, but when the Honourable Member for Morris gets up and says, "Let's deal with the issues in the Estimates in front of us," Mr. Chairman, we listened for 20 minutes to his colleague, the Member for Arthur, on the whole range of quotas and quota systems and how he would deal with this whole matter. — (Interjection) — Opportunities, baloney. You want to play around, Mr. Chairman, I can play around as well. We've got lots of time in terms of the Estimates as far as I'm concerned and the members want to play around and talk and talk around in circles, Mr. Chairman, I can talk around in circles in terms of what we are hearing.

Mr. Chairman, in terms of the specific information of loans, we have approved since March 31, 1985, 31 direct loans of just approximately \$2 million. As I indicated earlier, the loans under the 9.75 percent, eight loans just under \$900,000 and 272 loan guarantees of almost \$15.5 million.

MR. D. ORCHARD: Now, Mr. Chairman, it's interesting to hear this Minister of Agriculture talking in such glowing and wonderful terms about MACC and the job it's doing in terms of lending money to the young farmers in Manitoba. As you know, one of the main reasons I got into politics was because of the mismanagement of the Department of Agriculture during the Schreyer years, and I mentioned to him the other night that I got one of the last long-term loans that MACC put out before they went into that infamous land program.

I think the Minister needs to have his memory refreshed. It was in 1978 that we reinstated these long-term loans that now he is so glowingly talking about lending out - that MACC is doing in terms of providing money for our young farmers in long-term loans. You know, he's pretty quick to forget about the ultimate goal in the Schreyer years and he still ascribes to it. In his first set of Estimates he told us that the agricultural system - what was that he mentioned about the western agricultural system? The guy still hasn't learned any of his lessons.

He is carrying on programs that my colleague, the Member for Arthur when he was Minister of Agriculture, reinstated to provide young farmers with the kind of long-term financing and the capability to borrow money on a long-term basis from a provincial agency, something that when he was a Minister of the Schreyer Government they took away. And he stands up here tonight and he tells us what a wonderful job MACC is doing, lending money like they're supposed to be doing, that they are mandated to do and, if it hadn't have been for having a change in 1978, there would be no long-term mortgages.

So don't let this Minister of Agriculture try to distort the facts and rewrite history. He is carrying on Progressive-Conservative lending policies in MACC, policies that were put in place in 1978 to replace the Land Lease Program that he and his left-wing colleagues were so fond of during the latter years of the Schreyer administration, policy which got them quite frankly massively unelected in rural Manitoba because it was against every bone in most farmers' bodies, that they would be tenant farmers to the government.

So you know, Mr. Chairman, the Minister of Agriculture can't sit around in this House and try to distort and try to take credit for something that he did not introduce, that the Progressive Conservative Government of Sterling Lyon reintroduced under my colleague's direction, the Minister of Agriculture, the Member for Arthur.

It's a long-term lending policy that is successful, that is beneficial to young farmers. That was the campaign note we made in 1977, that we were going to do that, and we did it. This Minister, I give him at least some semblance of intelligence, credit for intelligence, and that he's carried it on. He's carried on a working good policy of the Progressive Conservative Party which was government in 1977 to 1981.

Mr. Chairman, in the question period a short while ago, I asked the Minister about the Interest Rate Relief Program and how the collections were going in terms of the loan portion on the Interest Rate Relief Program. That was several weeks ago and I presume the Minister will have that kind of information here this evening so we can discuss it.

Some specifics I would like to find out from the Minister. First of all, I'd like to find out from the Minister how many farmers were eventually on the Interest Rate Relief Program, and of those farmers would all of them have been billed now on the loan portion of the interest rate relief, so that the Minister should have some indication from MACC as to what percentage of those clients of the Interest Rate Relief Program are in arrears and are not able to meet their \$6,000 commitment. Probably the Minister also will have, because MACC probably has this on computer, he could probably tell us how many of those farms that were given interest rate relief are no longer in the business of farming, that they have left voluntarily or through bankruptcy in the business of farming.

Mr. Chairman, I would like to know under what circumstances and what the interest rates are of the roll-over capability where the individual farmer does not have \$6,000 to be paid? The Minister indicated the other day that it's turned into a longer-term loan. Can the Minister indicate to me how long a term loan, the interest rate on that, and what security that MACC is taking to secure that \$6,000 loan?

HON. B. URUSKI: Mr. Chairman, the length of the loan - I am trying to get the figures for the honourable member - and the option is either for paying now, immediately, on the time that the promissory - it is a promissory note that is signed in terms of the program - and the period in which the option is available for a five-year pay-back on a five-year term, the remaining portion can be termed out for five years under the Interest Rate Relief Program.

Mr. Chairman, I did pass the information onto the corporation when the honourable member raised it. Because of the way the honourable member wanted information, it is taking a fair bit of analysis and hopefully by next week we may have that data together, but it is being worked on and we will provide it to him as soon as we can. When he raised the question, and I took it as notice - it is being worked on - but in the way that he raised the specific questions, the information is not readily available and is taking a fair bit of research to put that together.

MR. D. ORCHARD: Mr. Chairman, I am not familiar, I don't recall the exact details I requested, but I think what I want to find out is how many people were billed, or how many people are really being asked to pay their promissory notes, how many are unable to pay them, how many are taking the five-year loan, etc., etc.? I would think that would be fairly routine information on the program, not anything that's technical and hard to put together. If you can't have that kind of information on your program, I make no other comment.

But, Mr. Chairman, the Minister will provide that information and presumably if it's next week sometime we might have an opportunity to take a few minutes to ask questions on it at that time, so I won't bother any further with it tonight.

Mr. Chairman, I've got a question for the Minister which involves the Operating Loan Guarantee Program that the MACC has had in place for a number of years but hasn't been used in particular the last couple of years. Mr. Chairman, the farmers or farm producers who signed up on that are under the impression, and I believe the financial institutions that participate are under the impression that the province was going to guarantee \$100 million for the loans and would pay to the financial institutions up to \$15 million in a prorated loss - talking fund - that's right, \$12.5 million in prorated losses.

Now, presumably, that could be the entire operating loan to aid an individual farmer. It's not 12.5 percent of his loan that's in default, it's his entire loan as long as it's under the \$12.5 million of the \$100 million program.

Now, Mr. Chairman, the MACC is in the process right now of collecting on some of those operating loan guarantees and I can't comment, but one instance that I am attempting to make some inquiries on, there seems to me there might have been a misconception at the start of the program, and if there is no misconception when the individual signed that promissory note, but now the corporation is attempting to collect the operating loan from that farmer. They had him under the guarantee program and when his farming operation was not successful, they wound him down. He didn't, of course, have enough inventory machinery to pay out. This particular individual is managing to keep the land and he is working at various things to get back into the farming business within a year or two. One of the things that's happening to him is that this collection from MACC is killing him. It's absolutely killing him; he has managed to clear off most of his other financial obligations.

MACC come up to him in the field, or one of the representatives I believe from Winnipeg, and was pretty

direct and pretty insistent that he sign up with them, what further documentation it was, that he give this out and he signed up, and basically it would put him severely behind the eight ball.

Now, my impression, I have to tell the Minister that I did not read or I did not investigate that program sufficiently. I promoted that program to a number of farmers at home who I thought could benefit from it because I was under the naive impression - I now admit - that the government was genuinely going to risk \$12.5 million to support the farm industry, and that by the time they put their customers through the hoops, the farmers who qualified, through the hoops, their risk would be minimal, but that they were prepared, the government was prepared, through MACC, to risk the \$12.5 million.

I did not know that farmers took the program out, signed their name to the promissory note to secure on a personal basis the operating loan being guaranteed by the MACC. I did not know that, and I was quite frankly shocked when this individual came to see me, having wound down his farming operation, and was now being approached by MACC to come up with the goods on the operating loan. It was not genteel collection methodology; it was as good a collection agency as you will get.

The fellow was quite upset by it. He is not going to shirk his obligations if there is any way that he can do it, but this is putting him under a lot of stress. — (Interjection) — He has talked to your people and I will follow it up. I have been expecting some additional information from him in terms of the calculation and what cash flow had been and where the cash flow went. There appears to be a dispute between MACC and the bank on this . . . I haven't received this information from him, so I haven't been able to follow it up directly with MACC.

Mr. Chairman, is there not an ability within MACC to undertake some quite flexible repayment schedule on that? I even go so far as to suggest that the risk the corporation could put up for individuals like these - he is not down and out; he's down and out temporarily but he is keeping his land base because he is going to get back into the farming market come hell or high water - but it will be a very major help if that repayment on the operating loan was deferred with no interest, and that being the sacrifice that MACC make and we, as taxpayers, I'll admit make. I suggest that because that was my impression, that you were going to be risking that \$12 million. There was no risk on the government's part at all in that interest relief program. — (Interjection) — No, I say that because every one of your clients, you signed up tighter than a drum, just like any bank, just like the multinational banks you criticize so vehemently whenever you get on your high interest rate diatribe. Your MACC signed those people up, personal guarantees on those operating loan guarantees so that, as long as there was equity in the land, MACC was not at risk. And if there wasn't equity in the land, I suggest that the person did not get the operating loan, he was refused.

I know of cases where people were refused because there was not sufficient equity in either the banks or MACC's opinion. So, Mr. Chairman, I'm going to follow this up with MACC, I'm going to follow it up when I get the additional information I need, but I'm pointing

it out tonight to the Minister because there are some major concerns in that program that are now coming to light. And some of the collection is being undertaken at a very very inopportune time for any of these fellows that are winding down their farming operation.

HON. B. URUSKI: At the beginning of the honourable member's remarks he indicated that it was their program and I accept that he wants to take some credit and that's fine. Mr. Chairman, if the honourable member would like to provide myself or the general manager the details, we have not been able to directly determine circumstances, we would be pleased to look at that. There certainly is room for flexibility in terms of how the guarantees are handled after, in fact, the farming operation has not progressed very well. But it does take co-operation and it does take discussion and negotiation with the Corporation. I don't know the circumstances and I'll not even try to speculate what's behind it. If the honourable member wishes to provide me with information we'll certainly have a look at it and then the Corporation can assess it and the person, who the member speaks of, should certainly come in and it can be discussed.

We haven't been able to second guess as to the type of loan because there's over 700 of those under the program, and in terms of the guarantees that have been there, there's no doubt we will be paying, the public will be paying for those guarantees. There are losses and they are on the . . . but in specifics, in terms of spreading the loan out, or making some provisions or holding back some interest it's a matter of negotiations and looking at that and we're prepared to do that. But I can't do it without having the details of the . . .

MR. CHAIRMAN: Order please.

We are having a little trouble with the sound system. Apparently the only microphone that's really working is mine and the one under the tables. I'm advised by the Clerk that the system can be fixed, with about a five-minute recess.

(Recess)

MR. CHAIRMAN: Committee, come to order.
The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, can the Minister indicate out of the Loan Guarantee Program what percentage of problem accounts they have and the dollar value of those? Can the Minister provide that information as well?

HON. B. URUSKI: I am not able to give the honourable member information as to how many claims are doubtful, but what information I can give him is what has happened to date. When I say we can't tell him about which claims are doubtful, we won't know until the bank actually declares them unpayable, but I can tell him what the record is so far. We did pay on 20 loans a total amount of just under \$900,000, \$898,000 of claims, and there are claims pending for \$296,000, and there's two claims in dispute for \$149,000.00. Those are the claims under the program to date.

MR. D. ORCHARD: Presumably in each instance where a claim has been paid out to the lending institution that participated in the program, that MACC has followed through with an attempt to obtain security through second mortgage, whatever, on land or whatever basis, and that has followed through in each of those cases.

Mr. Chairman, another area that I'd like to discuss with the Minister just briefly is - and it's been mentioned, I think, before but I apologize I wasn't here for the discussion - the Throne Speech, I believe, contained a \$20 million announcement, for which the Minister has made nine approvals, or the MACC has approved eight applications.

Can the Minister indicate whether the \$20 million is going to be MACC's, the Department of Agriculture's total share of the over \$200 million that was raised through the tax program, the tax scam by the Minister of Finance. I'm interested in this because - I think the Minister will recall when the Finance Minister introduced the program - he said that were three prime areas that that money was going to go to. I think housing was one, and small business support and agriculture through MACC.

Now it would appear as if the Minister has only received something less than 10 percent of the money, probably 7 or 8 percent of the money - I think it was \$250 million raised. Is that the entire access to those loans is funds that the Minister's going to have or does he anticipate that he will be able to, in the course of this year prior say to the end of the calendar year, will he be able to make another announcement that the Finance Minister is providing MACC and Agriculture with more of the low interest rate money, as was indicated would be part of the rationale and the reason for going through the whole tax and share issue?

HON. B. URUSKI: I can't give the honourable member that indication. It is possible that those decisions can be made later on. The money that is there now is what is in the program. I can't say one way or the other as to what it might be, but the honourable member would have to wait for further announcements if there is any change.

MR. D. ORCHARD: Does MACC still review its interest rates on a quarterly basis, or is it monthly? Monthly, okay.

What is the guideline - and this may have been discussed, my apologies - but is the guideline to stay somewhere close to the Bank of Canada prime at the date of the monthly review? What are the guidelines used by MACC to set interest rate policy?

HON. B. URUSKI: Mr. Chairman, it is the cost of government borrowing averaged, and that is how the Department of Finance . . . the policy in terms of the money supplied to MACC has not changed from the Department of Finance when they were in government and when we're in government. The policy is the same, cost plus one-half.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I would like to ask the Minister what the lending policy is under MACC

with respect to those individuals who purchase farms that produce commodities that are supply management, and the quota value that obviously has come into place over the years. I would like to know specifically how MACC treats quota value in its lendings to individuals.

HON. B. URUSKI: We treat quota value at zero.

MR. C. MANNES: Have there been any instances in the past where boards have, in attempting to monitor transfers of quota and seeing where, in their view, there was quota value in place? Were there any instances where MACC has asked or told the boards, in fact, not to make an issue out of it; that in fact the sale should go through with the higher value which included quota value to be involved?

HON. B. URUSKI: Mr. Chairman, I am advised that there was one case in a dairy operation where there was a sale of a herd - I may not know all the details - where, in terms of the financial transaction, there was some dispute on the value of the cows and, of course, the quota was to go with the cows. I believe there was an appeal to council on the situation, and there was one incidence that I'm advised where quota actually went with cattle.

MR. C. MANNES: Mr. Chairman, I am wondering then whether the Minister would like to reconsider his answer. Does MACC, similar to other financial institutions, in dealing and trying to determine the amount of the money it will borrow for the acquisition of a supply-managed farm, whether they look at the value of quota? Does it show somewhere on the paper? Is it just this one incidence or, in fact, are they like other financial institutions who I believe understand fully that there is value in quota in some cases - there has been for a number of years - and therefore will lend to cover it?

HON. B. URUSKI: Mr. Chairman, the corporation does not allow any calculations or allowance for quota. When I said there was one incidence that involved a dairy operation, it was where in fact the corporation tendered a sale. It was on a repossession of cows which did not, in fact, include the quota in that transaction. The corporation had to be involved with the Milk Marketing Board in terms to assist the client who bid for the cows from the corporation, to make sure that there was a quota there.

MR. C. MANNES: My intrigue is heightened a little bit, Mr. Chairman. Was an auction attempted, in which case originally the quota did not transfer the ability to market milk to not transfer, just the cows? Was that attempted? What transpired?

HON. B. URUSKI: As I indicated, Mr. Chairman, the herd on the repossession was tendered, and there was quota with that herd in line with the existing policy, but the board attempted not to allow the quota to go after the tender had been completed. That's the only issue that the corporation was involved in.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: I'm not very clear, Mr. Chairman, on the details of what we're hearing. It appears as if from

what we've heard that the policy of the Credit Corporation does not calculate any value on the production quota and yet, now the Minister is disclosing that there was one specific case which had been tendered - somebody purchased the cows and the farm - and then there had to be quota made available.

HON. B. URUSKI: The farm had quota.

MR. J. DOWNEY: The farm had quota, okay. So the farm had quota, it had cows. Is the Minister saying in that case, that there was value applied to the quota?

HON. B. URUSKI: Mr. Chairman, when you tender cattle, you get the commercial value of the cattle that were tendered. Our assumption was that there was no value for quota.

MR. J. DOWNEY: Now, Mr. Chairman, he indicated earlier that there was an appeal. Well, Mr. Chairman, we're getting more confused all the time with the Minister's answers. He is in fact, now changing direction from what he's told us five minutes ago. He shrugs as if there's nothing to it. Well there is something to it, and we want to know what the value of the quota was that was transferred in the transaction of which MACC was a part.

What was the value of the quota? Or, if he would sooner do it this way, what was the value of the cows on a per cow basis in that transaction?

HON. B. URUSKI: Mr. Chairman, approximately \$1,100.00.

MR. J. DOWNEY: Mr. Chairman, that was the value of the cows and the quota combined?

HON. B. URUSKI: Mr. Chairman, that was the tender value for the cows.

MR. J. DOWNEY: That was the tender value of the cows without quota. What was the value of the quota?

HON. B. URUSKI: The tender value for the cows was \$1,100 per cow. The value for the quota was zero.

MR. J. DOWNEY: Mr. Chairman, in other words, the Minister was saying that those cows actually then were bringing approximately twice what the market price for a cow would be. That's really . . .

HON. B. URUSKI: What? What?

MR. J. DOWNEY: For the beef price of a cow. I'm talking about the beef price.

HON. B. URUSKI: Dairy cow?

MR. J. DOWNEY: Well, Mr. Chairman, talking beef production, or beef price on cows of \$600.00.

HON. B. URUSKI: That's what cows were selling for when you were in office.

MR. J. DOWNEY: Mr. Chairman, the Minister can laugh about it if he likes. What I'm making reference to, what I am establishing or trying to establish . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

MR. J. DOWNEY: Mr. Chairman, what I am saying is that there is a value to the quota that the Minister is talking about. He made reference to it himself. We've heard two different stories from him now. He initially said there was a case in which there was value on quota in a transaction that MACC was involved in. Yes, he did. Well, he shrugs his shoulder. He's the one who looks like he's not telling totally what was all taking place.

What I'm saying, Mr. Chairman, is that the value of the cows with the quota is \$1,100 per cow, and I agree that a good milk cow is worth substantially more than the beef price. But I have heard many dairy producers say in the last while that, without any quota, a lot of dairy cows aren't worth any more than what they would be either on the market or for beef cow production. So there is in fact value to the quota. There is in fact a value on the quota, so that's what we're trying to establish.

At what date did this particular situation take place? Was this a recent transaction that took place within the Credit Corporation?

HON. B. URUSKI: Mr. Chairman, I'm advised, somewhere over a year, a year to two years ago, somewhere in that range. I don't recall. Staff can't even recall the date, but they recall the incident.

Mr. Chairman, for the honourable member's information and I will give him the Ontario situation, cows, as I recall and I did see a chart, range from about \$800 to about \$1,500 on the market where, in Ontario, they do sell quota on quota exchange. So the dairy cows on the markets themselves, and the range is anywhere from \$800 to about \$1,500 has been the flowing range for cows in the last couple of years.

It's the quota there in Ontario that runs at a .25 million per farm. So that, in terms of the sale of cows here, \$1,100 in terms of the value of the cow is not far out of the commercial range. It may be for that kind of year. It may have been somewhat. One cannot ever say that absolutely 100 percent certain that there isn't \$1 in that amount for quota. No one can say that, and I won't even pretend to stand here. But, in terms of the commercial value of cows, the \$1,100 figure would have been in that range for a good dairy cow that was tendered, and basically the quota situation was zero.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I don't want to belabour this particular subject, because I honestly don't know an awful lot of the details. When I listen to the Minister, I end up being a little bit more confused.

I am told that the Milk Producers Marketing Board, in this particular case, did not want to allow a transfer quota because they saw where quota value was associated with it. I'm later told that MACC, and maybe they were the ones that were the appellant - I don't know. Somebody took this case before the Natural Products Marketing Council to be heard. I have no idea who that was, but somebody appealed that and insisted

that, in fact, if the cows that were sold carried a quota with them so that there would be a much higher value such that MACC could realize a greater return for those assets. Now, I know nothing more than that, and I guess I bring forward the question to ask the Minister whether or not MACC had some complicity in this whole issue of seeing a sale go forward involving the value of quota.

HON. B. URUSKI: Mr. Chairman, anyone can make the argument, even the honourable member can obviously, that there was complicity. There is no way that one can conclusively - and I can't stand here before the member and say conclusively that I will lay my life on the table that there wasn't any value for quota. No one can do it because, Mr. Chairman, even if the value of the cows was \$1 less, then you can attribute a dollar value for quota - absolutely. So one can't argue any other way. All I can say is that, in terms of the value for cows of what there would have been, the figure as viewed by the corporation that there was in terms of policy that there is no value for quota.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, not to enter into this debate, but I was handed this anonymous note. I just want the Minister's concurrence whether or not he does not believe that a dairy cow which gives no milk is an "udder" failure.

HON. B. URUSKI: We can get the "udder" one.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: A couple more questions dealing with the Credit Corporation. I ask the Minister how many applications does he have for the general Manitoba Agricultural Credit Corporation programs? He has pointed out there were 96 applications for this coming year. What is the actual normal business being carried out by the Credit Corporation?

HON. B. URUSKI: Mr. Chairman, in the process on all the programs, 180 applications, what one would say in the mill at various stages, in field offices, applications out - 36 of the 96. So you could add another 50 to that. So it's 240 loans in the mill. As I indicated to the honourable member earlier, we hired six staff in terms of field staff to assist the field staff in doing the preparatory work.

I should mention, we did attempt to use FCC field staff since their loan program is way down and they're not very active in terms of lending. We did attempt to arrange the use of their personnel on a secondment basis to do certain preparatory work for us, appraisals and the like, because they are qualified people. I didn't realize it, but we were turned down in terms of the use of FCC personnel. But we did attempt to make those kinds of arrangements to assist us in dealing with the backlog of applications, doing the appraisals, and then we would follow up with our own work.

I have to say, I didn't ask this question of my staff. I knew we were negotiating and I thought things were moving, but I regret to say that we were declined in receiving that assistance from them.

MR. J. DOWNEY: What is the current interest rate in which the Credit Corporation is borrowing money from the government?

HON. B. URUSKI: It's basically - I think I gave the honourable member the interest rates that we're charging. Knock off .5 percent from that you will get the rate that the government providing. The rates that I put on the record yesterday, from 2 to 5, we charge .5 percent above the borrowing rate to cover - well we don't cover the administrative costs, but that's basically where we're at.

MR. J. DOWNEY: Mr. Chairman, before I conclude, I asked the Minister yesterday whether or not he would consider taking the lead in the reduction of interest rates through Manitoba Agricultural Credit Corporation. As we've seen, some of the commercial organizations have been dropping at a rather substantial rate and I am not aware of what the mortgage rates did today on the money market — (Interjection) — a substantial amount? My colleague for Swan River indicates they went down again. My colleague says they're under 10 percent.

I think it's incumbent upon the Minister to lower interest rates through MACC at a more progressive rate than he has been doing so. I have an indication here, I just have a communication from the Department of Agriculture in Saskatchewan where they have now made an adjustment to their loan programs, and they're now something in the neighbourhood of 12 percent, at 12 percent. Well, no, the Minister indicated yesterday they were at 12.75 percent on long-term money.

So the question is, and really the point I want to make is, with the continued decline in interest rates, and the Minister's comments and what he has been talking about in lowering of interest rates, will the Minister of Agriculture, and I'm sincere, make sure that he is keeping up-to-date with the lowering of interest rates? Will he do everything possible, and I want a commitment from him tonight before we pass these, to make sure that we keep the interest rates going down, not following what is happening elsewhere but that is leading the way?

Mr. Chairman, I want the Minister of Agriculture tonight to commit that he is going to do everything possible to live up to what he said, that he does believe in lower interest rates, that he does lead with MACC. I would ask him when his next review of the interest rates are, and when we can expect a lowering of rates with MACC, in view of the fact that all other organizations, all other lending institutes are, in fact, lowering their rates at the current time.

My colleagues may have another question or two, but I want the Minister to indicate if he will do that.

HON. B. URUSKI: Mr. Chairman, I am not the Minister of Finance. Perhaps he can get some advice from his colleague, the Member for Turtle Mountain.

A MEMBER: I wouldn't take his advice.

HON. B. URUSKI: Well, maybe he will give him solid advice on finances, although he's tried to play games on the borrowing that the province does on the world market.

Well, Mr. Chairman, I tell the honourable member that short-term interest rates, while they are dropping, there have been periods of time when the reverse was occurring, short-term rates were climbing, and long-term rates were below the prime rate. It just happens now that the long-term rates are not coming down as fast as the short-term rate has been coming down.

I know he realizes that the province is no different than the farmers of this province, the province is an interest-rate taker; it is not an interest-rate setter. Every dollar that we pump out into the economy and into the farm population and, if it's at a lower interest rate, we have to subsidize those rates. It's as clear as that, there is no magic, Mr. Chairman.

But what we can do collectively, and what I would have hoped members of the Conservative Opposition would, in fact, have joined with us in demanding that the Federal Government change its monetary policy and lower the interest rates to farmers. I pledge to the honourable member that I will continue to fight for lower interest rates and a change in monetary policy in this country so that, not only farmers, but homeowners and small businessmen can benefit at a lower interest rate.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I am disappointed the member had to attack my colleague, the Member for Turtle Mountain.

My question to the Minister is with respect to the field staff of MACC. Are there any conflict-of-interest guidelines in place, are any of these individuals - I believe some number of them are accredited appraisers - allowed to appraise in the farm industry facilities on their own time?

HON. B. URUSKI: Mr. Chairman, I'm given to understand that they are not allowed to appraise on their own time.

MR. C. MANNES: When did this policy come into place? Well, that will be my question, thanks.

HON. B. URUSKI: Mr. Chairman, somewhere in the 1981-82 period.

MR. CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Chairman.

Perhaps this question was asked earlier when I wasn't in the committee. I wonder if the Minister could tell us how long it takes to get an approval or a denial on an application for a loan through MACC at the present time.

HON. B. URUSKI: Mr. Chairman, it would take about two to two-and-a-half months, about nine weeks on the average. But, as I indicated to the honourable members, there are about 240 loans in the mill at the present time.

MR. D. GOURLAY: Then is the Minister saying that with that number of loans it will take longer than the

two months? The reason I'm asking, I had a constituent contact me about 10 days ago, a young chap who I'm sure would likely qualify for a loan, but he has recently received a contract under the BMU which would mean he would have to be ready to get into business by October 1st. He is concerned because he was advised by his local credit agent that he would have to expect upwards of five months before he could get his loan either approved or denied.

I find that very difficult to accept. Surely it wouldn't take that long to process this individual's application, but perhaps the Minister would like to comment on that.

HON. B. URUSKI: Mr. Chairman, the approvals normally take nine weeks but, by the time all the legal work is done he would have been told five months before disbursement of the funds, because by the time the lawyers get through everything in terms of the legal work. The approvals normally take about nine weeks, that's about on the average but, by the time the legal work is finished, the disbursement of funds, it would likely take about five months before the disbursement of funds occurs.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Committee rise, Mr. Chairman.

HON. B. URUSKI: Mr. Chairman, I believe I had an indication from honourable members that we would be concluding MACC tonight, and I think we could finish MACC and then begin a new section tomorrow.

MR. J. DOWNEY: Mr. Chairman, I was asked at the time of the fixing of the tape, and I indicated that it depended on how things went, I have several more questions to ask the Minister dealing with MACC, and probably it would be just as well to carry on to do it tomorrow and have committee rise.

MR. CHAIRMAN: The Honourable Government House Leader.

HON. A. ANSTETT: Mr. Chairman, if we could have an indication of how much additional time is needed, perhaps we could finish this evening.

MR. CHAIRMAN: The Opposition House Leader.

MR. H. ENNS: Mr. Chairman, I simply want to remind the Government House Leader, there would be of course a way of avoiding this if this government and this Government House Leader had the feeling about bringing in a Speed-up Motion, as indeed was the practice of this House, then of course the opposition members would have no question here. But if this government does not want to bring a Speed-up Motion, then I suspect and I suggest that the normal adjournment hour of 10:00 holds true.

You can't have it both ways. You cannot ask our members to go beyond the normal adjournment hour without the rules and conditions pertaining to the Speed-up Motion. If this Minister and this Government House Leader particularly pride themselves in operating

the House without the Speed-up Motion, then I suggest to you, Mr. Chairman, that he has to live with those rules. The rules are, that we adjourn at 10 o'clock.

HON. A. ANSTETT: Mr. Chairman, I refer the Opposition House Leader to our Rule No. 65, which provides in Subsection No. (8), that the House, when in Committee of the Whole dealing with Estimates, can sit past the normal hour of adjournment. There is no Speed-up Motion required to allow that rule to be implemented. It is used all the time. We very seldom go much past 10 o'clock, and have the last two years, very seldom gone much past 10 o'clock.

But the Honourable Opposition House Leader's memory fails him, Sir, if he is suggesting for one minute that Speed-up was used to expedite Estimates. In my recollection - and his is longer - I'm sure he will concede that Speed-up has not been used in this House in more than 20 years until Estimates are finished. That's the operative understanding. Speed-up has not been used in over 20 years till Estimates are done. There is no question about a need for Speed-up here.

Mr. Chairman, I detected, because of a comment made by a member, namely this one from his seat in response to a reference from the Member for Turtle Mountain, that the Member for Arthur is a little incensed. Well, Mr. Chairman, I'll repeat that comment so that it's on the record, but I want it understood that it didn't come from the Minister of Agriculture so don't take it out of his hide.

I suggested that if the member wanted information on interest rates, the most appropriate place would be to ask someone who knew about it such as our Minister of Finance; and that the Member for Turtle Mountain's information on interest rates hadn't necessarily commended itself to this House in the past. But if the member wants to take exception with the Minister, I think he should take exception with the member who said it from his seat.

I think, if there was an indication that we could probably finish this item tonight, unless members have a lot of questions to which they need answers, I would suggest we continue. But I find it a little unusual that a member, in a fit of pique, would suggest committee rise and not complete the business that members thought they could complete because of a comment made in jest, in debate.

MR. H. ENNS: Well, Mr. Chairman, I intend to speak for the next 20 minutes about the rules, about Speed-up Motions, about traditions in this House far removed from the issues before us. If it is the intent of the Minister and the Government House Leader to keep officials of the department and the Manitoba Agricultural Credit Corporation before us, then we are certainly prepared to debate rules issues, for the next several hours.

Mr. Chairman, I think it's been admirably demonstrated by the opposition that we have indeed moved with some expeditious manner the Estimates of the House. We have dealt with the various departments in both committees of this House at somewhat greater length than the previous Session, I'll acknowledge, but then one has to recognize the period of time that we are talking about.

I would like to think that this particular Minister of Agriculture has no particular reason to want to rush

through his Estimates, and particularly this department that now is under consideration indeed, the very important department of the Manitoba Agricultural Credit Corporation.

Mr. Chairman, the question is, does the opposition have an opportunity to fully discuss the affairs of the Manitoba Agricultural Credit Corporation? That's a simple question. There are other questions that we wish to raise. If we want to raise them past the hour of normal adjournment, then fine, we'll continue to raise them. I simply want to hear from this Minister that he, in effect, is in his own way pressing a closure motion on us that we must now finish the considerations of this most important department

A MEMBER: Informal closure.

MR. H. ENNS: That's right. It's an informal motion of closure which hasn't been exercised, nor was it necessary for any of his colleagues to exercise up until now. But on the sensitive issue of farm credit, this Minister wants to dispose of the issue of agricultural credit tonight at 10:30 or 11 o'clock, or 11:30 or 12 o'clock. I ask the Minister to reconsider whether it was really his intent to do that, whether or not we can't complete this department with perhaps half-an-hour or an hour's deliberations tomorrow. We can do that as well.

But if the Minister wants to make an issue of it, if he wants to hold the gun to our head, so as to speak, that this very important part of his department must be passed. We have asked him repeatedly, the former Minister has asked him repeatedly, what is this Minister doing about reducing the cost of money to the farmers of Manitoba? The Member for Turtle Mountain has indicated very clearly the commitment that this government made when they sold assets of this province to do just that at 9.5 percent, 9.75 percent.

The truth of the matter is, there should be money available to farmers at 10 or 11 percent, .5 percent over cost. Was that not just the direct answer to my colleague, the Member for Arthur? What is the cost of money to the Manitoba Agricultural Credit Corporation? What are they loaning out to the farmers - .5 percent over what the province is borrowing.

Well we know from the Minister of Finance who made great headline news about how he was selling the assets of this province and getting 9.25 percent, 9.5 percent money. At least, the department should have X number of millions of dollars available to farmers at 10 percent. It's just that simple. That's already making .5 percent profit over exercising the rights of the loopholes in the taxation system. Where was the Minister around the Cabinet table when the Minister of Finance was raising the \$250 million?

HON. A. ANSTETT: You don't approve of Manitoba Properties Incorporated providing low-interest money to farmers?

MR. C. MANNES: Where is it?

MR. H. ENNS: Mr. Chairman, it's not a question of whether or not I approve or not. What just bothers me is when I hear his national leader, Ed Broadbent, his

Premier, raving against those people who avail themselves of loopholes in the taxation system and then find this government, your government, Mr. Chairman, your personal government, doing the same thing.

You know, it's just about the same as asking this House to pass a nuclear free zone in Manitoba and not saying that Pinawa should disappear. Is that what you're selling? Is that what he's telling Pinawa and the people in Pinawa? Well, of course it is. Pinawa is an atomic and a nuclear research station. Mr. Chairman, I'm not just getting wound up, because I can speak the next hour on this.

MR. DEPUTY CHAIRMAN, D. Scott: Keep it relevant, please, to the subject being discussed.

MR. H. ENNS: Of course, I'm keeping it relevant; it's just that relevant. I mean this Minister of Agriculture who sat around the Cabinet table while his Minister of Finance developed a scam about how they could get through a loophole in the taxation system to raise \$250 million and he stood up in the House and said - it's not my imagination - that Agriculture would get some of it, a good portion of it. Is that not right? Yet, Mr. Chairman, would you believe it? There's not a single farmer in Manitoba that can get money at 10 percent from the Credit Corporation. That's after the Minister is saying, just 10 minutes ago, five minutes ago, that all they take is .5 percent markup on the money it cost the province to raise it. Is that not — (Interjection) — right?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY CHAIRMAN: Order please, order.

The Member for Lakeside has the floor. Order.

The Member for Lakeside, please.

MR. H. ENNS: Mr. Chairman, all I'm indicating is that we have a great deal more to say about the affairs of the Manitoba Agricultural Credit Corporation and we intend to do it.

MR. DEPUTY CHAIRMAN: 3.—pass.

The Member for Arthur.

MR. J. DOWNEY: Well, Mr. Chairman, I said earlier that if we'd ask the question, the Minister asked me if we would consider finishing this and I said we would consider. I didn't say we would.

The Minister made several comments, brought forward some other issues. My colleague from Turtle Mountain asked for some information earlier today, as I did, dealing with some of the lease properties that are put in place and I would like the opportunity to get that information and debate on it, if necessary. I would like the Minister to indicate tonight - he said earlier today he would try and get that information for later tonight. We haven't got it yet. On the five-year lease tendering, he said he would try and get it for us later tonight and that's fine, we didn't get it.

Mr. Chairman, I'd like the Minister to try and have it for us tomorrow morning so we could get the information and we could debate it a little further at

that particular time. We have a justifiable reason, Mr. Chairman, for not including them tonight, if in fact we can have that information for tomorrow's debate. As well, there are a few other questions which I have sorted out, which I want to point out to the Minister and it will take some time. Now, if he indicates to me that he's unable to provide that information first thing tomorrow morning, which we asked for, if he indicates that to us, then it may take till Monday to finish the Credit Corporation Estimates, because we are now anxious to have that information. We were anxious before and we want to know what the Minister's responses are.

I want to, Mr. Chairman, in asking the questions that I have to deal with, ask the Minister if, in fact - or he talks about the nine approvals - are those nine approvals that have already taken place, are they in the excess of \$100,000.00?

HON. B. URUSKI: Mr. Chairman, the honourable member has noted that the program has \$100,000 limit per borrower. There were eight loans approved, totalling almost \$900,000, so obviously on an average they were more than \$100,000.00. The honourable member should be aware that there were a number of questions raised, that we will not be able to supply the information. I thought we could supply the information this evening; in fact, it may take several days before that information can be compiled.

The Honourable Member for Pembina who raised the question, it may take several weeks before we can get that information compiled. Certainly, the Honourable Member for Turtle Mountain, his information, I thought that we could have it by this evening, and when we went back practically every file has to be gone through in order to get that information and it will take some time to compile that information.

And, of course, if that information is available before we're finished the Estimates, of course the debate can continue on open debate on my salary, so there should be no great difficulty. It isn't the first time and it won't be the last time that information isn't provided or isn't able to be provided to members who raise it right during that debate. If it can be provided before the Estimates are over, then the debate continues on the Minister's Salary and it's wide open on any matter that was raised in the Estimates. So I see no difficulty with that. To me it appeared, Sir - and maybe the honourable member now disagrees with it - the honourable member felt that they didn't have, and I think the record will show he indicated he didn't have too many more questions - but if there are a number of specific questions that we can provide answers to, absolutely let's do it and the information that I've said should be made available, will be made available to members, and the debate will go on.

MR. J. DOWNEY: I asked the Minister what is the interest rate after the loans reach \$100,000.00? What is the going rate? Is it the 12.75 percent long-term money or is it higher than that?

HON. B. URUSKI: Mr. Chairman, it will be the going rate, whatever the rate is for the term of the loan, that is, anywhere from 12 to 12.75, depending on the length of the time of the loan.

MR. J. DOWNEY: Mr. Chairman, I have to ask the question: why did they stop at \$100,000 because there is some \$200,000 which is committed to the program, or which was raised? The province raised \$200-and-some million at 9.25 percent, of which they indicated they could lend out at .5 percent over that. Now, he introduces a program, he puts a limit of \$20 million on it and that if you, as an individual, borrow more than \$100,000, then you're limited to \$100,000 at 9.75 percent. Why would the Minister put those restrictions in place? You know, one has to ask the question. They commit themselves; say that they're selling shares of Crown-owned buildings and they're raising the money at 9.25 percent. They said they'd let it out at 9.5 percent. Mr. Chairman, the Minister now puts the program in place where first he is only giving 10 percent of the money to the farm community through MACC, but he also puts a limit of \$100,000 at 9.75 percent. Why is he not using the rest or a large percent of the rest of the money to make the total loan at 9.75 percent? That's the question. Why has he put the limit of \$100,000 in place on the loans? Why is the loan limit up to \$100,000 at 9.75 percent?

HON. B. URUSKI: Mr. Chairman, I find the statements of the honourable member incredible. Mr. Chairman, after standing up in this House last year and voting against this program, against the raising of this money, now he has the gall to stand before us and say why haven't you provided more? Mr. Chairman, we haven't said that we won't. Had we listened to them there wouldn't have been this money because they voted against it. They were opposed to these provisions, and now they are saying why can't we have more, Mr. Chairman. Now the height of idiocy, Mr. Chairman . . .

A MEMBER: Is that the rules?

HON. B. URUSKI: That one is the height of idiocy for a member to get up in this House, after standing in this Chamber and voting against this very measure. The division, Bill 27 - 26 to 17 - maybe one of these gentlemen was not in the House for that vote but, Mr. Chairman, their caucus voted against this measure. So I find it incredible that the honourable member would even get up here and raise the questions tonight.

MR. DEPUTY CHAIRMAN: It's okay. The Member for Arthur.

I would ask members to temper their linguistic or their freedom that they have with the language.

The Member for Arthur.

MR. J. DOWNEY: What is incredible, Mr. Chairman, is the fact that this government would introduce a program using a tax loop which they called the "scam." They criticized everybody in society for it, and then turn around and introduce it, Mr. Chairman. We wanted money for the farm community, and we pressured them. We pressured the Minister of Finance, and I make reference to Hansard, where they had to commit, Mr. Chairman, they were forced to commit that it would go to MACC, small business and to Housing.

Mr. Chairman, now the question of the Minister is: why did he put a cap of \$100,000 per loan on it at

9.75 percent? And why does anything over \$100,000 go up to 12.75 percent?

I want to deal, Mr. Chairman, specifically, and I want the Minister to commit to this House and to the people of Manitoba that he will take action immediately to move the interest rate of the Manitoba Agricultural Credit Corporation lower, as we are seeing happen in the lending sector, in the private sector, in the banking and the credit unions. We see the mortgage rates dropping on a weekly basis. We want the same kind of commitment from the Minister of Agriculture in Manitoba that that will take place.

Mr. Chairman, we aren't going to let these pass until we get a commitment from the Minister in some form, that he is going to work toward lower interest rates with the Manitoba Agricultural Credit Corporation. I'm sure it wouldn't be difficult for him to stand in his place and say, yes, that he would work toward lower interest rates and make sure that he is doing some cleaning in the lending field with his Credit Corporation. That's what we want, Mr. Chairman, we want a commitment from the Minister of Agriculture that he is prepared to take every action possible to lower the interest rates of the corporation.

That's the question, Mr. Chairman, that we are asking the Minister, and we haven't had a satisfactory response. In fact, the only response we are getting is that he has \$100,000 available per farmer at 9.75 percent and after that you can pay the going rate, which is up to 12.75 percent for 30 years, when all other organizations at this particular time are 12.5 or lower, Mr. Chairman, for five-year money.

Mr. Chairman, that's the issue that is before us at this particular time. He could make his job a lot easier for himself if he would give us that commitment. I think it's imperative that he stand in his place and give the people of Manitoba that commitment. If he doesn't, then all he talks about, all his talk on wanting lower interest rates, all the commotion, all the political posturing that he has gone through really proves what it is, and that is political posturing, and not a meaningful indication of support for the farm community.

So let's not rush through this section, let's not rush through it, Mr. Chairman, because I think it's important that we do get a response from the Minister. I think the farm community wants him to prove that he is sincere in his commitment to lower interest rates. We want him to put on the record that he is serious about lower interest rates. He could tell us that on the 1st of June, or the 15th of June, that he will be meeting with his corporation and he will be insisting that they reduce the interest rate relevant to what is going on in the rest of the lending organizations in this country.

I mean, it shouldn't be any difficult situation for him to agree to it. Why would he not stand in his place and agree to it? Why wouldn't he agree to lowering of interest rates at the earliest opportunity, the corporation rates? I would think it would be a firm commitment to the farm community and to the people of Manitoba that he is sincere and serious about all the lower interest rate talk that he has been going through the last few months, particularly in light of their partial breach of promise when it came to the selling of Crown assets; borrowing the money at 9.25 percent, saying it was available for the farm community, and then saying, well, only \$100,000 per farmer is available at 9.75 percent,

but the balance is at 12.75 percent. That's the issue, Mr. Chairman, a partial breach of another commitment by this current government.

I ask the Minister to stand in his place and say that at the first opportunity, whether it be next week, and I would hope it would be within a week or two, that he will be reviewing the interest rates of the Manitoba Agricultural Credit Corporation with them, that he is prepared to move his interest rates lower, the interest rates that he is providing to the Credit Corporation, and will be doing so in the very near future, along with what is happening in the rest of society.

So I ask the Minister to respond to my question: Is he going to put forward the request of his Credit Corporation that he wants the interest rates lower, in a leading fashion, and not trailing what is happening in the rest of society?

Mr. Chairman, I would expect the Minister to give some commitment in that regard.

HON. B. URUSKI: Mr. Chairman, if the honourable member reads the remarks I made about 15 minutes ago he will find that I gave a commitment in terms of what I would fight for on behalf of the farmers of this province. Mr. Chairman, the funding that we have in place is being deliberately stretched to cover as many possible loans that we can. The member well knows that MACC is the only lender providing loans in the Province of Manitoba of a long-term nature at 9.75 percent. We are trying to do as much with the money as we can and to do the most good with the funding in terms of rescheduling and refinancing farmers who are in financial difficulty. I certainly have given the commitment in terms of what I intend to do and follow up.

I just hope, Mr. Chairman, that honourable members opposite will not just sit here, will support, rather than carp as they have over the last year.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. First, Mr. Chairman, let me indicate I was one of those 17 members who voted against that particular bill last year, that saw the government selling off assets owned by all of us in the Province of Manitoba for the purpose of meeting the Federal Government with some tax dollars. — (Interjection) — Well, Mr. Chairman, my grandmother just died a week ago, Mr. Adam, and she was a very close person to me.

Mr. Chairman, I would like to ask the Minister some specific questions with respect to criteria associated with the lending policies established by MACC. I've never availed myself of an MACC loan, and I would like to present a hypothetical situation that some day may be real, maybe sooner than not particularly after the announcement made in the Federal Budget tonight that capital gains was being removed from the transfer of farm land. So under that situation, Mr. Chairman, I expect that there will be some land nearby and indeed a large portion of land in the Province of Manitoba that's going to trade a little bit more freely over the next few months.

Now, Mr. Chairman, I would like to ask the Minister what would happen in a situation. Would MACC be

prepared to lend somebody in a situation such as myself, somebody roughly 38 years of age, somebody who would be prepared to grow wheat and soybeans on, let's say, a section of ground, maybe some sugar beets? I'd like also to maybe raise some hogs. I should also tell the Minister, I have three sons and one daughter, and I would like to transfer land into their names as quickly as possible. They will be reaching the age of 18 beginning in roughly four years. So I'd like to transfer this land that I might like to buy into their name fairly quickly.

Now because I understand the system of hedging and speculating, I'd like to hedge the production off that land and indeed out of those barns on the Chicago Board of Trade. I would plan to grow American semi-dwarf unlicensed varieties, those high-yielding varieties and I feel, to safeguard my investment, there would be some circumstances under which I would want to possibly hedge the produce off, let's say, 300 acres of land which may be somewhere around \$30,000 worth of wheat. I might also like to hedge pork bellies to try and lock in a profit in my pork production, and I would probably like to do a number of other things on that farm.

I would ask the Minister if I would qualify and, if not, could he tell me what criteria I would have to attain before I would qualify for a loan under any existing regular MACC lending program?

HON. B. URUSKI: Mr. Chairman, the honourable member in terms of qualifying for long-term, direct loans: eligibility age limit of 18 or over; the principal occupation is farming or will become so upon obtaining the loan; Canadian citizen or landed immigrant; residing or planning to reside in this province; proposed farming operation must be potentially viable; ability, experience, expertise, knowledge and capacity necessary to operate a farm, net worth, \$185,000 or lower; interest rates set monthly in relation to the cost of financing to the province, rate constant during mortgage term; construct new home; renovation existing home; provision of modest farm housing; maximum of \$60,000 for the house; construction of new production buildings and renovation existing production buildings; clearing, breaking, drainage of land; debt consolidation; purchase land or land buildings; purchase of farm machinery; purchase of breeding stock; legal costs incurred in the processing of loan; maximum loan not to exceed 80 percent of value of the land, and 90 percent of livestock and equipment.

MR. C. MANNESS: I thank the Minister for the listing of that criteria. It seems to cover most situations. The last item indicated that the cost of land would not be covered beyond 80 percent of its value. Can the Minister tell me at this point in time what land in the Red River Valley, Classification C or D, is worth on the books of MACC?

HON. B. URUSKI: No, I can't, Mr. Chairman. We'd have to get that information and provide it for the honourable member. If the honourable member has an area, a community and legal description, we might be able to provide that for him.

MR. C. MANNESS: Well, I guess I could cite 31-72-2 East as a legal description, Mr. Chairman. I guess I

might even though be more interested in knowing how land values, the total accumulated land bank and its values over the last year, what have they done within the area of MACC? How do they evaluate land in 1985, compared to the evaluation they put on land in 1984? I'm talking on average across all soil classifications, across the geography of the province. Has there been any change and, if it has dropped, by how much?

HON. B. URUSKI: Mr. Chairman, in terms of those statistics on land, there has been a drop in land prices.

I'm wondering, the honourable member earlier today talked about the lowering price of land by the new federal measures. I'm wondering whether he has, in fact, any comments that he made today that, by the new measures that the Federal Government was putting in, land prices would in fact - and I was interested in his comments from his seat because he indicated to me, and he'll correct me if I did not hear him properly, his assertion was, with the new provisions under the capital gains, that land prices will, in fact, go down. I'd like to know how he comes to that conclusion in terms of land prices. But clearly, land prices have declined over the last number of years.

MR. C. MANNESS: Well, Mr. Chairman, I won't be drawn into that discussion. Now someday soon when I expect I'll be asked the questions, the Minister then can pose them to me.

However, Mr. Chairman, the Minister did not answer my question specifically. Obviously, officials of MACC must have more than an understanding. They must know to what degree the value of land has changed in this province over the last year. The Minister says they've gone down. Surely he must be able to do better than that. Can he tell me by how much?

HON. B. URUSKI: Mr. Chairman, just to answer the question, it really depends on the area, the soil type and the type of land. One can't give a generalized answer to a generalized question, Mr. Chairman. The whole question is very subjective. The honourable member knows better than that or he should. I believe he knows better than that. Mr. Chairman, he knows that I can't even attempt to give a generalized answer to the question he raises.

MR. C. MANNESS: Mr. Chairman, I guess maybe I don't know as much as the member opposite thinks I know, because I can't honestly believe that MACC does not have a generalized view as to what land values in this province have done over the past year. Obviously, they watch very closely the sales in all areas, and I don't know what various weightings they put on those sales because, of course, their numbers vary from region to region and there are differences from region to region and I understand that. That is a matter of calculation and, quite obviously, if the Minister wants to tell me now that they haven't been done on average, I guess I'll have to accept that.

But failing that, I would ask him to have his officials make some estimation as to what they've done on average across this province.

HON. B. URUSKI: Mr. Chairman, I'll try to answer the question this way, in terms of regions: Red River Valley,

1984-85, reasonably constant; the eastern region, likewise; the Interlake in terms of land prices in those areas, reasonably constant with the exception of the flooded areas; likewise in the northwest. The flooded areas, land prices there would have taken a downward plunge. In the southwest, it's very difficult in terms of the last number of years to even determine what prices might be because of the draught situation.

MR. C. MANNES: Mr. Chairman, I have some major concerns with respect to farming over the next two or three or four years. Of course, that's related in large part to the new attitude I think will be taken by the Americans, certainly by the President, with respect to the new farm bill that is being compromised through various stages of Congress. The total commitment that I believe the President of the United States is prepared to make towards the challenging, particularly the European Common Market and their trade restriction policies, particularly with respect to the importation of agricultural goods that are produced at some considerable comparative advantage in the North American continent. So, Mr. Chairman, it's with that backdrop that I sense - I'm sure the Minister would agree with me - that particularly those products that are going to be non-supply managed related are going to quite conceivably come under some major stress.

What would happen to MACC and the total Government of Manitoba's exposure, first of all, were farm net income over the next two or three years to drop by 15 percent? Secondly, what would be the province's exposure if land values - which of course would drop as a consequence of that - were to drop by, let's say, 25 percent? Have these calculations been worked through at all? If they have and there are results somewhere nearby, can the Minister indicate what they might be?

HON. B. URUSKI: Mr. Chairman, we'll give the member a rough calculation that we've just done on land prices that they dropped by about 25 percent in terms of using that hypothetical situation that the honourable member puts forward. The possible loss to MACC, based on the mortgages that they hold, would be in the neighbourhood of 15 million. In terms of the clients, if there was a loss in income of anywhere up to 15 percent, as I am advised in terms of the financial position of our clients, basically the average client would be in a break-even position at a reduction of 15 percent.

MR. C. MANNES: Related to that, Mr. Chairman, I would ask the Minister whether MACC, within the prime agricultural producing area and that's, I suppose, any of the lands that grow cultivatable grain and grass, how many acres of farmland has MACC repossessed? Are they carrying it all, or have they set some policy whereby they'll only carry so much, or is it tendered out immediately upon repossession?

HON. B. URUSKI: Mr. Chairman, that information was provided to the honourable members and will be compiled in terms of how much land was leased and is being leased for five years. That information is being compiled as part of the request of the Honourable Member for Turtle Mountain and that will be provided to the honourable members.

MR. C. MANNES: I posed the question only because I had an opportunity some while ago to talk to an individual within the private banking system who indicated that he thought maybe they were the largest landowners within the province. They were very concerned about it and wanted to set their limits at a level much lower and were going to begin possibly to dispose of many acres of repossessed land.

Now I ask the Minister, is he in close contact with the financial institutions of the province in particular, not only the private ones but also the credit unions? Is there potential for a large acreage of land that has been repossessed to be thrown into the marketplace, such that the value of land will be affected negatively?

HON. B. URUSKI: Mr. Chairman, any hypothetical situation could occur. Obviously, with a much worse down turn in terms of grain prices, one could see all kinds of scenarios, but one can't predict them and hopefully they will not occur. We will do what we can in terms of those issues, but, obviously, it takes a concerted effort on behalf of all of the people of this country which has not occurred, and it's not occurring and it appears that the farm community is being shut out and being abandoned in this country by our national government. We complained like hell for years about the previous insensitivities of the former Liberal Government to agriculture, particularly to the west.

Mr. Chairman, I want to tell the Honourable Member for Morris we ain't seen nothing yet. When you look at today's Budget and we look at "Recover costs for grain commission services, a cost transfer"; when we look at "livestock genetic improvement, the Minister of Agriculture will pursue discussions with province and breed associations with respect to the administration of recording of livestock genetic performance, with a view to maintaining the central systems, essential for servicing export markets." Mr. Chairman, that's another cost transfer or a provincial program cost.

Next, Mr. Chairman, dealing with "harmonized production development assistance, the Minister of Agriculture will consult with his provincial counterparts to ensure that future federal and provincial assistance for agriculture fairs and other farm-related organizations is approached in a co-operative and complimentary basis." Mr. Chairman, the 4-H and ag societies will be effected by this change; what it means we don't know yet. Mr. Chairman, "inspection and regulation programs."

Finally, "the government will consult with provincial governments to determine areas in which federal-provincial duplication can be eliminated, provided the federal standards of food quality and safety are safeguarded." We will have another cost transfer in that \$50 million that they talked about.

Now, "tripartite agricultural stabilization; seek approval at an early date from Bill C-25, An Act to amend the Agricultural Stabilization Act and to proceed without delay to individual commodity plans pursuant to the legislation for all commodities whether named or others." Mr. Chairman, that was a key issue here and a key statement that we were headed to in sugar beets, Mr. Chairman, and had we given in to the whole sugar beet area, here's where we were headed, another cost transfer by the Federal Government.

"Maintain crop insurance," Mr. Chairman. "At the same time the Federal Government will be indicating to the provincial governments that it wishes to renegotiate the cost shares with a view to a more equitable balance of financial obligations between the three parties." Mr. Chairman, talk about offloading onto the provinces, that's the kind of support that western farmers are getting.

"Dairy Support Program - in order to ensure consistency with a market-oriented approach to agriculture and with the minimization of subsidy measures the government will consult with producers and consumers in the design of a new long-term dairy policy." Mr. Chairman, talk about support and leadership to agriculture. This is a proverbial shaft to the farmers in this country from the Conservative administration. John Diefenbaker would have turned over in his grave had he read a report like this, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Government House Leader.

HON. A. ANSTETT: Thank you, Mr. Chairman.

Mr. Chairman, I believe that this consideration could go on some time without a great deal of discussion of MACC items. I believe there has been a very thorough discussion. The Minister, as is normal procedure, has taken a number of questions as notice and will reply to them, either as part of responses during continuing discussion under the Agricultural Estimates or under the Minister's Salary, that is normal practice. The Member for Arthur suggested earlier that the answers to the questions are required before the consideration of the Estimates of a particular section of a department is required. The member knows that's not correct, he knows that that's not been our past practice.

Mr. Chairman, as well, I think it's worth pointing out that the only reason we've spent the last 45 minutes, almost an hour, discussing this item is that the Member for Arthur had a bit of a fit of pique over some comments which probably aren't even on the record because they weren't spoken by a member who had the floor. I think that's a waste, Sir, of this committee's time; a waste, Sir, of the House time. It's a poor demonstration of good will on the part of the Member for Arthur in terms of accommodating the Estimates process in this House.

I, therefore, move, Sir, under our Rule 63(1) and our Rule 65(14), that the question with respect to Resolution No. 8 be now put.

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

MR. J. DOWNEY: Mr. Chairman, the Government House Leader has made some serious accusations about the reason why we're continuing to debate a very important issue dealing with agriculture. I had, Mr. Chairman, a series of questions and I think it was extremely clear as to why we should be continuing to debate something when we . . .

MR. DEPUTY CHAIRMAN: What's the point of order.

MR. J. DOWNEY: . . . information. The point of order, Mr. Chairman, is that there are many items to debate yet . . .

HON. A. ANSTETT: That's not a point of order.

MR. J. DOWNEY: . . . In the accusations the Minister of Municipal Affairs is inaccurate in what he has said about why the Estimates have not been . . .

MR. DEPUTY CHAIRMAN: Order. The Member for Arthur does not have a point of order and he is attempting to debate the motion and the motion is not debatable.

The House Leader on a point of order.

HON. A. ANSTETT: Yes, so that I can be of assistance to honourable members opposite I would point out that on April 10, 1979, on the same item, the resolution with respect to the Manitoba Agricultural Credit Corporation, the Honourable Member for Lakeside, then acting Government House Leader in the Committee of Supply, moved the identical motion, I believe, at about the same time in the evening.

MR. DEPUTY CHAIRMAN: The question before the committee is that this question be now put. All in favour. Those opposed.

MR. C. MANNES: Mr. Chairman, I'd like to ask a question. I think I asked before you put the question.

MR. DEPUTY CHAIRMAN: I had finished calling for the question.

MR. C. MANNES: No, I was rising, Mr. Chairman.

MR. DEPUTY CHAIRMAN: I'm sorry the member didn't catch my eye. I declare the motion carried.

The Government House Leader.

HON. A. ANSTETT: Yes, Mr. Chairman, the rules specifically require that four members must ask for a recorded division. We have before this House, in Committee of the Whole right now, a rules change which would allow two members in a section of the committee but, because of delays by members opposite in getting that Rules Committee Report approved so that only two members could ask for a recorded division, when they only have two members here now, they can't ask for the formal vote. That's very unfortunate. It's to their disadvantage that they've delayed it.

My point of order very clearly is that under our "Rule 65(9)(a.1) Where 4 or more members demand that a formal vote be taken, the Committee shall defer . . .". It requires four members to ask for a formal division at any time in the House or Committee of the Whole and the members knows that.

MR. DEPUTY CHAIRMAN: Pass.

The question before the House is Resolution No. 8. Resolved that there be granted to Her Majesty a sum not exceeding \$7,486,700 for Agriculture, Manitoba Agricultural Credit Corporation—pass.

Committee rise.

Call in the Speaker.

IN SESSION

The Committee of Supply has adopted certain Resolutions, directs me to report the same and asks leave to sit again.

MR. DEPUTY SPEAKER, P. EYLER: The Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker.

Mr. Speaker, I move, seconded by the Member for Thompson, that the report of the committee be received.

MOTION presented and carried.

MR. H. ENNS: Yeas and Nays.

MR. DEPUTY SPEAKER: Yeas and Nays. Call in the members.

Order please. The question before the House is shall the report of the committee be received.

A STANDING VOTE was taken, the result being as follows:

YEAS

Adam, Anstett, Ashton, Kostyra, Phillips, Scott, Uruski.

NAYS

MR. CLERK, W. Remnant: Yeas, 7; Nays, 0.

MR. DEPUTY SPEAKER: I declare the motion passed. The Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker.

I move, seconded by the Minister of Agriculture, that the House do now adjourn.

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