

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 12 May, 1980.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY — AGRICULTURE

MR. CHAIRMAN, Morris McGregor (Virden): Committee come to order. We're on Resolution 6, 1.(e)(1) — the Member for St. George.

MR. BILLIE URUSKI: Thank you, Mr. Chairman. When we left at 4:30 for Private Members' Hour, we were discussing the type of research and investigations that the Minister and his department had done into the area of domestic feed grain market performance as it relates to prices that farmers had received or, in actual fact, the farmers had lost over the last number of years in terms of the way the feed grain market is and has been set up and operating in western Canada.

I had asked the Minister whether or not it was his government's policy that they supported the present system of the pricing of feed grains in western Canada and we had statements coming from the Minister that he didn't support the policy of the way the pricing of wheat for milling purposes was being handled in Canada, but he really didn't indicate to us what he felt, and if he felt that he was not happy with the present system, whether he had any alternatives or what the position of the government of Manitoba was.

Obviously, we have had no commentary from the Minister whether or not he concurs with the studies that were done by the government of Saskatchewan, which have clearly indicated that western Canadian farmers, in the years August 1, 1976 to July 1, 1979, have lost approximately 143 million in the way feed grains were marketed in Canada. In particular, Manitoba producers have lost over 30 million in terms of the way feed grains were marketed. We have not had, anywhere that I am aware of, anyone — while they may not be happy — but anyone that will challenge the actual numbers that were presented by the Marketing Council of Saskatchewan and the analysis done, and to say that those figures somehow are out of whack, and give us the reasons.

I would be particularly interested to know whether any research and analysis has been done by the government of Manitoba in terms of the study that has been available for, I believe now, approximately one month. I think it was published at least a month ago; the study was made public. To my knowledge, while there probably has been a negative reaction from the grain trade, I have yet anyone to be able to get up and challenge the actual figures in terms of how the price mechanism works, and I would like some commentary from the Minister in this respect.

MR. CHAIRMAN: The Honourable Minister.

HON. JAMES E. DOWNEY (Arthur): First of all, Mr. Chairman, it is a federal government responsibility and as far as the member asking

whether or not we support that particular policy, as I said before the dinner hour, there were a lot of things to be looked at. I think what we have to work on in this particular area of marketing of feed grain, that we have to, as I said earlier, encourage our feeding industry with our feed grain policies. We have to encourage as many market opportunities as are available to the Western Canadian producers of feed grains.

As the member has indicated, the study that is being done by the Saskatchewan Government has been acceptable to his particular party. We have not had an opportunity or had time to go over it in any detail, and I think it is in the best interest of the Committee that we proceed off on this item without further debating the federal policies or other government studies, because it is in the best interests of this Committee's time, I think, to proceed on with the estimates. We can sit here and debate for many many hours of whether the federal government policy is right or wrong. I indicated that we didn't agree with one of their policies last year; I made that known that nine provinces out of the ten of them disagreed with what the policy was, and they say, well, it is a good job they didn't agree with you, because it wasn't what our philosophy believes in.

We can sit here, as I said, until we are blue in the face and debate federal government policy, and unless you have what I said earlier I felt was important, and that was to have direct input as a provincial government into the grain industry, then what is the point? We can sit here, as I said earlier, and debate federal government policy. I haven't got any more comments to make in this particular area, Mr. Chairman. If members have other questions to ask about other policy studies, fine, but to continue down this line of debate, I don't think is in the best interest of the members' time.

MR. URUSKI: Obviously, Mr. Chairman, the Minister either hasn't done his homework or, No. 2, is not prepared to enunciate a provincial government policy with respect to feed grains in the province of Manitoba. Surely, a policy should be open to the scrutiny of not only members on this side, but to the farmers of the province of Manitoba. When the Minister, on one hand, says that he wants to encourage the feeding of grains in the west in terms of expanding livestock production, well, Mr. Chairman, no one quarrels with that, but yet what is in effect in terms of national feed grains policy is exactly the opposite of that in terms of the way feed grains are being marketed to the detriment of the producers of western Canada, and the Minister says he has got no policy with respect to the present way feed grains are being marketed.

On one hand, he also says he wants to play a part in the marketing of grain in this country, yet he is not prepared to stand up and tell us where he stands on the marketing of grain. Is the government policy going to be that we, as Canadians, as farmers, and representatives of farmers in western Canada, should say that the Wheat Board, on behalf of all producers, should seek markets wherever they can seek

markets at the best price, and if those markets are export markets, then all the grain that is available on the basis of sales made should go to export markets and if there is a shortage of feed grains in eastern Canada and the price of feed grains, be it corn . . .

MR. JAMES R. FERGUSON (Gladstone): You are not talking to a Farmers Union Meeting; why don't you get on with what is going on here?

MR. URUSKI: Mr. Chairman, the honourable members don't like what they hear. I am only sorry that they don't like . . . They don't want to believe that farmers of Manitoba have lost over 30 million; that is why they don't want to even . . .

MR. LLOYD G. HYDE (Portage la Prairie): That is your opinion, man, that is your opinion.

MR. URUSKI: Mr. Chairman, it is not my opinion. If the member doesn't want to do his homework, that is not my fault. The honourable members opposite say that it is our opinion; the facts of the matter are there, and they are in print. Mr. Chairman, it was done by the government of Saskatchewan; do we have any commentary from your Minister? No, you don't, Mr. Chairman. I want you to challenge those figures. I want you to prove me wrong. I want you to tell me that Manitoba producers have not lost that much money; that Manitoba producers have not lost almost 50 cents for every bushel of wheat that was sold to domestic feed grain sales in eastern Canada. No, no one has said that is not the case; all they say is come on, let's get off this subject. Mr. Chairman, I don't believe that the farmers of Manitoba are deserving to get off a subject as important to them as 30 million of income in the last three years.

The members in government may wish to downplay the losses that farmers have sustained, but they cannot escape the fact that that has been the case, and the fact of the matter is, it is because there has been no or a lacking in policy and direction with respect to feed grains in the province of Manitoba and western Canada. Has there been any support for orderly marketing with respect to the grains? No, there hasn't been. There has been a complete attack on the orderly marketing system and the Minister of Agriculture says we want to have more involvement in the grain industry in this country and has he given us at least a hint in terms of what the feed grains policy of his government would be? All that he has said is that we made a proposal that feed grains should not go under quota in terms of the way they are being marketed as opposed to the selling of grains through the Canadian Wheat Board.

Mr. Chairman, that would have caused chaos in terms of the proposals made to the Canadian Wheat Board on marketing on quota systems. Mr. Chairman, it would have caused utter chaos. We, even now, have utter chaos at the Lakehead with respect to the loading up of the ports of non-Board grain with respect to the marketings of grain that the Wheat Board is not able to market and export. That is the kind of policy we have from the Minister of Agriculture. But to say that he does not have a feed grain policy is really to close a blind eye to what the producers of Manitoba have suffered. The producers of Manitoba can rightly get up and say, the Tories in

Manitoba and Alberta have cost us, at least between Alberta and Manitoba, 100 million. That has been the Conservative feed grains policy, to cost the producers 100 million. Do we have any move to say that no, the present system is wrong, that we at least believe that feed grains should be marketed at not a lower price, if we are going to feed our own feed grain.

But Mr. Chairman, the fact of the matter is, the Wheat Board is compelled to fill orders; if the sales are there, even if the price is lower in eastern Canada, the Wheat Board is compelled to fill the orders of feed grain sales in eastern Canada. Mr. Chairman, what the policy should be is that the Wheat Board should be selling grains on the export market, as high a price as possible. If there is a shortage of feed grains in eastern Canada, those grains, provided they are at a lower price, should come in from the U.S. to fill that vacuum.

But that's not been the policy. We haven't heard of a policy from the Minister of Agriculture. He says he wants to encourage feed grains in the west. No one is opposed to that policy. I think that is a red herring. I think he is sidestepping the crucial issue that incomes of western farmers and Manitoba farmers have been reduced by 30 million in the last three years.

MR. CHAIRMAN: The Member for Rhineland.

MR. ARNOLD BROWN: Thank you, Mr. Chairman. During the last while we've heard a lot of comments about how the Wheat Board and how the government is marketing grain, Wheat Board versus open market and so on, and I would just like to make a few comments in that regard.

First of all, the study that was made by Saskatchewan — and I'm not familiar with that study — now, I imagine that they took the Saskatchewan situation into mind when they made that study. I recently attended a meeting in Ottawa where we had people from Manitoba, where we had people from Saskatchewan, Alberta, Ontario, and Quebec. Now, it seems that the only people who have a huge carryover of grain who are still carrying half of their 1978 crop, by and large, in their granaries are the people from Manitoba. And why is that so? The reason why we, in Manitoba, are in a rather unique situation is that we have, first of all, continuous cropping. Whereas Saskatchewan will grow 40 bushels of barley, possibly, to the acre, we grow 70 and 80 bushels of barley; whereas they have an awful lot of summer fallow over there, which they can market their grain against. We don't have summer fallow because we do continuous cropping. So we are in an entirely different situation over here as what the Saskatchewan farmer is.

When I mentioned to the people over there that we still had a lot of '78 crop in our granaries, they couldn't believe it. They said, that's impossible. They said, we marketed our '78 crop a long time ago and we have very little carryover from year to year. We have a huge carryover in Manitoba, so we are in a different position. I very much welcome the choice that we have, the Wheat Board and open market. At the end of the crop year, if I still have a lot of grain left over from two years ago, then I have to make up my mind in my operation, as to whether I'm going to

build more storage, whether I can afford to build more storage, am I going to borrow more money to carry over the crop that I have in my granary, and at today's high rate of interest, this certainly is not a very viable thing to do, so I am very glad, at that time, that I have the option of selling my grain on the open market.

Now, there is no doubt in my mind that we are in a unique situation over here, and that something has to be done as far as Ottawa is concerned. We are in an entirely different position as what Saskatchewan and Alberta are, because we do continuous cropping, and we grow twice the amount of grain per acre as what they do. So we do need different treatment, and if we would get the same kind of treatment as what they are getting in Saskatchewan and Alberta where most of their grain is gone at the end of the crop year . . . I don't like selling on the open market; I'd much rather sell to the Wheat Board because I know that I'm going to get more money, your final payment through the Wheat Board. But at the present time, I have no alternative, because I may be carrying two years of crop in my grain. —(Interjection)— No, there is no alternative at the present time. The only alternative is the open market. And I want that choice, of whether I can sell my grain for whatever I can get for it, or build more granaries and borrow more money. So in Manitoba, we have to have that alternative.

Mr. Minister, when we're talking about research policy, I would just like to get on a little different tangent than what we've been on up to this present time. Prior to 1969, we had the best plant breeding team anywhere in Canada, in Manitoba, at the University of Manitoba, under a Dr. Shebesky. After 1969, that team seemed to disintegrate. We have not come up with any really good sellers as far as new varieties of grain are concerned. Prior to 1969, I sold most of my grain to United States as seed. There was a huge market over there for the seed that we were growing. Things have reversed since then. We are now purchasing our seed, and I'm thinking particularly of barley which we have purchased for a number of years, from the United States.

I'm wondering, Mr. Minister, in your research policy, are you promoting that we again get a good plant breeding team at the university, so that we could promote new varieties of grain as we used to?

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. SAM USKIW: Mr. Chairman, on a point of order, it seems to me the member is on the next item, which is a grant to the Department of Agriculture.

MR. CHAIRMAN: The Member for Rhineland.

MR. BROWN: On the same point of order, your grants to the University, by and large, are grants, and the University can do pretty well with them what they want. When it's policy that we are dictating, then this is the item on which the Minister is dictating policy.

MR. USKIW: Mr. Chairman, I'm just asking for guidance. It seems to me the member is not

debating his topic on the present item, that it should properly be done under a different section.

MR. DOWNEY: On this particular point, Mr. Chairman, the member may be suggesting that under policy studies, it is possible that he's recommending that we should do, with this policy studies money, a review of what research is taking place as a special study, to see if it's adequate to meet the needs of the agriculture community, and that would be the way in which it could be debated at this particular time.

MR. USKIW: That's not what he said.

MR. DOWNEY: I think that in speaking to that, and I would suggest that I believe that it is certainly the responsibility of government to . . .

MR. CHAIRMAN: The Member for Lac du Bonnet, on a point of order.

MR. USKIW: On a point of order, I raise the point of order, the Minister has contributed to that point by suggesting that in a certain way of presentation the Member for Rhineland might be properly debating this item under this heading. And then he went on to deal with the questions in the debate. I don't think that he can do that on the point of order. I think the Member for Rhineland has the floor. He has not yielded the floor, to my knowledge. If he has, then I thought I was next.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: On that same point of order, Mr. Chairman, I think it should be up to you to rule on the point of order and control this meeting.

MR. USKIW: That is correct.

MR. CHAIRMAN: All right. I think the Chair has been fairly flexible. Even this afternoon, we did get off, considerably away from policy, so probably a word of caution to stick with the item, and if we are finished with policy, then we will go on to the research, if it is desired.

The Member for Rhineland.

MR. BROWN: On a point of order, it is my understanding, Mr. Chairman, that under your agricultural research grant to the University of Manitoba, you give a grant to the University of Manitoba and they see fit as to where they're going to spend that grant on policy studies. That is where the Minister states the policies that he would like to see followed, and that's the item that I'm speaking on, right now, (e)(1).

MR. CHAIRMAN: The Member for Rhineland may continue.

MR. BROWN: So I'm asking the Minister what he is doing in order to get the University to promote new varieties of grain. What is he doing to get a plant breeding team the kind that we used to have? I would like to see what direction the Minister is taking.

MR. DOWNEY: Mr. Chairman, if you want me to deal with it at this particular time, then I will proceed to discuss the policies. I believe that, first of all, it is our responsibility as government to strengthen the development of crops or different varieties for the agriculture community, and I would also say that we have had some top-notch people, not only in the area of cereal grain production in Dr. Shebesky, who has retired as Dean of the Agriculture Faculty, been a very well known, worldwide and renowned researcher; that in fact, in the other areas such as oil seed production and variety development, we have seen Dr. Stefansson, who has been a very important individual in the overall development of our different rapeseed varieties.

We have planned, to some degree, to expand and to move into that particular area in a little more aggressive way, and that is through some of the programs that we've introduced under the federal-provincial agreement known as AgroMan, and it's in the estimates to be dealt with somewhat a little later, but we have been dealing with that specific development of different varieties under that program. We have re-identified or restated the Faculty of Agriculture being the research arm of the Department of Agriculture, and hope to be able to continue to strengthen that, as the member has indicated the need for that kind of support.

I am quite familiar with the history of some of the grains that we have marketed into the United States. For example, Selkirk Wheat was an excellent example of the kinds of varieties that have been developed here in this particular province, and have in fact found a very wide acceptance down into the United States market.

I think it is a matter of government funding the university and keeping the people involved in the research development so that the farmers do have the proper varieties that do in fact open up markets in other areas. I believe that, as far as I am concerned, it is a top priority to continue in that particular area.

MR. USKIW: Mr. Chairman, the Minister obviously is in an awkward position to deal with this problem, because he knows in his own mind that if he was to square with this committee, with factual information based on departmental studies, that that information would confirm what we have been telling him in this committee, and that is that the present Canadian feed grain marketing policy has been a bad thing, has been a money loser for the farmers of the prairies, to the extent of 143 million over a period of three years. —(Interjection)— Mr. Chairman, the Member for Rhineland suggests that the grain would still be in the granary. That is not correct, Mr. Chairman, because that grain was fed to livestock in eastern Canada, and therefore it had to be consumed regardless of how it was marketed.

The only reason there was a loss of 143 million, Mr. Chairman, is because the western feed grain producer was denied the right to realize what was then a competitive market value for his product, simply because of a decision of the government of Canada. It is because it is a governmental decision, Mr. Chairman, that this Minister has a role to play, because while this Minister wants to argue that we are discussing federal policy, he is quite right, but he

also has to appreciate the fact that the government of Canada meets with the provinces once a year, at least once a year, to discuss these kinds of issues, whether we have Wheat Board marketing, or non-board marketing, or a combination of board and non-board price-setting mechanisms, subsidy mechanisms, all of things are matters for discussion at federal-provincial conferences. Certainly the Minister can't deny that he has a responsibility in putting forward Manitoba's position on this question when the question is debated before the conference next July. Surely he is not telling this committee that he is going to go to that conference unprepared to deal with whether or not we should continue with the present Canadian feed grain marketing policy.

If he is saying that, Mr. Chairman, he might as well wrap it up right now, because he is not doing his job for his constituency. Surely his farmer members must have the confidence that he is going to put their interests forward on this issue when it is up for discussion at the next federal-provincial conference.

It is just not good enough to say this is a federal matter. It is a federal-provincial matter, Mr. Chairman, and federal policies will result largely from federal-provincial consideration of this issue, not unilaterally on the basis of what the government of Canada wants to do, although that may be their wish. But usually these policies result from a great deal of discussion of that have taken place within the industry and inter-governmentally.

The big question is, should western feed grains be sold at a discount to American corn, Mr. Chairman. I don't know why they should be sold at a discount to American corn. I don't know why western grains shouldn't be sold at a premium from time to time if there is a shortage of the commodity. If the world market is such that it makes sense to supply the world market with western Canadian grain, which results in a higher return to western Canadian farmers than it would if they shipped this same grain to Quebec and Ontario, or the Maritimes, at corn competitive prices, then I say we have got to sell our grain to the world market, Mr. Chairman.

You know, the way the system has been operating, is that if there is a surplus of western Canadian grain, we find that this results in a depressed price to the western grain producer, without the eastern feeder getting the benefit of that depressed price, under the present policy. As a matter of fact — well, I shouldn't say without, not entirely at his advantage. Some 40 million, in the last study period, was syphoned off by middlemen who were profiteering in the grain trade, Mr. Chairman, people that not need be involved in the area of marketing feed grains in Canada.

The other 107 million was a direct benefit to livestock producers of eastern Canada, but which put them at an advantage over western Canadians, Mr. Chairman. It put them at a 107 million advantage over western Canadians.

So, Mr. Chairman, it seems to me that the Minister has a lot of catching up to do and that's why we say to him that he has a research budget, and I would hope that if he is going to go to federal-provincial conferences to decide these kinds of issues, that he is armed with all the facts and figures and research material that would allow him to present Manitoba's case in its best light, along with Saskatchewan and

Alberta, so that the prairie provinces would realize full value for their production and their effort and in essence would enhance the economy of the prairie region.

There is no logic whatever, Mr. Chairman, in dictating to the Canadian Wheat Board, which is now the case under the present policy, that they must sell grain at a fixed price to eastern livestock producers if they are able to sell it for more money elsewhere. I don't know where that logic is, Mr. Chairman, but that is the present feed grain policy. It means that if the east is short, the west must sell at a discount. If the west is in surplus, it must also sell at a discount. We lose on both ends, Mr. Chairman, and I don't really believe that this Minister condones that. I just believe that he doesn't know what is happening. Therefore I plead with him that he use his staff, and he has got competent staff, to take a look at this question, to examine the studies that have been done by other jurisdictions, and he doesn't have to entirely conform to their position, but at least he should be aware of the facts, so that when this issue is decided upon again, and it will be because this is currently an open question, the federal government is now in a position of saying, well, where do we go from here with feed grain policy? They, Mr. Chairman, are in a position of flexibility on this issue and I don't think that we should let another year go by without trying to restore for the prairies what is rightfully theirs and what should have never been taken away from them, Mr. Chairman, and that is your responsibility, Mr. Minister.

MR. DOWNEY: In responding to the Members for Lac du Bonnet and St. George, as I said, I feel that it is an area of federal government debate but I am quite prepared —(Interjection)— If he would give me an opportunity, I would suggest that I am quite prepared to address it.

They are sitting here suggesting that through some other form of magic, that they could get more money for western grain producers, and the Member for Rhineland was quite right — he said the grain would be sitting in the bins in western Canada, which is quite true.

Mr. Chairman, can you tell me that the farmers of Ontario and the livestock feeders of eastern Canada are going to pay more money for the grain in western Canada than they can buy grain from the United States.

I am sitting here tonight hearing members of the Opposition suggesting that Ontario livestock feeders are going to pay more money to western Canadian feed grain producers and leave the United States grain sit at less money. That is what they are sitting here telling us, that we are going to force eastern Canadian feedlot people to buy our western grain when they in fact can buy the grain from the United States. In fact, the grain would sit in western Canada.

All we have been doing, by imposing quotas and restricting those feeders from that western grain has been, in fact, not helping the total agricultural community. That's number one, I think, Mr. Chairman, that we have to —(Interjection)— The Member for Lac du Bonnet says it's not true. It's very true. You know, they are not going to pay a bonus for western Canadian grain if they can buy it

from the United States, so then the grain would sit in western Canada. —(Interjection)— They say no. I don't know what's going to happen to it if it doesn't, because the system has been so clogged, Mr. Chairman, that they haven't been able to move the grain in any other way, that in fact the grain would sit in western Canada, like the members opposite would like to see happen. You put it through one tube that is plugged and they don't make very good sense.

We are sitting here debating studies, what happens, and I would just like to quote from a speech that the federal Minister of Agriculture has just given. I think it is maybe not the right time, but I think it should be put on the record, what he has just said. —(Interjection)— Well, I'll read the whole thing. I quote: The Quebec Feed Freight Assistance Adjustment Program, with a budget of more than 33 million over five years, and all of that federal money, is helping farmers to build or purchase grain and forage storages, grain harvesting equipment, and to expand seed cleaning plants. Under the Agriculture Subsidiary Agreement, funded 60 percent by the federal Department of Regional Economic Expansion, great improvements have been made to drain land and make it more productive, allowing producers to grow feed grains and horticulture crops. DREE has spent about 60 million in Quebec for agriculture projects since 1965 and a good part of this has been in tile drainage.

I'll skip over a part and I'll get into one of the other areas that he has talked about. The fourth point: In fact, federal Transportation Programs have greatly contributed to the growth of the livestock production and processing in Quebec. The Crow's Nest rate . . . , and this should ring a bell with the Member for Ste. Rose, . . . The Crow's Nest rate, and the Feed Freight Assistance Program have reduced the cost of grain shipped into Quebec and thus lowered the cost of producing hogs and poultry. These subsidies have resulted in benefits for western grain growers but they have also decreased the natural comparative advantage for livestock production on the prairies and given assistance to the livestock producers in the east.

Mr. Chairman, I have openly said that I am a firm believer in policies that will encourage and develop the feeding industry in western Canada. There's no question about it, it's a matter of making the best use of the agricultural goods that are grown, where they are grown. Mr. Chairman, I think it is a matter that the federal government has recognized some of the debate that has taken place, that the freight rates have not been fair as far as the equality between the processed and the non-processed goods out of western Canada are concerned.

I would have to go back to the Member for Lac du Bonnet, and I can't for the life of me see how they can sit here and suggest that we are anything but tied to a world grain market, that if in fact producers in eastern Canada — I have said this earlier and I'll say it again — if the producers in eastern Canada can buy corn cheaper than they can buy western feed grain, then in fact that's what they are going to buy. To dictate anything any different, whether it be handled through a Wheat Board or whether it be handled on the open market system, to go back to the Member for Rhineland's comment, there's is no

question that without that market available to the western feed grain producers, then in fact that grain would have been sitting in western Canada.

Mr. Chairman, again I go back to the comments that we are thrashing straw as far as this committee is concerned. I don't believe that it is in the best interests of our time to continue on with the debate on what is federal responsibility. They are suggesting that I should put in place a study, to really get to their point, that we put in place a study. They are referring to a Saskatchewan study which they have had prior access to, that we have really — (Interjection)— Well, Mr. Chairman, they are referring to another government study. I, at this particular time, haven't had the opportunity to go over it and to suggest whether the figures are right or wrong. If this is in fact the case, then I am certainly not very happy with it, but I think we have to look at both sides of the coin, and that's what we are trying to do here, as a government. We are suggesting that if we did not move that grain through the system, then in fact it would sit on the backs of the farmers of western Canada, and how do you tabulate what that cost is? You have to use the cost of interest storage and the total story, as the Member for Rhineland has suggested.

Again, to further debate it, I think is certainly in the interests of Manitoba farmers. I think the other thing we want to make sure we bring to the attention of the committee is that without these markets, what happens to the people who are relying on the livestock industry? We have seen the results of lack of livestock for processing in this province. Again, I think it is a matter of having a policy in place that will support the livestock industry in western Canada, and that's basically what I will stick to. I think we have to, again, move on with the other items of the estimates this evening or we are not using our time to the best of our advantage.

MR. USKIW: Mr. Chairman, with all due respect to the Minister, the Minister has not understood our argument. With all due respect to the Minister. — (Interjection)— How about order. — (Interjection)— There's no problem. You can speak as many times as you want in committee, Jim. — (Interjection)— No, the rules are.

Mr. Chairman, I don't believe the Minister is being stubborn on this issue; I believe he doesn't understand or doesn't comprehend the argument that is being put forward. I really don't believe there is a significant difference of view on this issue between what we are saying and what his desires are. I just don't believe that he has researched the problem, Mr. Chairman.

The fact of the matter is that the present policy provides that if there is a western feed grain surplus, that the prices are allowed to fall below corn competitive values. However, if there is a shortage of western feed grains, the Canadian Wheat Board is instructed by the government of Canada to sell that grain at corn competitive prices. So we lose on both ends, Mr. Chairman, that is all we are saying. — (Interjection)— No, the present open market is what is doing this, Mr. Chairman. It isn't an open market. It is an open market but which is fortified by the fact that the Canadian government instructs the Wheat Board that if the open market doesn't supply the

demand, then the Board grains must supply that demand at a reduced price; that is the objectionable part of it, Mr. Chairman. We have people in Canada who prefer to market all of their grain through the Canadian Wheat Board and we have people that prefer both options or the other option, Mr. Chairman.

What have we here? We have a conundrum, Mr. Chairman. We have the farmer who believes in supporting the Canadian Wheat Board 100 percent, delivering all of his grain to the Wheat Board, so that the Wheat Board would market that grain for that farmer, but then the people that believe in the off-Board market fail to supply the off-Board market or the eastern market with feed grain, so the Government of Canada says, well, look, we can't allow a shortage in Eastern Canada, we are now going to force the guy that believes in orderly marketing to sell his product at a discount to cover up the failures of the open market; that is what is being done, Mr. Chairman.

It isn't an open market, quite frankly; it is a very controlled market and it is a perverse type of operation, Mr. Chairman. It is not what the Wheat Board was set up to do originally. The Wheat Board's responsibility originally was to achieve for the producers of grain the highest price available in the world market. It has now been compromised in that area by the government from time to time, which requires the Wheat Board to sell its grain at a reduced price notwithstanding that the world market is higher, because of the failure of the open market to supply eastern feeders with sufficient quantities of off-Board grain. So what we have got here is insult to injury, Mr. Chairman; we have got insult to injury.

Mr. Chairman, the Minister points out, and he read an excerpt out of a speech given by the Minister of Agriculture for Canada about advantages to eastern producers over western producers because of current policy. He is absolutely correct, Mr. Chairman, but the fact is that is part of this . . . No, sorry, the fact is, Mr. Chairman, that the feed grain policy, when it was announced, was supposed to remove some of those advantages from eastern Canada; so what we have now is the advantages that the west had were removed, the advantages that the east had were sustained. They were promised to be removed, the subsidy and storage and freight and all of that in eastern Canada was supposed to be taken off, Mr. Chairman, with the new feed grain policy. That has never happened. All that has happened is that we have provided grain to eastern feeders at reduced prices, which has compromised western Canada again.

The whole sphere of the new feed grains policy was never implemented, Mr. Chairman. The whole scheme was a package. It was a tradeoff. The west had to give in on some areas and the east was going to have to give in. What we have now is that the west has given in and the east has retained what they had and got a little more. Mr. Chairman, this is reason for this Minister to take this argument to his conference and to get redress, and I believe that the Minister would want to do that, excepting, Mr. Chairman, that he doesn't want to admit to this Committee that he has not to date been prepared because he is not knowledgeable as to what is happening around him. That is his problem, and it

seems to me if you have a budget for research . . . And you don't even need a research budget, Mr. Chairman, I can name dozens of competent people in his department that could get that information and assemble it for him, document it for him in the best form for him to make his case to the government of Canada. There is no reason why that can't be done. It is a matter of a couple of days of work at the most, Mr. Chairman, maybe even one day, gathering together the statistical information. His department has it all, so why this Minister is not equipped to deal with it, Mr. Chairman, is something that I can't understand, because it is a problem to western Canada.

MR. CHAIRMAN: Committee, I would just like to draw your attention, whether my rulings have been right; when I recognize a member from either side and the Minister answers some part of that question, I always go back to that same member, as I did Rhineland, recognized him first and went back to him twice. So I try to let each member fulfill that particular item or that phase of it and then go across to the other. The Member for Gladstone was annoyed, but I only recognized the Member for Lac du Bonnet once; he hadn't got his full question, so unless one monopolizes . . . If members don't like me ruling in that manner, now is the time and we will make a switch. I am ruling as honestly and as fairly as I know how.

MR. USKIW: On your point of order, I would like to suggest to you that I would be most pleased if the Member for Gladstone would contribute to the debate, and I would yield the floor to him. I have no problem in yielding the floor. In fact, he enhances my contribution to the debate, Mr. Chairman.

MR. CHAIRMAN: The Member for Gladstone.

MR. FERGUSON: I certainly didn't want to hurt the feelings of my friend, the Chairman.

MR. CHAIRMAN: You didn't hurt me, I just wanted it to be right.

MR. FERGUSON: In any event, I think that we have had quite a discussion on this particular matter. It has been going on for two days and I don't know as we have proved anything, except that we still, on both sides, are tied up to I guess what we basically feel are ideological positions.

My honourable friends across the way have brought forth —(Interjection)— Then we will go back to the marketing of one bushel of barley, starting at my farm and going through the system. I have the option of putting it through the Wheat Board or I have the option of getting a producer . . . of selling it by truck and moving it down the spout, whichever way I want to do it. If the Wheat Board, and I am not basically criticizing . . . That one bushel of barley that goes into the channels is moved through export position and has to go through the Canadian Wheat Board.

The eastern feeder is a different ball of wax. Here again, we do have the option and if, as I say again, and my friends have been talking all afternoon about the Wheat Board is tied to a corn base formula with

grain coming in from the United States, corn setting the basic price, which is correct. But No. 2 also is the right of the individual, which I feel that I am, to go down and interview an eastern feeder; I can lock in a price, I can get a producer car, or I can move it by truck. If the system has become so encompassed with red tape and etc. that it can't move a product through its system in a direct manner to the feeders, and there is an alternate method available whereby the cash flow is coming into the hands of the producers, then it is their option to use whichever one there is, and to their advantage and to whichever one is going to supply the dollars to them.

There are more things involved to quotas, of course, and one of the reasons is it is off-Board grain. The quotas have been so tight that in many cases farmers, including myself, have taken the option of going and making direct deals at a price, sold directly; we have the cash in our pocket. And when they talk about a 38 million loss, you start looking at a 20 percent interest rate and that grain probably backed up two or three years, and we, as farmers, have a pretty good idea of what happens when beetles get into it, water may run into the thing, you get a leak in the granary, but grain will not stay in condition for that long. That is one of the things, I think, that our friends across the way have forgotten about. They feel that once you get a bushel of grain and store it, it is there for the next ten centuries. That hasn't been my experience. Through the regulations of the Canadian Wheat Board in establishing quotas on rapeseed and then not issuing extensions, my family and myself took a bath on a bin of rape to the tune of about 10,000. So we do appreciate the fact that in some cases, through the open market, we can forward a contract. We can contract directly. Over the past year we have delivered rapeseed to Lethbridge; we delivered rapeseed to Thunder Bay; we delivered flax to the United States; we delivered flax to Thunder Bay and we delivered barley through producer cars and through trucks, and I think that's our option. If, as our friends say, that we're upsetting the system, if they were doing the job it wouldn't be necessary.

The Member for St. George the other day said that off-board grains plugged the system. There was a report from Thunder Bay issued on May 7th, it is anticipated that most if not all the backlog of the grain that's in store in Fort William will be cleared within the next week, and his statement was, why was the government of Manitoba leasing 400 hopper cars, because the system was so plugged with off-board grains that it wouldn't move. There it is right there, it will be moved within a week. That grain is in position. Thunder Bay will not be sitting in the position that they were last year where they didn't have four days' supply of grain on hand. They didn't have. This year they're in better shape. For what reason? Because trucks have been delivering. The government of Manitoba is an example, at least 400 cars and the Member for St. George says, they're not doing their job, you needn't them. But all of a sudden, turn around and what is he complaining about? That the system is plugged with off-board grain. What a bunch of crap. If the system was doing the job, the outside things wouldn't be necessary.

And let it be known gentlemen, that these particular programs are from the government of

Canada. They are being used by the grain producers, and in many cases the grain producers have asked them; the people that have been asking the most have been the Palliser Wheat Growers. I'd like to ask any one of you, who has done more for the grain marketing industry of Canada than the Palliser Wheat Growers? Nobody. Without them, the whole grain system had gone to sleep. They got the thing moving. All right, here we go back again to our original argument of, nothing can be done except by bureaucrats and by control and etc. etc. I don't believe in that system. I do believe in the handling of — we'll go back to the handling of wheat through the Wheat Board system, and you can go back to the first credit deal that was made.

John Diefenbaker was ridiculed this afternoon by the Member for Ste. Rose. He was the first fellow that said, look, to communist Poland, we will finance a 12 million wheat deal. Number two was a 55 million wheat deal to China. —(Interjection)— Okay, where was that great and glorious outfit called the Liberal government? —(Interjection)— No, no, you couldn't finance a deal because it wouldn't be paid. All those things were paying 100 cents on the dollar, but who took it on the chin to say well, look, we'll trust these people to pay, and they did. So I've got to go along with this present marketing system that we have. I certainly don't under any circumstances, and let it be well known, I certainly would never want to see rape, rye, flax, corn, sunflowers, and the rest of it, tied in under the Canadian Wheat Board, because they've got a job bigger now than they can handle and they better stick to what they've got, and if they were doing the job that they supposedly should be doing, we wouldn't have to be using this outside stuff to do the job.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. The Member for Gladstone, I'm glad he indicated that somehow the information I gave to the committee about clogging the ports was wrong. Mr. Chairman, I want to read to you an article that I received from the The Co-operator . . .

MR. FERGUSON: From the Saskatchewan government?

MR. URUSKI: No, Mr. Chairman, from the Manitoba Co-operator, entitled, Non-Boards Clog Lakehead. Mr. Chairman, it's dated from the paper, 1st of May 1980: The grain transport authority has threatened to suspend future rail transportation of non-board grain and oil seeds to Thunder Bay if a serious congestion of rail cars at the port isn't soon cleared away. CP rail at one point this week refused to spot grain company rail car allocations for next week because of a situation that has left some grain sitting in rail cars at the port for up to two months without being unloaded at terminals.

Mr. Chairman, the director of the GTA said that a new grain transportation co-ordinating body had managed to persuade — persuade? — CP rail to reinstate spotting for almost 75 percent of the 480 cars it originally declined to place at rural elevators next week. A spokesman for the grain industry said it was the first time they could remember a railway refusing to spot cars allocated to grain companies

other than refusals to service certain lines at different times during the year. The situation appears to have resulted from a combination of events, the main one being lake vessels not being fully prepared for the early opening of navigation on Great Lakes, and a subsequent inadequate supply of arrivals to clear bulging grain terminals. Terminal operators estimate that as many as 1,000 loaded rail cars have been sitting at Thunder Bay terminals for some time without the opportunity for unload. They suggest the terminals are plugged with grain that should have been shipped earlier and the results have now started to back up into the system through rail operations and country elevator systems. The GTA director said 1,048 rail cars of non-pooled grain were at Thunder Bay terminals as of Monday this week, and that 80 percent belonged to CP rail. These consisted mainly of non-board feed grains, malting barley, rye, rapeseed and flax. The terminals most affected are Pool No. Three, United Graingrowers and Cargill. If the situation doesn't improve soon, then we may have to reconsider a cutback in allocations.

CP rail had originally refused to spot about 480 rail cars for week 41 of the cycle, which is next week, and the GTA persuaded the railway that a better supply of ships was expected before mid-May for large flax, sunflower, rapeseed and feedstocks which have built up at Thunder Bay. Cars spotted at elevators in week 41 are not expected to begin arriving in bulk at Thunder Bay until about week 43 or 44, that is in the May 18th to the 25th period. In other words, not this week, Mr. Chairman, but not for at least another week before they will start arriving.

Mr. Chairman, the fact of the matter is, there has been a back-up at the Lakehead. There has been a congestion at the Lake Boards. This Minister has indicated that he felt that there was no problem in terms of grains that are shipped on the off-board to take quota space, Mr. Chairman, that have been reallocated for other grains, and that in effect has caused the problem at the Lakehead.

Mr. Chairman, the Member for Rhineland in his comments seemed to indicate, and the Minister has indicated, that the grain that was sold to the feed grain market in the east in Ontario, somehow would have been left to sit in grain bins, if it could not have been sold in the manner that it had been sold.

Mr. Chairman, the exact opposite is true. I believe sincerely, now that the Minister has spoken this in his remarks this evening, that he really does not understand the problem. It appears that he really has missed the point. The fact of the matter is, Mr. Chairman, the losses that we quoted from this side were on the basis that if that grain was sold on the corn competitive price, in other words, to compete with the US corn that the Member for Rhineland has talked about, had it been sold at that price to meet the corn competition; in other words, that they could have beat the corn competitive price from the US, they would have sold it under that price. The difference between that price and what it was sold for is 143 million in these three years. That's the point we were getting at, Mr. Chairman, and it has amounted to over 30 million to Manitoba producers.

The Member for Gladstone indicated that there was an option that producers wanted to take, and

that was the area of marketing through producer car lots, if they could in fact gain markets in the east and ship directly to feeders and have a market of their own. Well, Mr. Chairman, taking the member at his word that farmers would want to use that, and have used that, and there were approximately 15 million bushels that were delivered in producer car shipments which would lower this amount by approximately 5 percent of the total amount of feed grain that was marketed in that three-year period, given that premise, that would even put a worse light on the price differential, Mr. Chairman. That would even place the grain companies in a worse light in terms of the excess profit-taking from the system that has occurred over the last three years. That would place Manitoba producers even in a worse position than it has. Surely the Minister must realize that if we still haven't explained it properly and hope that we can get him to analyze the situation and make some representations at the next meeting of federal provincial Ministers, to say the least, and to make some statements now, to say look, we are not prepared to allow our feed grains to be sold at below the corn competitive market, and not allow a shortage of feed grains to be made up by the Wheat Board at lower prices than they could have sold the grain, because really that's what has happened, Mr. Chairman. If the reverse was true, if there was a shortage of feed grains, and the Wheat Board in effect could have made the eastern market at a price higher than the corn competitive price, I assume there would have been no difficulty. The government wouldn't have worried about it. But the reverse has been true; the reverse has been true in the last three years, Mr. Chairman. There has been a net loss to the farmers of western Canada and Manitoba as well.

Mr. Chairman, the Minister as well said we want to encourage the production of livestock, and one of the other ways, and he quoted the Minister of Agriculture from Ottawa has indicated that one way of doing it is to reduce the feed grain subsidies and the grain transportation assistance that is being paid to eastern producers.

Mr. Chairman, I hope the Minister has read a study that is done by the University. It's entitled Grain Freight Subsidies and the Location of Livestock and Meat Production in Canada, Mr. Chairman. It was done by Mr. Tangrey and Leigh, of the University of Manitoba, and I hope the Minister was cognizant of their recommendations and of their findings. I would like to read the entire last paragraph of their findings about the grain freight subsidies.

MR. DEPUTY CHAIRMAN, James R. Ferguson (Gladstone): The Minister on a point of order.

MR. DOWNEY: Mr. Chairman, the member is referring directly to University grants. He's reading from the University Annual Report. Yes, he is, Mr. Chairman, and he's on (e)2 and you can't have it both ways in this committee. Either you debate the issue that's before us . . .

MR. USKIW: Mr. Chairman, on the same point of order. The member is using the University material as a reference . . .

MR. DOWNEY: Well fine, then let's get into it.

MR. USKIW: . . . to the subject that he is discussing and, Mr. Chairman, that is within the rules.

MR. DOWNEY: It's a good job Sam's here to protect you, Bill.

MR. URUSKI: Mr. Chairman, the type of protection that we've had in the last while is like being sold down the river with a ball and chain around one's neck . . .

MR. DEPUTY CHAIRMAN: Is the Member for St. George speaking on the point of order or is he back on his discussion?

MR. URUSKI: I'm sorry, I'm back on the discussion, Mr. Chairman.

MR. DEPUTY CHAIRMAN: I think in all due respect to all members, that we have discussed this particular item all Friday, and as of today, and I'm certainly not restricting discussions but I personally have heard the Member for St. George repeat the same argument at least ten times and I would hope that we would arrive at a consensus of opinion on this thing, which we won't of course get, but I think that we should move on to another article.

MR. FILMON: Would the member care to rephrase his argument?

MR. URUSKI: Not at all.

MR. DEPUTY CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Mr. Chairman, the point that I was trying to get at was the policy and the research that has been done by the government. The Minister appears to have missed the very points that have been raised in University studies with respect to statements that he has made in terms of increasing livestock, in terms of reducing the feed grain subsidy and its impact on Manitoba, and I wanted to read to him the grain freight subsidies in relationship to what impact it will have on livestock production this province as it relates to eastern Canada, Mr. Chairman, and his statement saying that we have to encourage livestock production. One way of doing it is to get rid of the feed grain subsidies to eastern Canada.

Mr. Chairman, I was indicating and I quote from the study, page 9, The study also showed that Quebec's pork production would decrease with the elimination of grain freights policies. Quebec's beef production would also decline. In Manitoba there would be a different situation. Even with increased pig production resulting from the elimination of grain freight subsidies, the province would still face excess capacity in pig slaughter. Thus it is very likely that a considerable portion of the pork processing capacity in Manitoba would be closed down. Manitoba's cattle slaughtering depends heavily on imported slaughter cattle from Saskatchewan. Yet, as the study shows, elimination of grain freight subsidies, together with the increase in cattle slaughter capacity in Saskatchewan, would cause reduction in beef production in Manitoba.

MR. DOWNEY: Do you have to read a study to know that, Bill?

MR. URUSKI: Mr. Chairman, the Minister indicates to us, asking us whether we have to read a study to come to that conclusion. Mr. Chairman, the policy of the Tory Government has been to eliminate the Crow rate, to eliminate all transport subsidies, and especially the Crow rate, indicating that it has been a disincentive for livestock production in western Canada, and if that was done, Mr. Chairman, I believe it would wipe out the entire agricultural sector in western Canada and especially in Manitoba, Mr. Chairman.

There is no doubt that the reverse is true from what the Minister has been telling us with respect to his statements on the feed freight subsidies and the advantages that eastern producers have gained over the last number of years. He has indicated that if that advantage is taken away, somehow we, in Manitoba, would be better off. Taking that argument one step further to the Crow rate, it would even happen . . . At least he happens to believe that it would strengthen his argument that if we did away with all transportation subsidies it would be to the benefit of Manitoba producers, when exactly the opposite is true, Mr. Chairman, exactly the opposite is true. Maybe the Minister has done some research, maybe his staff has analyzed that report to counteract the statements made in that report. That is what we wanted to find out, whether there has been any research done by his department to analyze the work that was done at the University and how it, in effect, contradicts Conservative Ministers' policies with respect to the feed grain situation in western Canada. If they can't contradict that, Mr. Chairman, then why do they continue the policy that all feed grain Crow rate and feed grain subsidies should be removed in terms of trying to enhance our livestock capacity in this province, which in effect would decline if that was done?

MR. DEPUTY CHAIRMAN: The Member for Rhineland.

MR. BROWN: Thank you, Mr. Chairman. As already has been mentioned, we have been debating this issue now for a long long time, and I think that what is emerging over there is really that our positions are not all that far apart. That is that if the Wheat Board can market our grain and so on, that there probably would be very little grain sold on the open market. But the situation is this, that the Wheat Board is unable to market the grain, and if you are left at the end of the crop year not with only the previous year's production but half of the year prior to that, then you need an alternative in which to move your grain.

I would like nothing better than to have the Wheat Board move the grain, because I don't mind selling grain through the Wheat Board because I have always found them to be fair, but it is their inability to move the grain that I am objecting to. I think that if we would all join with our Minister over here and take into consideration this special position that Manitoba farmers find themselves in through growing larger crops and through continuous cropping, that special quotas be placed on Manitoba growers, then

we would go a long way to alleviate the situation that we are in.

I certainly would like to see our Minister put a very strong case forward to the Federal Minister of Agriculture that whenever they have a 12-bushel quota in Saskatchewan and so on, we should have a 24-bushel quota, because we grow twice and more than twice the amount of grain over here. If we were to get that type of recognition, Mr. Chairman, if we had that type of recognition, then we would be on an equal basis with Saskatchewan, with Alberta. Ontario and Quebec do not have that particular problem because at that same meeting which I mentioned before, when we were discussing this, the Quebec growers were telling me that whatever they didn't need for themselves that they could sell right off the combine, they didn't ever have to store grain. Ontario growers may have to store for a little while, but they can always get rid of all the grain that they grow. But Manitoba is in the worst position of all the provinces in Canada, and for that reason I would say that we should ask for special consideration.

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

MR. USKIW: Mr. Chairman, I would like to, first of all, remind the Member for Gladstone, who is now in the Chair, that in his contribution to this debate he perhaps doesn't realize it, but, Mr. Chairman, he contradicted himself on the point that he was trying to make. He said that he prefers and he alleged that farmers in Manitoba prefer to have the option to sell their grain through the Wheat Board or, if they chose, to sell their grain off-Board. I believe I am correct, and if I am incorrectly interpreting his remarks, I would hope, even though he is in the Chair, that he would correct me, Mr. Chairman. I would give him that much latitude, and that it is really the right of the individual to choose one or the other option or a combination of the two, or whatever. —(Interjection)— Well, it confirms that my interpretation is correct, Mr. Chairman.

Let's examine those options, Mr. Chairman. I would like to believe that what he stated was actually happening but that is not what is happening, Mr. Chairman, and that is the basis of our complaint. Even if you accept the notion that there will be off-Board grains and on-Board grains, the fact is that we have something worse than that. We have Farmer A who chooses to ship off-Board and on-Board, we have Farmer B who chooses to ship through the Board only, and then we have Farmer C who chooses to ship off-Board only. We have three possibilities here, three possibilities. Mr. Chairman, they are possibilities, okay?

If the farmer chooses to ship through the Board, surely the Member for Gladstone and the Minister and his colleagues on the government side do not want to put the argument that he should be denied that right. If he chooses to ship through the Board, I ask members opposite should that choice be denied to him? I don't think that the members believe that it should be.

A MEMBER: Did they ever say that?

MR. USKIW: Let's examine what is happening, Mr. Chairman. Let us examine what is happening. The bulk of the people have chosen to deliver through the Board, Mr. Chairman. The Government of Canada, in order to satisfy eastern Canadian feeders, has said, notwithstanding the fact that you had chosen to deliver it through the Canadian Wheat Board, we are going to tell your Wheat Board that they cannot charge the market price for your grain; they got to sell at the off-Board price if it is lower. That is right.

What kind of an option have we got, Mr. Chairman? We have the option for those that want to bypass the Board and we have a superficial option for those that want to sell through the Board, but who are undermined by the Government of Canada because the Government of Canada dictates to the Wheat Board that they must sell Board grains at below world market prices, Mr. Chairman. There are no options, excepting for the people that want to be off-Board. They have the best option. Yes, because they know, and the people who want to buy off-Board have the best option, that if the off-Board open market doesn't deliver the grain that the Government of Canada will instruct the Wheat Board to deliver the grain at reduced prices to them.

That is not what the Wheat Board was set up to do, Mr. Chairman, but that has been the net effect of the operations of the Wheat Board under Canada's five-year feed grain marketing policy. Mr. Chairman, that is what has been going on and this I believe is not a free option, it is loaded dice against those in our society who wish to use the Canadian Wheat Board as their marketing agent. That is what is being complained about and if the government thinks that we have a free choice, Mr. Chairman, we have no free choice. There is only one way to go and that is you are going to sell off-Board whether you want to or not; one is willingly and the other is when the government instructs the Canadian Wheat Board to supply that market at off-Board prices, Mr. Chairman. That is where we are and that is what has cost us 143 million in the last three years, Mr. Chairman. That is the shortfall of income to prairie grain producers over the last three years.

Mr. Chairman, the Member for Gladstone, who is in the Chair, also was confused in his argument in that he said, that, well, if we didn't have that option we would have to pay high interest rate on storing that grain. Mr. Chairman, I am not talking about grain that isn't sold. We lost 143 million on grain that was sold, not in the storage bins, and would have been sold, Mr. Chairman, at corn competitive prices, had the policy been to maintain it at that. That is not what is happening, Mr. Chairman. We are losing when we are in short supply, because the Government of Canada says you must not sell at the highest price obtainable, because we must look after these eastern feeders, and we are losing when we are in surplus production, when the world market is saturated. There are no winning days for western producers under this policy.

It is not an argument of off-Board, on-Board, Mr. Chairman, anymore. It is much bigger than that. It is much greater than that. It is eastern Canada exploiting western Canada; eastern feeders exploiting western grain producers, that is what it is. It is done, Mr. Chairman, through the Government of Canada in

its instructions to the Canadian Wheat Board, and that is the most objectionable part of the new feed grains policy. Even if you gave in on the argument of options, Mr. Chairman, what is objectionable is that when you choose the Board option and you shouldn't be circumvented in your decision by having the government say to you, notwithstanding the fact that the Wheat Board can get 50 cents a bushel more, it must sell at this price, because we have to supply it to these eastern feeders at that price. That is what is objectionable in the extreme and that is what this Minister should be addressing himself to, Mr. Chairman, without compromising his ideological position on marketing.

Straight practical common business sense would dictate that we should not take less for our grain than what the market is able to provide. That is all we are talking about in the main, Mr. Chairman; that is what we are talking about. I don't know why this Minister would want to argue that he would prefer that we should continue to subsidize eastern livestock production with grain priced, not by market demand in the world, but by dictate by a Minister of the Crown in Ottawa, Mr. Chairman. That is really what he is supporting, and I can't understand why he is supporting that position.

Mr. Chairman, perhaps the Minister would want to respond to that.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, I said early in the debate on the special studies or the policy studies of the department, and really in what the Member for Lac du Bonnet is saying, he is supporting what I suggested earlier on.

MR. USKIW: What are you talking about?

MR. DOWNEY: Mr. Chairman, I have said from Day One —(Interjection)— The Member for St. George suggests, do something about it. I am really talking about the basic mechanism that is in place when it comes to the overall policy decisions for the western grain industry. I have said from hour one of this debate that I believe that we should, as provincial governments, have an ongoing mechanism to have input on policy decisions. —(Interjection)— Okay, the Member for Lac du Bonnet agrees.

We are debating the result of, or what happens when the wrong decision is made; policy decision is made by the federal government or the Commissioners of the Canadian Wheat Board as it affects western Canada. I have said from hour one, as I said, that that is not right, that there should be an ongoing ability for the provincial governments to have policy input where, in fact, today we don't have it. —(Interjection)— Mr. Chairman, he says we have it. We haven't got in on a direct basis.

I go through it again: The federal government appoint Commissioners to the Canadian Wheat Board. The federal authority, totally; the people who are appointed are appointed by the federal government. There is a producer advisory group elected by producers, Mr. Chairman; they are an advisory body to the Commissioners of the Canadian Wheat Board. But there is a complete void as far as

ongoing input. —(Interjection)— Well, Mr. Chairman, the Member for Lac du Bonnet says it's not a Wheat Board decision. There are Commissioners of the Canadian Wheat Board that make policy for the operation of the Canadian Wheat Board. No, it moves further to that. There are two main decision-makers, one being the federal Minister, who they report to, and the other, there are certain policy issues that are developed by the Commissioners of the Canadian Wheat Board. —(Interjection)— No, not this one, I agree, not this one; this is a federal policy, a federal Minister. —(Interjection)— He says, Only deal with the federal-provincial conferences.

This is not correct, Mr. Chairman, because the Canadian Wheat Board does not answer to the Federal Minister of Agriculture. —(Interjection)— Mr. Chairman, he says it's not a Wheat Board decision. It is not a federal Minister of Agriculture's decision. Well, Mr. Chairman, they say, Yes, it is. The Canadian Wheat Board answers to a separate Minister altogether, not the Canadian Minister of Agriculture.

Mr. Chairman, they do not report to the Canadian Minister of Agriculture. The policy direction comes totally from a separate Ministry. He is suggesting that I can go to the federal Minister of Agriculture at the Minister's conference and tell him what the Canadian Wheat Board should do. Mr. Chairman, he has been referring to the Ministerial meeting that is coming up in July. I can indicate to the federal Minister of Agriculture all I like what I think should happen. It is the federal Minister responsible for the Canadian Wheat Board that has to be communicated to, okay.

I just want to bring the committee back into really the perspective of what we are talking about. I have said from day one, at the beginning of these debates, that I believe that the provincial governments have to have an opportunity on an ongoing basis to have a direct input on the policies as they relate to the Canadian grain industry. We have not enjoyed that, and it has caused some problems. —(Interjection)— Well, the member says he doesn't know whether he trusts me there. I believe that if we are going to strengthen the position of the western grain farmers — (Interjection)— Mr. Chairman, the members, as far as I am concerned, have to understand what I have said from the beginning in this whole debate on grain marketing is that we need provincial government input, as policy makers, to look after — (Interjection)— He says we do have. We do not have, Mr. Chairman. We can talk until we are Tory blue in the face and the ability for us to influence or non-influence the federal government is whether they want to listen to us or not.

MR. USKIW: When you get through with the Tory blue, you'll get a little pink and then you'll have it made.

MR. DOWNEY: The difference between a little pink and a lot red is the difference between the Liberals and the Socialists. The Socialists are a lot red and the Liberals are a little pink. That's basically the difference, and blue doesn't mix very well.

The point I made, and I want to make it again to this committee, is the fact that we have to, as

western governments, have more input into the development of policy on an ongoing basis so that we can act in the best interests of the western grain producers, not sitting back taking cheap shots at the federal government, not sitting back taking cheap shots at the Canadian Wheat Board, like the members opposite are here tonight, suggesting that . . . They are sitting here taking shots at the Canadian Wheat Board. They are sitting here suggesting the Wheat Board is not acting in the best interests of the Canadian farmers . . .

MR. USKIW: No, no, I never said that. Mr. Chairman, on a point of privilege.

MR. DEPUTY CHAIRMAN, Robert Anderson (Springfield): The Member for Lac du Bonnet on a point of privilege.

MR. USKIW: Mr. Chairman, no one on this committee, in the course of these debates, of the debates on these estimates, has once alluded to the idea that the Canadian Wheat Board is in question here. We are dealing with Canadian government policy, not Wheat Board policy. The Wheat Board is dictated to by the Canadian government on this issue.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, what they are doing is substantiating the argument that I put forward for two and a half years, that really the Canadian Wheat Board is not really acting at all times in the best interests of the western Canadian farmers. I believe there has to be more input —(Interjection)— Mr. Chairman, the members opposite are sitting here tonight, directly taking on and attacking the Canadian Wheat Board and their feed grain policies, the federal government and the Canadian Wheat Board. They are sitting here in a direct attack.

I am suggesting that could be corrected by having provincial input on policy matters, both input on an ongoing basis so that we wouldn't be sitting here making cheap shots, what I would call cheap shots by the members opposite at the Canadian Wheat Board, suggesting that there is a mechanism to have policy. There is a mechanism to suggest policy, but not really to exercise any power in implementation of that policy.

I am suggesting we should have a review of the marketing system in western Canada, in Canada, to once again make the Canadian Wheat Board responsible to the farmers whom it is working on behalf, having provincial government input. I am not sitting here tonight recommending how best it should be handled, but I used an example earlier today. The Australian Wheat Board, for example, has representation on it, on a direct basis, both at the federal level, to which they have had four people appointed, and each state, of which there are five provinces in Australia, have the ability and the authority to put two decision-makers from each of those provinces on the Australian Wheat Board. They work collectively and it is in the best interests of the producers, the provinces and the federal government to have that kind of input.

We are sitting here tonight debating the very thing that I have suggested should take place from day one, that we have to have more input from the producers, through the provincial Ministers, to the federal government. That, Mr. Chairman, is the nub of the whole problem, not the fact . . . The argument the Member for Lac du Bonnet makes is somewhat valid, that if people in their own way want to market solely through the Canadian Wheat Board, and there are some people that want to do that, are in fact being discriminated against because of the policy of the government, translated through to the Canadian Wheat Board. —(Interjection)— Well, sure it's translated through to the Canadian Wheat Board. —(Interjection)— Well, dictated to, ordered to, however, but it is still carried out by the Canadian Wheat Board. We have Commissioners appointed, who should represent the best interests of the Canadian farmers, grain farmers, because that's who the Canadian Wheat Board was set up to protect.

I'm suggesting, and it is one of a philosophy as well as a mechanism available, I am suggesting that because that is happening, that the farmers — and the Member for Gladstone suggested the same approach — that because that particular situation is the way it is, that there is another way to market grain that doesn't force them to take the corn competitive price, that there is another mechanism available for them to sell their grain through. Now, that is totally on the domestic scene.

If we are talking on the international market, then the Canadian Wheat Board have the total control of all the sales. —(Interjection)— Mr. Chairman, the member says it couldn't meet the commitments. The reason why, I guess, they couldn't meet the commitments, some of the reasons have been the lack of transportation, having the ability to provide the grain to those markets. That's one of the major problems and I think that that is being alleviated.

I don't sit here and disagree with the Member for Lac du Bonnet on the point he makes, that those producers wanting to use the Wheat Board, and the Wheat Board solely, are being discriminated against. I haven't argued against that, that that is really something that has to be addressed. —(Interjection)— No, they do have the alternative, and that's the position we have taken. They have the alternative to use the other system.

MR. USKIW: They don't want to use the other system.

MR. DOWNEY: Okay, they don't want to use the other system, and you have made the example of the three different types. There are some people that maybe don't want to use the Board system. So it is a position that — and I go back to my initial statement — that if, before these kinds of policies be put in place that don't work in the best interests of the western Canadian farmers, that it is too late after the policy is developed. I believe that on an ongoing basis that the provincial Ministers of Agriculture should have the mechanism or the ability, whether it is the appointment of a Commissioner or whether it is some ability to have input when it comes to the policy and the marketing of western Canadian grains. I think that's more the nub of the problem we are

talking about, instead of the problem after it is created.

MR. DEPUTY CHAIRMAN: The Member for Virden.

MR. MCGREGOR: Yes, Mr. Chairman. Certainly the discussion has been off-board versus Wheat Board. I was home on Thursday last to perform a function at Virden. I hit the cafe about four in the afternoon and the phone was ringing. They know McGregor is in town; they know McGregor has got wheat and you know what? My local elevator is out of wheat. One more trainload and he'll be out. So I got into action on Friday and hauled grain. As you know, I wasn't here. All right, that buyer took sick, or had to go to the doctor. The guy from Oak Lake — this is off the C.P. main line — had to come and buy it Friday afternoon. His elevator is almost empty. Oakner to the north, two new, one Cargill, one Pool, 40 tank cars sitting there. They're in doubt if they can fill it.

Now, we say we are not moving more grain with the two systems. I would like that proven. That is not so. Never in my life, in farming, were elevators empty at this time of year, unless it followed an extreme tragedy of hail or something. That's a fact. One is the C.N. main line; one is the C.P. main line, and my own line is a branch line. And I follow the same thing. I have only, I believe, sold one load off-board. I have shipped several tanker cars of barley and that's my business. Before this plan came in, I have sold as far east as the Elie Hutterite Colony for about one-fifth of what the off-board price is today. I did it because I had payments to make. I don't have that pressure today but there are many that do and it is much easier to sell a carload of wheat off-board to pay off that mortgage on the swather, combine, and we know farming is a devilish expensive business and it is far easier to ship a couple of carloads . . . Certainly that person would rather ship through the Wheat Board, but if it is making payments . . . I don't think there is anyone who would prefer off-board alone. I couldn't see the common sense of it.

I just think the whole history of world prices, if the world gets ahold of it, that the elevators are empty in western Canada, you will find that has some influence on the world wheat agreement that is coming up in the months ahead. I just congratulate my Minister and his department for supplying those tanker cars. Now, I don't know the 40 at Oakner — I didn't go and see how many of them were the contract ones that my Minister, or what's . . . I know that the other group that bought that bundle of cars, how many they've got on the track. But I say that this is moving more grain the way we are. We keep comparing barley versus corn, but it is corn and soy bean, a combination thereof, that does put the competition to us.

I just say, a farmer is an independent person and I would like to see him, if he desires to ship 10 carloads off-board to get his operation economic, to get his bank notes up to date, that's his right and I hope we'll always have that option. Also, it is just good for general . . . There's more money. If you could say, as the Member for Lac du Bonnet, we would have the same quota combined; it never has. All the time I have been farming, I think one year it's a nine bushel or a twelve bushel, and no higher. This way, you can take that nine or twelve and still push

another six or seven or ten. I'll be several years before — and I have quit farming, this was the second year — and I'll be hauling wheat out as a normal farmer for . . . I thought maybe next year I would clear it, now it will be the year after next at least. So I say, I may be forced one day to haul some on the open market, that's my right. I don't think it is good business. It isn't good economic business, but if I had a bunch of notes paying, and interest —(Interjection)— Well, you can only go to your potential quotas, as the Member for St. George must know, and that helps, but not an awful lot in the expense of farm operations.

So I just say, there is something good in the dual system. Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Crescentwood.

MR. WARREN STEEN: On the subject of research, I wanted to ask the Honourable Minister about the benefits and so on from his trip to Mexico of a year ago, and how did we in the field of agriculture gain from his experience down in Mexico of a year ago?

MR. USKIW: Mr. Chairman, on a point of order, it is not under discussion at the moment. We are on Research, Policy and Research. That's what we're on.

MR. DOWNEY: Mr. Chairman, my response to the member would be that, very briefly, we had an excellent response from our . . .

MR. DEPUTY CHAIRMAN: The Member for Lac du Bonnet on a point of order.

MR. USKIW: I would like to raise the point that that matter comes up somewhere in the area of marketing. We are not yet there and probably will not be there today. We are still on Policy Studies Research, Item 1.(e), for the benefit of the Member for Crescentwood.

MR. DEPUTY CHAIRMAN: The Member for Crescentwood on the same point of order.

MR. STEEN: Mr. Chairman, on the same point of order, I would think that under the broad title of Research, that policy, marketing and so on, and if I read the description of Research, I can't see where that question should be ruled out of order.

MR. USKIW: Absolutely.

MR. STEEN: I asked the Minister how, in the area of Research and Marketing, what was the gain for the province of Manitoba. Is that out of order, to the Member for Lac du Bonnet, through you, Mr. Chairman?

MR. USKIW: Mr. Chairman, on a point of order, there is Marketing, Research Marketing, and every kind of marketing under a separate item in the estimates, so that there is an area for discussion, but it is not at this time.

MR. STEEN: Mr. Chairman, if you will allow me, the Leader of the Opposition and I thought I was in

order; obviously there is a split in their caucus and there isn't in ours, and therefore I will waive to the Member for Lac du Bonnet and permit the Minister to answer the question at a later date. But the Leader of the Opposition, who is a good friend of mine, and I, both thought that we would at this moment enquire as to the Minister's trip to Mexico and as to how the research in the area of agriculture was conducted. But the Member for Lac du Bonnet doesn't feel that that is in the area of Research and we'll leave it to Marketing.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

MR. DOWNEY: On that point of order, Mr. Chairman, if the member of the government caucus and the Leader of the Opposition have agreed that we should wait until further on in the estimates, and that seems to be the consensus, I guess, I could answer it at that particular time. Otherwise, I could enter into . . .

MR. STEEN: Mr. Minister, I was just wondering who was looking after the farming end of the NDP caucus. I was trying to occupy the leader for the last half hour here, his attention, and obviously I overdid the job of occupying his attention and I didn't get the Member for Lac du Bonnet's attention, and therefore, if I am in the wrong place, then I'll ask the question later.

MR. DEPUTY CHAIRMAN: The Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Mr. Chairman, I want to correct first of all a statement that the Member for Gladstone made when he made his comments. I think he did it inadvertently. I'm sure he wouldn't want to leave it on the record, but he referred to the Member for Ste. Rose as insulting the late John Diefenbaker. The fact is I did not refer to the late John Diefenbaker. I was the first person to open the committee, to speak when the committee came to order, but I did not refer to Mr. Diefenbaker at all and I would like that to be on the record.

We have covered this quite extensively. I think what we are asking the Minister to do is — the Minister has taken credit and he has spoken quite often on the fact that this government has been, in a large part, responsible for the movement of grain — what we are asking is, for the Minister to do the same thing in the matter of feed grain and what is happening to the farmers in Canada, we want you to speak up. Since you are able to — you seem to feel that you can't achieve anything insofar as provincial-federal conferences, yet on the other hand the Minister indicates that he was successful to some extent in the movement of grain. I'm not sure how much has moved. There were some reports that we had moved 3 percent more this year. This may have changed lately, I don't know.

What we are asking the Minister to do is to use his good offices when he meets with his counterparts in the federal government in July, to bring this to the attention of the conference and to be prepared. That is why we have talked about this today, to bring to the Minister's attention what is happening in the

grain trade and the loss of income to Manitoba farmers.

That is why we even referred to some of his own reports, to the report from the university, which indicates that if we do away with grain subsidies and subsidies on transportation, we could be seriously in trouble, even with our livestock production. That is why we are speaking here tonight, because we can see these things, and some of his own reports indicate that, some of the research that has taken place at the University of Manitoba.

So we bring this to his attention, because this could have serious ramifications on the agriculture picture in Manitoba. If doing away with the subsidy on grain transportation to the east is going to have a detrimental effect to Manitoba, what will the Crow Rate do, if we abandon that? That will have a disastrous effect, not only on many farmers going out of business but businessmen going out of business as well because of the loss of income to farmers, because of the higher rates. I have spoken, even last week, to people from the Transport Commission — not the Transport Commission, but people working in the Transport Department in Ottawa, and they tell me, You don't have to worry; you are not going to get any money, any subsidies for transportation if the Crow Rate goes; there is no money. They don't care about how much the province will have to spend for upgrading roads and all that. They are not going to put any money; that's a provincial responsibility. I was talking to some people in the policy end of it in Ottawa. They were down last week, and I happen to know them, and we discussed this matter. In fact, I showed the people the report from Saskatchewan, but they are not interested in provincial problems.

I am saying, Mr. Chairman, that we must have more research done, because the Minister has to be very well armed when he goes to meet with his federal counterparts. I am sure that if the provincial Ministers of Agriculture meet together and hammer out a policy — and we have brought a lot of information to the attention of the Minister this afternoon and yesterday on very crucial points — because the damages could be irreparable if we don't try and rectify them before it is too late.

I would like to ask the Minister why we can't get the full documentation of these reports, these studies that have been made by some of the people, by some of the money that we are spending here now for research and policy making. We have an abridgement here in this report but we do not have the policy papers so we can study those. I would like to see those papers. We have nothing here; we have just really a generalizing of what really they discussed, and I would like to see an in-depth of what really was the full report of what has happened on the statutory prorates handling and the effect of the St. Lawrence Seaway and all the research that was done, and financing and operation, the rehabilitation of rail lines. We want to see all that.

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

MR. DOWNEY: If the members want to get to that particular item, then we could pass the one we are on and get to what the member is referring to.

MR. CHAIRMAN: 1.(e)(1) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the Minister pleaded moments ago that, really, he is not in a position to deal with the question of the present marketing system for feed grains in Canada because the system of marketing falls under the Ministry of the Canadian Wheat Board, and that the conference that he will be attending is an Ag. Minister's conference.

Mr. Chairman, I am sure he knows, but in the event that he doesn't and his staff doesn't know how to do it, let me explain to him how it is done. — (Interjection)— Mr. Chairman, the Minister is groaning now. He indicated he didn't think he could do this at the next conference. Mr. Chairman, I will show him how he can do this.

Normally, before a ministerial conference is convened, all of the provinces are asked to submit documentation as to the kinds of issues they want discussed and want put on the agenda. That is sent out to the government of Canada, or to CDA, Department of Agriculture. Normally, Mr. Chairman, following that . . .

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

MR. DOWNEY: In all fairness to the Member for Lac du Bonnet, he is getting a little elementary, I think, for the committee. I stated the fact that it was an Ag. Minister's conference —(Interjection)— Mr. Chairman, if we have to sit here —(Interjection)— The point of order is that he is not dealing with the item as it is listed in this particular part of the estimates.

MR. USKIW: Mr. Chairman, I sure am. I am responding to the Minister's statements, Mr. Chairman.

MR. CHAIRMAN: Well, we are on 1.(e) Policy Studies.

MR. DOWNEY: Exactly, we are dealing with policies of feed grain marketing, Mr. Chairman.

MR. CHAIRMAN: To the committee, this is an item of 107,000 and, really, these are a lot of hours, and are we really stretching it to be on this item since Friday last and here it's late Monday night.

The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, on your point of order, if there were zero dollars there, it would be worthy of as long a debate as we have already had, or longer, because it is an important policy area that we are discussing. So the dollar amount has nothing to do with the substance of the item. It has to do with its importance to the prairie economy.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the Minister is preoccupied at the moment.

MR. DOWNEY: I am sorry, Mr. Chairman. Would you mind repeating it?

MR. USKIW: I have plenty of time. Mr. Charman, I am suggesting to the Minister that if he wishes the federal government to change their feed grain marketing policy, then he ought to give notice that he wants this item on the agenda of the next meeting of Ministers, at which time the federal Minister will invite the Minister in charge for the Canadian Wheat Board to sit in on that portion of the discussion, or that conference, dealing with this issue. If he does that, he will not be in a position to say that he was unable to deal with this issue because they were merely meeting with Ag. Ministers and not the Minister of the Canadian Wheat Board. That is a very normal course of action, Mr. Chairman. All Ministers that have something to do with the interests of agriculture do participate at the Ag. Conferences each year, so that the Minister has ample opportunity to raise the matter.

I wish to ask him whether he will agree with me, and if he does, whether he will raise the matter at the conference, along with other Ministers who, I'm sure, are concerned about the same problem, is whether or not he will ask the government of Canada to amend their feed grain policy so that those producers who choose to sell to the Canadian Wheat Board are not circumvented by a Ministerial decision that puts their grains into the offboard arena or into the market at off-board prices. That is the key, Mr. Chairman. Because if that can be achieved, then there is some credibility, at least, to the fact that there is an option, and that the person that wants to sell to the Canadian Wheat Board will be assured that person will receive the highest price attainable by the Canadian Wheat Board for his product and will not be undermined by the fact that the federal government will have instructed the Wheat Board to sell his grain at a reduced price in order to satisfy the needs of eastern Canadian consumers of feed grains.

It could very well be that this grain could be sold in Europe for 50 cents a bushel more, and that should not be denied to those people who wish to choose that option of marketing. If the eastern feeder is short of grain, we can rely on the off-board market to supply them, Mr. Chairman, if they are willing to supply all this grain at a reduced price. Heavens, why should we stand in their way? The Member for Virden is willing to ship . . . Well, the Chairman, is willing to ship carloads of grain at distressed prices to supply that market, from time to time, or was willing; he no longer is willing, Mr. Chairman. I'm glad to hear that. But he was willing at one time. He alleges that there are others that are willing. Mr. Chairman, God bless him, but let him not take away from the person who is not willing to sell in that kind of a market arena, you see, and who chose to use the instrument of the Canadian Wheat Board to market his product at the best price attainable. That should not be circumvented by any Ministerial decision, and if this Minister will give us a commitment, Mr. Chairman, that yes, he agrees with that, he agrees with the options that if a person chooses this option, then that option should not be circumvented and that he will raise that matter at the Ministerial conference, that will satisfy me, Mr. Chairman.

MR. DOWNEY: In response to the Member for Lac du Bonnet, in reviewing the feed grain policy, and looking at the federal government's dealing with it, it's really unfair to go back and suggest to the Member for Lac du Bonnet that he was the Minister that was responsible for the provincial Department of Agriculture when this policy was implemented. Where was he —(Interjection)— Here we are Mr. Chairman, he is suggesting that he has sat there —(Interjection)— Mr. Chairman, I was in the farm community trying to make a living under a socialist government and found out that it was impossible, so I had to get involved and try and change some of the policies. We're still in that process, Mr. Chairman.

But getting back to the point that the member raises, we reviewed the policy last year, we discussed feed grain policy, parts of it. He suggests that we should review that. We will be reviewing that on an ongoing basis, and will suggest, after meeting within the government caucus and with the department, different proposals. I believe that to go to the federal government, that in fact we will go with some objective viewpoints; we will review it. Now, whether or not it will be put on the agenda will be something that a decision will have to be made on. I'm not sitting here tonight to make that decision, because we need, in fact, I believe, more discussion with the other Ministers of Agriculture on a preliminary basis. As he has indicated, there is probably some other government or other provincial governments who may, in fact, put that on the agenda.

I am as concerned that western Canadian feed grain producers get paid a maximum amount of money for their product as is available, and if it's a matter of . . . And I again go back to our position that we have to have the alternatives available to them to maximize that return. Now, the point that he raises, will it be raised at the federal Minister level and have the federal Minister responsible for the Canadian Wheat Board as a part of that, those kind of recommendations are objective and will be taken into consideration.

MR. USKIW: I would like to ask the Minister whether he agrees that there should be a genuine option on the part of the producer as to which method of marketing he wishes to market. —(Interjection)— Well, he agrees there should. And if there should, does he not agree that it should not be interfered with by the Canadian government or by the Manitoba government or by anybody. If the producer has chosen the Wheat Board as his marketing agent, then that board should have the right to market that person's production at the highest price attainable in the world. —(Interjection)— Well, I know the Minister has said that. Will he take it up with the Minister of Canada, who has circumvented the rights of this individual by instructing the Canadian Wheat Board not to do that, Mr. Chairman, but instead to offer grain, Canadian Wheat Board grain, to domestic users at lower prices than what can be obtained in the world market?

So I merely ask the Minister to give us that commitment, that he will pursue the freedom of the individual to choose how he wishes his grain marketed.

MR. DOWNEY: Yes, Mr. Chairman.

MR. CHAIRMAN: The Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Chairman, I didn't get the discussions earlier this evening, what brought about all this debate insofar as off-board grains versus Wheat Board prices. Now, if I understand the Member for Lac du Bonnet, who has said that the federal government has instructed the Canadian Wheat Board to buy grains or provide grains to a purchaser, that may be off-board grains; it could be any company, Cargill, XCan, Pioneer, or any company, could have bought grains on the off-board price. I am not sure that I understood the Member for Lac du Bonnet, who had a responsible position at one time when he was the Minister of Agriculture. Is he telling us, Mr. Chairman, that the Canadian government, or the federal government of Canada, has instructed the Canadian Wheat Board to purchase off-board grains from Company A or Company B, whatever, to fulfill a market?

I'm asking, from what I understood the member to say awhile ago, the federal government would instruct the Canadian Wheat Board to provide grains to eastern consumers that was bought by any other private companies? —(Interjection)— Oh, board grains. I'm sorry, I thought he was talking about off-board grains. That's fine.

That could be another matter, but they were talking earlier about board grains versus off-board grains. —(Interjection)— No, I listened to the Member for St. George, who was talking about off-board grains as well, because in his questioning period last week in the House, he was talking about how much money the farmers had lost because they sold on the off-board market.

MR. USKIW: No, no, not because they sold on the off-board market.

MR. EINARSON: Well, Mr. Chairman, I'm sorry, I missed some of the discussion, as I said, in the beginning, but I want to get this thing clear and make sure that I haven't misunderstood the members on the other side.

MR. USKIW: I'll clarify it for you.

MR. EINARSON: All right then, Mr. Chairman, I'll yield the floor to the Member for Lac du Bonnet, because I want to make sure that I haven't misunderstood him when he says that a farmer sells on the off-board, that he's being penalized in losing money because he sells on the off-board.

MR. DOWNEY: Mr. Chairman, to the Member for Rock Lake, the discussion, as it relates to the policy studies of grain marketing, it was suggested by the Member for Lac du Bonnet and by the members opposite that the individuals who so wishes to market their grain solely through the Canadian Wheat Board, that they should not, in fact, be forced to sell that grain at a corn competitive price to the eastern feed grain market, if they are so desirous of marketing through the Canadian Wheat Board only. Mr. Chairman, because of the federal government instructing the Canadian Wheat Board to market that

grain to the domestic market in eastern Canada at the corn competitive price, it is, in fact, discriminating against that individual who wants to sell to the Canadian Wheat Board.

Mr. Chairman, my suggestion has been, and what we suggest is that the option has to be available to market, the option has to be available to market both on board and off-board, and the off-board removes that anomaly. It still doesn't remove the fact whether you want to market or not to board or off-board, if you still want to go one way, then you don't have the option. The option is there; whether you exercise it or not is your decision as an individual.

But the suggestion prior to that was that I recommended and feel that we have to have more input on ongoing policy matters with the Canadian Wheat Board, as provincial governments; as policies are developed, we should have the input to the development of those policies, and we don't get in the situation that we're faced with right now. The Member for Lac du Bonnet was part of a government when in fact this particular policy was introduced, and allowed that to happen at the federal government level. —(Interjection)— It happened, Mr. Chairman, as the Member for Lac du Bonnet was the Minister at the time, it happened. He didn't allow it to happen, or he didn't disallow it to happen; he didn't have the ability to stop that kind of policy.

I'm suggesting that provincial governments should have a more direct way of having input on policy matters.

MR. CHAIRMAN: The Member for Rock Lake did give up the floor to the Member for Lac du Bonnet. If the Chair recognizes back and forth, when you give up the floor, I think I would recognize you down the line, in all fairness. But otherwise we will start something we can't live out.

The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, on a point of order, the Member for Rock Lake gave up the floor to myself in order that we would enunciate what our argument was, for clarification purposes. The Minister took the floor, although he was not supposed to take the floor, as I understood it, Mr. Chairman. He interceded.

MR. CHAIRMAN: The Chair recognized the Minister almost . . .

MR. USKIW: Mr. Chairman, I know, but the member yielded to myself in order that we would clarify our position. I don't know how the Minister can clarify our position, but he chose to do so and he didn't do a good job of it, Mr. Chairman. If I may have the floor, I would like to clarify that position for the benefit of the Member for Rock Lake.

We have complained that there were losses amounting to 143 million on the part of prairie grain producers because of the present feed grain marketing policy, and the nub of the complaint is that if there is a western feed grain surplus, the price is allowed to fall below corn competitive value; if there is a western feed grain shortage, the government of Canada instructs the Wheat Board to sell corn competitive value. So that the western grain producer loses on both sides of the ledger, and in

turn ends up subsidizing eastern feeders. The present feed grain policy is a direct subsidy, or transfer of wealth from the prairie region to eastern Canada, and that is what we are objecting to.

And the other point that we are objecting to is the fact that if a farmer ships 10,000 bushels of grain through the Canadian Wheat Board because he wants the Wheat Board to do its best to market that grain at the best price available in the world, that the Canadian Wheat Board should not be instructed by the government of Canada to dump that grain back on the eastern market at below world market prices in order to satisfy the demands of eastern feeders, which is the policy of the present government. And we have asked this Minister to honour the rights of producers, that if they choose to ship through the Wheat Board, or if they choose to ship a portion of their grain to the Wheat Board, Wheat Board grain should not be sold on the basis of a directive from the Minister of the Canadian Wheat Board that that grain must be sold at below world market value anywhere, because we believe in the right of the producer to choose to market through that agency.

MR. EINARSON: Mr. Chairman, now I have a little better understanding of what's taking place, and I think I have a favourable response that I'd like to make, Mr. Chairman, to the Member for Lac du Bonnet. When he talks about how discreetly and unfavourably the western farmer has been treated by the federal government of Canada, and he's talking about and giving instructions to the present Minister of Agriculture, what he should do with a provincial federal conference with the Ministers of Agriculture, I would suggest, Mr. Chairman, that he had a much better opportunity when Joe Clark was in the helm of things in Ottawa than he has at the present time. I want to suggest to you, Mr. Chairman, that it's appalling to me, when I listen to the Member for Lac du Bonnet, when he had eight years of sizing up the Liberal government when they were in power. Eugene Whelan, whom I understand, the ex-Minister of Agriculture was a real friend, and got along very, very well, Mr. Chairman. I want to suggest to the members opposite right now, Mr. Chairman, that they would have done much better if they had supported the Conservative government, their colleagues in Ottawa in the last election, rather than to assisting to defeat the Conservative government. I think that they would have been much better, on a much more solid ground, to try to achieve what they are talking about right now than they ever will be when they are trying to suggest to the Minister of Agriculture who is there now. That doesn't mean to say that I don't hope that the Ministers of Agriculture aren't going to achieve some of the goals.

I fully agree with the Member for Lac du Bonnet, what he's talking about; I didn't get the proper perspective of it, but I sure do now. I'm going to charge the members opposite, who, with their colleagues in Ottawa, did everything they could in Manitoba to defeat the Clark government of the day. They sure did. Mr. Chairman, they did everything in their power to defeat the Conservative government of Ottawa, who were the people, who were the friends of western Canada, once and for all, after 22 years of Liberal administration.

The NDP in Ottawa did an awful lot, and I repeat, to help defeat the Conservative government, a government who was not only interested in eastern Canada, central Canada, but were also interested in western Canada as well. I suggest, Mr. Chairman, that the Member for Lac du Bonnet should put his head in shame when he stands up and talks about the things that this Minister of Agriculture should be doing when he was one of the components, and his colleagues, who were out to defeat the very party that was out to do something for western Canada back just last year, in February of last, 1980.

I suggest, Mr. Chairman, that the Member for Lac du Bonnet, the Member for Ste. Rose, and the Member for St. George did an awful lot to destroy what they are now asking us to do. Mr. Chairman, I hope this isn't going to prolong the debate all that much, but I want to say this, now that I understand what honourable members are trying to do, because they're up to their old tricks like they've been for the last nine, ten years, but they haven't changed one little bit. As far as I am concerned, Mr. Chairman, they are out to support the Liberal Party. The Liberal Party has never done anything to try to help the situation in western Canada, they've always been proponents for central and eastern Canada. We know very well that the farmers in eastern Canada don't come under the jurisdiction of the Wheat Board. They're also being subsidized by the taxpayers, not only of eastern and central Canada but of western Canada as well, when it comes to marketing their grain. I suggest, Mr. Chairman, those are things that should be taken into account.

I want to say, Mr. Chairman, that I wish my Minister of Agriculture well, and I hope, Mr. Chairman, I want this for the record, and remind Pierre Elliott Trudeau, when the election results were final in February, that because he did not have any representation in western Canada, that we have to do something to listen to the west and give consideration. I hope that when they do have their Minister's conference on Agriculture that Pierre Elliott Trudeau will put that into real meaning and listen to what they are going to say, and hopefully our Ministers of western Canada will have some positive results insofar as the farmers of western Canada are concerned.

Thank you, Mr. Chairman.

MR. URUSKI: Mr. Chairman, the Member for Rock Lake certainly gave us an earful in terms of his analogy in western Canada as to who supported whom, Mr. Chairman. Supporting the Conservatives in Ottawa and the Liberals is like jumping from the frying pan into the fire, Mr. Chairman, in terms of their respected policies dealing with the issue that we have under discussion this evening, Mr. Chairman.

I want to ask the Minister specifically, could he outline to us what was specifically his government's policy with respect to the marketing of grains that he made to the Wheat Board, that he indicated that his policy was not listened to by the federal Minister. Could he give this committee an outline of the work and the research behind the policy, and the specific policy, the one specific area that he said he made a submission to, to the federal Minister that was not listened to. Could he give this committee some . . .

MR. DOWNEY: Mr. Chairman, as members of the committee are aware, the decision made last year to implement quotas on feed grains for eastern Canada, Mr. Chairman, nine provinces disagreed with the imposition of quotas on feed grains and one province supported it. That was the position that was taken by the provincial Ministers of Agriculture and it was also supported by the provinces and submitted to the federal government that the provinces have input on issues relating to agriculture policy on an ongoing basis. That was the positions that were put forward at that Minister's conference.

MR. URUSKI: Mr. Chairman, could the Minister tell us, was there any research done in the area of the policy position that he had made? What did he hope to accomplish, and what would the impact have been on the marketing system that exists?

MR. DOWNEY: The freedom for producers to market grain directly to purchasers of feed grain in eastern Canada on a direct basis. The use of producer cars, without having quotas imposed upon them. Movement by truck, or however, was a freedom of the producers to provide feed grains to eastern Canada without having quotas imposed upon them.

MR. URUSKI: Mr. Chairman, does the system not now provide for the movement of feed grains to eastern Canada, whether it be through the Wheat Board or throughout?

MR. DOWNEY: It has quota restrictions on it, Mr. Chairman.

MR. URUSKI: Mr. Chairman, could the Minister indicate what kind of quota restrictions are on the movement of feed grains?

MR. DOWNEY: Mr. Chairman, as the Wheat Board see fit, they implement quotas, at whatever level they see is desirous of them to put in place. The option to that, or the alternative to that, I should say, is to allow the producers to market any amount of feed grains they want into the eastern feed market, without having quotas imposed upon them.

MR. URUSKI: Mr. Chairman, was the government position to totally bypass the Lakehead ports?

MR. DOWNEY: Mr. Chairman, that really wasn't part of the policy as far as . . . The decision was that, as far as two things, I said the imposition of quotas on feed grain movement into eastern Canada or into western Canada, into B.C., and also the ability for the provinces to have input on agricultural policy as it relates to the grain industry.

I can table the communique; if the Member for St. George wasn't interested in the meeting at that particular time, then I would be quite happy to bring the communique from that particular meeting to his attention. I don't see what it has got to do with policy studies.

MR. URUSKI: Mr. Chairman, that's my very point. The Minister indicates he doesn't see what it has to do with policy studies. I asked the Minister, as part of my question, what the impact would have been in

terms of the ability of farmers to market grains through the Wheat Board, if his policy of non-quotas would have gone through, and what research was done in terms of how it would affect the ports and the availability of grain to move in an orderly manner. We know, Mr. Chairman, what it has done now, where grains have been shipped into the Lakehead on the open system, grains that had no quota restrictions on them. We know that those grains have caused severe cloggings at the ports and we want to know what the department has recommended to the Minister with respect to the impact on the ports and on the ability of farmers to market, if they desire to market grain through the orderly marketing system: what impact would it have on it?

MR. DOWNEY: Mr. Chairman, the member is suggesting, what effect would it have on them? I would guess the first effect is that if we hadn't seen the opening of feed grain quotas at the rate that we saw, then we would have seen somewhat of a restriction placed on the movement of producer cars and direct sales to eastern feeders. But we have seen a situation since the imposition of quotas that the off-board and the Wheat Board quotas have increased pretty much at the same time. As far as any major policy studies, they aren't necessary. It was the feeling and the position of the Manitoba government not to have quotas imposed on the marketing of feed grain into eastern, or into extreme western parts of Canada. We don't need a major policy study or a review on that particular aspect, when the government takes a position collectively, as we have done. We felt it was in the best interest of our producers here in Manitoba, as did eight other provinces take that position, to allow them the dual marketing opportunities that we have debated here for the last several hours.

Mr. Chairman, I have no more to say on this particular item, and suggest that we might as well pass on to some of the other items, because there will be opportunities to debate this whole item again under marketing. If the members want to repeat the discussions at that particular time, I suppose they would be free to do so. But I see no benefit in sitting here tonight and thrashing straw, as the Member for St. George is prepared to do.

MR. CHAIRMAN: I think it is true, if we are going into the marketing area, we do cover that in Resolution 11. All right. 1.(e)(1) — the Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I just wanted to ask the Minister, as a final question, does he not see that policy recommendation as being a complete reversal to his present statements to us tonight with respect to the cost implications and the downward pressure on prices that farmers have received in Manitoba? The very point of the Minister's policy recommendation to the Wheat Board has exasperated the problem that Manitoba producers have faced, in effect, the lowering of prices because of the grains that were marketed through the off-board market. No? Okay.

MR. USKIW: Mr. Chairman, I simply want to respond to the Member for Rock Lake, who suggested that on February 18th the New Democrats helped defeat a Conservative government. I don't know what that had to do with research policy studies, but I assume it has something to do with it, Sir, because it was allowed to be discussed and his argument was presented to this committee.

MR. CHAIRMAN: One member at a time.

MR. USKIW: Mr. Chairman, I want to confirm to the Member for Rock Lake, that yes, we want to take some credit for bringing down the Clark administration. I don't want to deny that one bit, Mr. Chairman. I think we can take some credit and I'm pleased that we were able to succeed, Mr. Chairman. I would want to relate a little incident that occurred during the election campaign to demonstrate how this was achieved.

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

MR. DOWNEY: On a point of order, what has this got to do with policy studies in the area of research?

MR. USKIW: Mr. Chairman, you have allowed a certain amount of latitude to the Member for Rock Lake. I'm sure you wouldn't want to deny me the same amount of latitude.

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

MR. EINARSON: Mr. Chairman, on the point of order, I was sitting here listening to the Member for Lac du Bonnet, and I was not out of order, as far as I was concerned, I was responding to the comments the Member for Lac du Bonnet made.

MR. USKIW: Mr. Chairman, I want to relate an incident that occurred during that election campaign. I met a fellow in a coffee shop in Lac du Bonnet, an ex-Tory. He was Tory up until then, and then he was becoming an ex-Tory. And he said to me, you know, I don't know what to do in this election. I'm going to Hawaii for a vacation, I'm going to be away the date of the election, and I don't know what to do with my vote, and he was voting at the advance poll that day. Mr. Chairman, I gave him some advice. He told me he would never vote NDP, because he is a Conservative, but he wasn't going to vote for Clark and he just didn't know whether he should bother voting. He said to me what kind of advice would you give me since I am not going to vote for your party. I said, you know, I would put it to you this way, it is the lesser of two evils. It took Trudeau eleven years to lose his credibility and it took Joe Clark six months, so you make the choice. That is how I helped defeat Joe Clark in that particular instance, Mr. Chairman.

MR. CHAIRMAN: Could we get back onto 1.(e)(1)—pass. The Member for St. George.

MR. URUSKI: Mr. Chairman, I would like the Minister to indicate to us, I know I posed these questions to him last week, whether he would give us the figures on the amount of research moneys that

were expended in 1979 and what projects were handled on that. He gave us the grain transportation study, which he indicated I believe cost some 30,000.

MR. EINARSON: Why didn't you do that two hours ago?

MR. URUSKI: Mr. Chairman, I gave that to him last week, last Friday, those questions. I asked him as well last week what studies were being proposed out of the present research budget for the following year.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, if the member would refer back to Hansard, I believe I answered those questions last week, as far as the studies that have been put in place.

MR. URUSKI: Oh yes, he also gave us the hog study, which cost 11,000. It was done by Gordon Muirhead and I think there was a ongoing study by Professor Gilson. Is that the extent of the studies?

MR. DOWNEY: Any other expenditure under this particular area, Mr. Chairman, as indicated to me, is where just over 11,000 to purchase decals for the lease of hopper cars, or to be put on the leased hopper cars to identify the cars, and at this particular time — I would have to check Hansard, but I think that is basically it. There were in the neighborhood — I indicated the 30,000 for the Tyrchniewicz Study, the Gilson Study . . .

MR. URUSKI: 11,000.00.

MR. DOWNEY: . . . on the hog industry at 11,000.

MR. URUSKI: Then there was the other study chaired by Mr. Muirhead, I believe it was. You mentioned that to us.

MR. DOWNEY: Mr. Chairman, I believe that was prior to this last year's expenditures.

MR. URUSKI: Oh, okay.

MR. DOWNEY: I think that was prior too.

MR. URUSKI: We had an expenditure of 41,000 plus the 11,000 for hopper cars?

MR. DOWNEY: Decals, that is right.

MR. URUSKI: Decals.

MR. DOWNEY: Fifty some thousand dollars has been spent out of that particular allocation.

MR. URUSKI: Then there would have been the remainder . . .

MR. DOWNEY: I am sorry, Mr. Chairman, I have also another three-thousand-and-some-dollars on some work done on the Muirhead Study, so there was some of the Muirhead money spent in this particular year.

Monday, 12 May, 1980.

MR. URUSKI: That brings us to, going beyond what the Minister has said, about 55,000. What was the remaining 52,000 used for?

MR. DOWNEY: Unspent, Mr. Chairman.

MR. URUSKI: Would that have lapsed, Mr. Chairman?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: Could the Minister indicate what research studies are being planned for 1980-81 in terms of the budget?

MR. DOWNEY: Mr. Chairman, I believe if the member would check in Hansard, I have already indicated some of the studies we have looked at, and if that information is not available in Hansard to his satisfaction, then I will repeat it, but I would like to check because I know I did respond to him, either this afternoon or last week. After looking at Hansard, I would suggest if the member still is not satisfied, then I would be quite prepared to refer back to it.

MR. URUSKI: Mr. Chairman, I believe my notes were quite clear, because when he made the comments last week with respect to the studies that were done, he went into the recommendations of the hog marketing system, and that is where the debate took us last week. I don't have in my notes what we were looking at in terms of research for the coming year, in terms of the notes that I had made, Mr. Chairman. The Minister may have thought that he had given us the information. My notes don't show it at all.

MR. DOWNEY: Mr. Chairman, I have the information here and I am sure I read it into the record; if I didn't, I am indicating to the member that I will provide tomorrow if it is not available. I have no problem with it.

MR. URUSKI: Mr. Chairman, could I ask the Minister what his government's position will be in terms of the forthcoming federal legislation dealing with plant breeders' rights, what the Government of Manitoba's position is and what research, if any, has been done into the federal legislation dealing with plant breeders' rights?

MR. DOWNEY: The member is asking basically for a policy position on plant breeders' rights, and we have taken the position that as long as governments retain, and they do have the ability to regulate the seed industry through the registration and licencing of varieties, that the ability for the plant breeders to develop seed varieties for the farmers of this country, that our position is that they should be allowed to expand the plant breeders' rights to make them available to other companies. We haven't had an opportunity to thoroughly examine the legislation that is going to be introduced, but our basic position has been to allow the plant breeders' rights to be proceeded with, that the federal government should not have to be the only government that puts money into the development of plant breeding. I am saying that with the reservation that the licencing and the control of the seed industry is maintained by the

federal government, that I do not see where the allowing of plant breeders' rights to be allowed to move out of the hands of government is not going to erode or hurt the production of seed.

I am in the position at this particular time of having a fairly clear understanding from the federal Minister that he is proceeding on the plant breeders' rights' legislation that was prepared prior to the Conservatives getting into office. The Conservative Government federally were prepared to move ahead with the plant breeders' rights, of which we had some discussion at the Minister's conference, and generally supported by all the provinces, and we are in that same position.

MR. URUSKI: Could the Minister indicate to us his understanding of the issue of plant breeders' rights, what does it mean to him, and could he explain it for members of the Committee?

MR. DOWNEY: My understanding in broad terms, Mr. Chairman, is the fact that companies or individuals wanting to develop the certain varieties of seeds or new types of grains will have the ability to do so and retain the rights to produce those particular varieties or types of crops. Basically, I think that what it is doing, it is allowing the private sector to inject more funds into the development of crops, which will be available to the farm community for the broader range of grains and crops to be grown.

I again go back to the point that I think is very important, that the federal government have to retain the capacity or the regulations to restrict or inhibit the production or sale of undesirable type product, that, in fact, as long as that is maintained, then I think the purity of the seed and the development of products available to the farmers can be enhanced by the allowing of more money to get into the actual research of crop varieties.

MR. URUSKI: Could the Minister tell us whether his department has done any research into the proposed legislation, that he has indicated he has had discussions with the federal Minister of both the Liberal regime and the Conservative regime, and the intent of both those Ministers to proceed with this legislation, and I gather from him his intent to support such legislation. Is that correct?

MR. DOWNEY: Mr. Chairman, I think the other point that I want to raise at this particular time was a commitment from the last Minister of Agriculture, John Wise, that there would not be a reduction in federal spending in plant breeding, that in fact the federal government would carry on with their same commitment; that is No. 1, and I want to put that on the record, we supported that.

No. 2, that our department have in fact had ongoing discussions, my staff have had ongoing discussions with the federal government as it relates to plant breeders' rights. There has been input and there have been discussions, not only government to government, province to federal, but the grain producers, the plant breeders of this province have been communicating with my staff and in basic principle support the position which we are taking.

MR. URUSKI: Mr. Chairman, it appears that we are really headed down the road in the wrong direction in this country and all over. What we will find is that the issue of plant breeders' rights and the ability of private researchers to develop and identify their grains, their seeds, as they perceive them as being their own, and they will then have the right to collect the royalties from the development that they make and also to control the marketing.

Mr. Chairman, I believe it will allow many private businesses to enter the plant breeding field and to recover development marketing costs and to make a profit. To make a profit on what, Mr. Chairman? To make a profit on food.

Mr. Chairman, it appears on the surface as a very logical move to support the issue of plant breeders' rights. It is almost synonymous with the issue of worker's rights, Mr. Chairman, that we have had brought up in the Legislature, of the right to work legislation. It is almost as flowery as workers' rights, Mr. Chairman.

What we have seen and what we are seeing in terms of this government's proposal and this government's lack of understanding of the issue of plant breeders' rights and lack of research, and I believe, Mr. Chairman, there are very knowledgeable people in Manitoba in this field who have raised very grave concerns about the genetic developments of grains and seeds in our country. I have, Mr. Chairman, and we have done some work in this area, through our caucus, to try and develop and look at the history of seed development throughout the world and the development of the research in terms of seeds. It goes back to the turn of the century, Mr. Chairman, the development of the seeds, and I think I should read some of the information that we have been able to gather, and how this issue has evolved, Mr. Chairman.

The development of seeds in the world today have been traced back to a few developmental centres known after a Russian scientist named Vavilov. This was done in the turn of the century. These centres of genetic diversity consist of less than one-quarter of the world's arable land. The research was done in Afghanistan, Burma, Malaysia, Java, China, Guatemala, Mexico, Peruvian Andes, and Ethiopia. These were some of the areas where the centres were developed, Mr. Chairman. Current research indicates that less than 10 percent of the earth's 300,000 plants have been examined scientifically, but less than 3,000 have been studied in detail. Ninety-five percent of human nutrition comes from no more than 30 plants; less than 30 plants comprise 95 percent of our human nutrition. Eight of these 30 comprise three-quarters of the human energy, from eight plants. Three crops, namely wheat, rice and maize account for more than three-quarters of our cereal consumption and only 20 vegetable species are used in field cultivation.

Mr. Chairman, modern agricultural history is one of a declining food variety and history shows that out of more than 1,500 species of wild plants and approximately 500 major vegetables have declined to our present day sources of food.

Throughout centuries, subsistence farmers have been conducting a process of plant breeding by careful selection of mutation and seed selection and in so doing have developed crops with a wide range

of variability. It is this variability within a species that provides the basis for many divergent gene combinations that produce strains resistant to epidemics of rust, blight, pests, drought, floods and other crop disasters. Most agronomists will agree that the most recent advances in genetic engineering cannot begin to match the variability found in the Vavilov Centres. This degree of interdependence can be illustrated in the story of Marquis Wheat that helped to make Canada the bread basket of the world. The basic source of breeding material can be traced from Galatia and Poland, to Germany, to Scotland, to Canada, where David Fife of Ontario produced Red Fife.

In recent years, over 55 percent of Canadian farmers seeds Neepawa, a variety containing an introduction known as the Kenya farmer.

Neepawa was developed here in Winnipeg, Mr. Chairman, and is well suited to our climatic conditions.

It has strong straw, mid-season maturity, resistant to shattering, resistant to many races of stem and leaf rust, resistant to common root rot, head discoloration, loose smut and bunt. This is just one example of the numerous varieties of spring wheat, oats, barley, flax, field peas and beans, rye and winter wheat that have been developed by publicly-funded research institutions in Canada.

The Canadian experience and expertise has become the envy of the world and experts from many nations have come to Canada to learn the techniques of our phenomenal success in the research and development of new varieties of cereal crops.

So the question must be asked: Why destroy an institution that has so many outstanding successes? Obviously, Mr. Chairman, the Minister says that the present government is not prepared to cut back in research. What has happened in other countries certainly should be an indication of what is likely to come in this country should we agree and move ahead and support plant breeders' Legislation in Canada, Mr. Chairman.

What we have, Mr. Chairman, if plant breeders' rights legislation is passed, cereal grains are likely to be the next major target by the multinationals who hope to develop hybrid wheat, oats and barley a few years from now. In order to achieve this goal, of course, they need the patent royalties, which would come common with plant breeders' rights. Once achieved, they can continue to work on cereal hybrids. For western Canadian agriculture this can be, we believe, a disaster for cereal crop production due to possible genetic wipeout, or the disappearance of traditional grain varieties brought about by the common catalogue regulations. The immediate impact will mean a quadrupling in the price of seed from about 3 percent of cost to about 10 or 12 percent.

What has happened, Mr. Chairman, on the world scene? Major multinational firms are engaged in an acquisition campaign to take control of the seed industry. One can't argue that this is a deliberate plan on behalf of the multinationals. I think it is probably good business sense in terms of the multinational companies who do the development of fertilizers and weed sprays, chemical weed sprays, to make those kinds of traditional deals. From no

involvement a few years ago, Royal Dutch Shell, or Shell Oil, is now the world's largest seed company. Other major firms include pharmaceutical, agricultural firms such as Ciba-Geigy and Sandoz of Switzerland, Monsanto, Pfizer, Union Carbide and Upjohn of North America.

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

MR. RANSOM: I just wonder if the honourable member would tell us from what document he is quoting.

MR. DEPUTY CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I asked the Minister of Agriculture whether his department had done any research into this area on the proposed legislation. The Minister said they have not done any, although he supports the legislation. I told the Minister we had done some research and I am reading to him from the research that we have compiled in our caucus. If the government can't do it, maybe the NDP caucus can shed some light on this very topic and we are providing him with some information and conclusions that we have reached.

MR. DEPUTY CHAIRMAN: The Minister, on the same point of order.

MR. DOWNEY: Mr. Chairman, I did not say that we had not done any research. Our staff, I said, had been working on it in conjunction with the federal government, the federal Department of Agriculture, plus the plant breeders in the province, the seed producers; that in fact we had done some research through the department on plant breeders' rights.

Mr. Chairman, what we are hearing here, the documentation has been asked for by the Minister of Natural Resources. If it is a document of the Farmers Union, then he should tell us; if it's a document of the NDP caucus, then why doesn't he say?

MR. URUSKI: Mr. Chairman, I told you that it was prepared by the NDP caucus. But I want to know — now the Minister tells us there was some research. I am very very interested in it. Is there a document prepared for the government with respect to the research compiled, and if there is some research, there must have been an expenditure of moneys internally, or there was staff pulled to do research on it, and if there was some research there must be a paper on it. We would love to have a copy of the paper, Mr. Chairman. We can't seem to get any research studies that the government has done. The research that they say they have done they can't release. Now, which is it?

MR. DOWNEY: If the member wants to debate the whole Department of Agriculture estimates under one appropriation of 107,000, I think probably that is what we will do and we'll forget about the rest of the estimates. It's an internal working by the government, by the Department of Agriculture, working with the federal government on the development of our position, and discussing with the

federal government what they are doing as far as the plant breeders' rights are concerned. It is all internal. We haven't hired outside resource people to do that kind of work and we have highly qualified people, people such as Cliff Cranston and Al Martin in the Department of Agriculture, Soils and Crops Branch, Jack Parker, who have been long-term Agriculture people who are very credible in this particular area, who have been working with the farmers and the plant breeders in this particular area. This is where the recommendations come from, Mr. Chairman, not from the ideology of a group of socialists. We have also been involved in working with the university, who have had top quality research people in this particular field.

As I said, if he wants to debate the whole department under one particular special study, special policy studies, then we might as well just forget about the rest of the debates, because we haven't really got to the Research Department under the university. We are debating everything under one heading and I think that we have gone all over the waterfront on this thing. I think it is a matter of either getting on with the estimates or debating the whole department in one go and do the whole thing at once under Minister's Salary, you know, because it's totally . . .

MR. URUSKI: Mr. Chairman, whether the Minister wants to discuss the item — I know that he has qualified staff. We have told him that time and time again that he has qualified staff; make use of them. Don't hide them in the back corner and then do nothing, Mr. Chairman. That is obviously what the Minister is attempting to do, not to bring about any documentation for public discussion and debate because he has not even looked at this area.

He says now he has looked at this area. Which is it? If there is documentation that the government has done, Mr. Chairman, then he should bring it forward and bring it on for public information and public discussion. Certainly, Mr. Chairman, if he can't bring it on, we are bringing this issue to the forefront. He may not like it, and the Minister of Mines may not like it, but the fact of the matter is, this is one of the most, we believe, I believe, one of the most serious issues that will face Canadian seed grain producers in the future, Mr. Chairman. It certainly has an impact on the consumers.

Mr. Chairman, I was indicating that there are many multinational oil companies who have gone into the seed business, Mr. Chairman. I indicated that Shell Oil and many other companies are buying heavily into seeds and that small seed companies are vanishing.

A global seed study prepared in 1978 for the business community by William Tooles and Company was marketed at 25,000 a copy and revealed that in the past 10 years at least 30 seed companies, with sales of 5 million or more, have been acquired by large non-seed multinational corporate enterprises, and at least 11 more mergers are under discussion. That's going back two years ago, Mr. Chairman.

Mr. Chairman, we can't assume that multinationals will have the best interests of the poor at heart, or that with vast chemical arsenals behind them to combat crop infestations, they will have a burning incentive to develop varieties with natural resistance.

They certainly won't, Mr. Chairman. They will be developing varieties that will sell, and they will sell as long as the chemicals are sold along with them, Mr. Chairman. The quest to breed for easy processing and uniformity, rather than maximum nutrition and hardiness, will grow more feverish under plant breeders' rights, and lead to a further narrowing of the genetic base.

For example, potato growers in Canada's Atlantic region are already under pressure to grow what sells and not what grows, to satisfy the . . .

MR. DOWNEY: Why don't you table the report?

MR. URUSKI: Mr. Chairman, I don't intend to table our internal research. If the government is not prepared to bring about what research they have done, certainly we are not going to do their homework for the government, Mr. Chairman. — (Interjections)—

MR. DEPUTY CHAIRMAN: The Member for St. George. One speaker at a time.

MR. URUSKI: Thank you, Mr. Chairman. Mr. Chairman, we believe that the move of the present Conservative Government in Manitoba to support plant breeders' rights is really in the forefront of what one could consider the sellout of the birthrights of western farmers and western agriculture and Canadian agricultural development in seed production as it exists, as it has existed over the history of this country, Mr. Chairman.

What we will see is strictly the development of seeds for profit, Mr. Chairman, and not for the development of food for our own people and our hungry nations. Can you imagine, Mr. Chairman, the impact it will have on the local consumer if the royalty development goes through of plant breeders' rights. What will happen to the price of seeds and the development of seeds for gardening purposes, Mr. Chairman? What we will see is that the development of seeds in certain areas will be such that they will not grow without chemical additives, without the use of certain chemical weed sprays, that crops will be developed along those lines, and unless public research continues and the private development of food stocks, the genetic food stocks does not proceed or proceeds ahead, we will see, slowly, Mr. Chairman, the movement of food development into fewer and fewer hands, and in the long run, Mr. Chairman, we will be at the mercy of the controlling of food in very few hands, not only in Canada, but it is fast happening around the world.

MR. DOWNEY: Not to prolong the debate on this particular item, but I think it should be brought to the committee's attention that if he wants to discuss the one particular issue on plant breeder's rights on the cereal grains, I think we should take a look further at one of the major crops that are grown in the world and refer to it, corn. If we didn't have the private investment in the development of corn, hybrid varieties of corn, where would be at in the production of world food grains? That, Mr. Chairman, hasn't held up, or bestowed any particular profits on any multinational corporation that has provided a product to farmers to develop. Manitoba

producers have been the recipients of some of the benefits of the investments that have been made in the development of corn. Soy beans are another example. He, himself, in the production of turkeys, if it hadn't been for the private investment and the research, would not be in the business of producing hybrid turkeys. The total poultry industry have relied on private investment into the development of hybrids.

He's sitting here, telling us that all hell will break loose if we allow private investment into the development of our plants. I'm saying, as long as the restrictions are there . . . Another point that should be made is that universities will be able to participate in the development and collect royalties as far as the development of plant breeders, so he has tunnel vision, trying to suggest to the agricultural community that here we're going to bestow upon a few individuals, or a few companies, multinationals as he refers to them, great things that are going to hurt everybody. Well, there are many examples that I have listed that have blown his argument completely out of the water.

Mr. Chairman, I am suggesting that as long as the federal government remain committed, as they have, to the continued support for the development of seed stocks, that the university are continued, and we commit our funds to helping them work on the development of seed stocks, that the regulations are kept in place and the licensing of varieties are kept in place, that I cannot foresee the massive danger that the Member for St. George is trying to portray is going to happen. I've used many examples of corn, soy beans, the poultry industry, all areas of livestock production where in fact we have seen the private rights bestowed upon those people who have developed them. And without them, we would have had starving people all over the world.

I'm not suggesting that governments should back off in their area of responsibility. I suggest they should continue with their commitment towards it, continue the licensing and also allow the private investment to get involved, to give support to the overall development of tools or varieties of grains and crops for the agricultural community.

There are many scientists who have spoken out on both particular areas, on both sides of this issue. The Member for St. George is referring to one specific document that has been prepared by somebody on one particular side of the issue. When we take the credibility of the Department of Agriculture with the individuals I have named, the federal government plant breeders who have been involved on a long-term basis, far longer than the Member for St. George ever knew anything about planting a crop or anything to do with agriculture, people who have credibility, and I said the University, the Departments of Agriculture, the plant breeders themselves in this province, in this country, taking the position that they need more money for the research and the work done, the position that I'm putting out here is something that is well accepted and supported by the majority of the farm community, except those particular people who take the dogmatic view that we're going to lose something to the multinationals.

I'm not here to protect multinationals, Mr. Chairman, I am here to support the agricultural community in research and development of seed

varieties and different crops, as I have said, has been demonstrated in the corn and many other crops that we've seen, sunflowers, you name it; there's been a tremendous amount of private investment, and it hasn't taken away from the agricultural community in any particular area that it has already been demonstrated that the development has taken place.

MR. DEPUTY CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, the Minister likes to come around and indicate that we may be against some development in terms of hybrids and the like. —(Interjection)— That's exactly what we're not saying, Mr. Chairman. What we are opposed to is the collection of royalties in terms of crop development.

MR. DOWNEY: Don't like the university getting any money.

MR. URUSKI: Well, Mr. Chairman, Don't like the university getting any money. I think the universities are being sold down the drain, Mr. Chairman. The Minister indicates that there has been increased amount, or continued increased amount in plant research and development in the cataloguing of plants. Mr. Chairman, we know that the plant gene resources development office in Ottawa operates with a budget of about 60,000 a year, with one helper. Mr. Chairman, we know that there is much more work to be done in the public arena.

The Minister commented about the corn development, the research that has gone into corn development. We know that the U.S. had a very severe corn blight in the 1970s, Mr. Chairman, along the lines that the Minister said, of great development. They suffered virtually a catastrophe in the 1970s as a result of the type of development that has gone. It virtually wiped them out, Mr. Chairman.

MR. DOWNEY: Balderdash.

MR. URUSKI: Mr. Chairman, it has. The U.S. Department of Agriculture has said that they are very concerned: The hybrids were doing very well and, all of a sudden, the disease hit. They have had to respond at a time when they didn't know what hit them in terms of the corn blight that the United States had in the 1970s. That's what we're heading for. While the Minister may indicate all he likes that there will have to be incentives put into the plant breeding to be able to recoup some of the costs, I think the registered seed growers of this province and of western Canada think that they are going to be the benefactors of such legislation.

Mr. Chairman, little do they realize that they will be the pawns caught in the middle of something that they don't even realize. It will be upon them before they realize it. They think that some of the producers feel that because they are in the commercial seed production end of growers, that they will somehow benefit by plant breeders' rights legislation, that they will be able to collect extra royalties for the seeds they sell. Mr. Chairman, they couldn't be farther wrong. They will be really sold down the river. It will not happen overnight. I don't predict that tomorrow

the whole industry will be gone down the drain. We want to serve notice on this Minister and this government that in their support for this legislation, and the seed growers, Mr. Chairman, that the support for this legislation in the long-term will only be detrimental to the long-term development of seeds and seed rights in this country, Mr. Chairman. It can have only that detrimental effect. It will have the effect of using what one can say, selling your birthright down the river, Mr. Chairman, when whoever controls the food controls the world. That statement cannot be overstated, and that's where we are heading, Mr. Chairman, by supporting this type of legislation.

MR. CHAIRMAN: (1)(e)—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister indicate, they have done, he has announced under the federal-provincial agreement, research into agriculture in the north, northern Manitoba agricultural study, under the federal-provincial, could the Minister indicate what they hope to gain, that there is not now information in the department insofar as further development of agriculture in the north? The announcement that was made, if the Minister wants some information, the announcement that was made was the study dealing with Wabowden and The Pas are considered suitable for cereal production. That has been known, virtually for years, Mr. Chairman, and if I recall, we were in the process, and I think his Assistant Deputy or his Acting Deputy at the time was in the process of encouraging Mennonite settlers who wanted to move into this area into actually setting up farming operations in the Wabowden area.

I don't know where that has led, but I wanted to ask the Minister what additional information they hope to gain from this northern research project, that the department does not have already on hand.

MR. DOWNEY: Mr. Chairman, because of some of the development of some of the seed stocks that are now available because of the moneys that have been invested in corn and that type of thing, I would think that there could be an opportunity to introduce some of the new varieties into northern Manitoba. These are the kind of projects that will be worked on. He is suggesting that we have known for some time the particular capabilities of the north, I think agriculture is changing, as is many industries, that there are many new varieties becoming available, the opportunities for development of the northern agricultural community, not only in the production of grains or that type of thing, but in the new developments of specific kinds of forages, to develop the livestock industry; that's the kind of work that will be carried out in this kind of a study.

MR. URUSKI: Mr. Chairman, if I recall, does the federal government not have an off-shoot research station in the Wabowden area, that there have been people there; has that been abandoned years ago or what is the status on that?

MR. DOWNEY: No, Mr. Chairman.

MR. URUSKI: There is no agriculture research going on in the Wabowden area?

MR. DOWNEY: No, Mr. Chairman.

MR. URUSKI: Mr. Chairman, then what crops does the Minister hope to introduce? Is there going to be land clearing, or what does the project entail?

MR. DOWNEY: Mr. Chairman, I think it's a matter of looking at the different alternatives, and that's what the study will be done for. He's sitting here wanting to know what the study will do and wants me to sit here and tell him what the completion of the study is going to provide for us. The objective is to encourage in the development of agriculture in more of our northern communities. It will look at the economics of producing different crops or livestock in that particular region. It's a matter of the total aspect of northern agriculture development, as it relates to new varieties, I've said, the availability of new varieties; the total picture has to be looked at, and I think it's a matter of giving the northern communities an opportunity to develop it, if it's feasible.

MR. URUSKI: Mr. Chairman, I recall, several years ago, there were studies conducted in northern Manitoba dealing with vegetable production; hot-house construction in northern Manitoba; northern gardens were being promoted in northern Manitoba; livestock and poultry production were being promoted in northern Manitoba. I'm not certain to what extent grain production, over and above what is already into The Pas, Pasquia area, what additional work is being done than what I have given to the Minister? Because a lot of the research in those areas, in terms of vegetables, poultry, gardening, has already been done, has been carried on. Is this a continuation of something that has been done in the past?

MR. DOWNEY: I guess, Mr. Chairman, the information that has been available will be used as a part of what the study will involve. I think it would be in the best interests of the people involved in doing the work that they use what is available to them and look at the new techniques, or the new tools that are available to that particular development. I suggest that we would be starting from square one. There has been work and there's classification of soils, there's implications of drainage or identification of areas that have to be drained. There are many things that have to be looked at when you are looking at the development of a particular region, and if he suggests that he was a member of a government that had done all that particular work, why in fact haven't we seen more development take place. I'm suggesting that you just don't walk in and prepare information and say this is it till the end of time. It's a matter of continually updating and putting together what is available and looking at the capacity of that particular region to handle what is available.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I'm not suggesting that work doesn't need to be done in certain areas. What I have suggested — some work has already

been done, what I don't want to happen is the Minister going off and reinventing the wheel, so to speak. I mean you can research the research that is already present. If the Minister is indicating that there is going to be some actual demonstration projects that will be undertaken, then that's fine. He talked about drainage. I believe water resources hasn't for example in the, I presume in The Pas area where drainage has been a major problem over the history of that area that has been developed for agricultural use that there is a plan there. I only wanted to know as to what additional work is being contemplated and the Minister seems to be telling me things that have — talking to me about things that have already been done in the past.

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

MR. URUSKI: Mr. Chairman, the research grant to the University of Manitoba is the same as it was last year. Are there specific conditions attached to that grant, Mr. Chairman?

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, the funding that is being indicated here is the ongoing grant to the University. There really is the same use of the funds that's been carried on in the past. Some of the work is identified in the report that's been handed out to the members. A lot of the money goes to the funding of the research station at Glenlea and the farm there. That's basically it, Mr. Chairman.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: I was asking the Minister a while ago on the other item whether we could receive more information than what's shown in the report on Research. There's an abridgement here but it seemed to me that there must be much more documentation than what is provided here, Mr. Chairman.

MR. CHAIRMAN: I might advise the committee that we are on 1.(e)(2).

MR. URUSKI: Yes, that's where the Minister told me to raise it, is at this . . .

MR. CHAIRMAN: Okay, I'm sorry. The Member for St. George.

MR. URUSKI: Yes, we're dealing with the document, University of Manitoba, Faculty of Agriculture, the Annual Progress Report of Research and Experimentation. That's what we're dealing with.

MR. CHAIRMAN: Thanks The Member for Ste. Rose.

MR. ADAM: I'm wondering if the Minister could provide us more documentation than what we have here.

MR. DOWNEY: Mr. Chairman, we don't have copies of the documentation that he's referring to, but I'm sure it would be available if he contacted the University of Manitoba, the Faculty of Agriculture. I

say we don't have it, it's available to us but the specific items that he's referring to, I would think he could contact the University and obtain that particular documentation.

MR. ADAM: Could the Minister take it as notice and provide it for us?

MR. DOWNEY: With the coaching from the Member for Lac du Bonnet, I'm sure that — Mr. Chairman, I could take upon myself to see if I could make available to the Member for Ste. Rose . . .

MR. CHAIRMAN: The Member for St. George. The Member for Ste. Rose.

MR. DOWNEY: . . . and I would do it on the grounds that it's available and I would proceed to do that for the Member for Ste. Rose.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I have a number of studies that I would like the Minister to bring to us in terms of the study dealing with Grain Freight Subsidies and the Location of Livestock and Meat Production in Canada. There is a study — (Interjection)— Yes, there is the study of Vertical Integration Implications for Structural Change within the Canadian Hog Industry and an Economic Analysis of Hog Production in South Eastern Manitoba, and I have two others that I — if they could get for us, Influence of Crowsnest Rates on Farmland Prices, and The Economic Impact of Crowsnest Grain Rates, Transportation and Regional Development.

MR. DOWNEY: I responded to the Member for Ste. Rose, Mr. Chairman. If I can't provide it then we will communicate to the University for the members or give them their telephone number. —(Interjection)— Mr. Chairman, we'll do our best to provide the members with the information that they have requested.

MR. CHAIRMAN: 1.(e)(2) — the Member for St. George.

MR. URUSKI: Mr. Chairman, I hope I'm not misunderstood. There seems to be an impression on the Minister and his staff that we're asking for all the technical data behind this. Mr. Chairman, that's not what we said. We wanted the final written report without the technical data. —(Interjection)— I'm not asking for any trailer load, Mr. Chairman. If the Minister says he can't get it, then let him say so.

MR. DOWNEY: I indicated that I would.

MR. URUSKI: Okay, then that's fine, in terms of the final study that can be read by a layman, that I don't have to be technocrat to decipher some of the words in it. There should be a fairly more detailed than the synopsis that is shown in the document. There should be a bit more completed portion of the study.

MR. CHAIRMAN: 1.(e)(2)—pass; Resolution No. 7, 2.—pass — the Member for St. George.

MR. URUSKI: Could the Minister indicate what changes there are in terms of the crop insurance?

MR. DOWNEY: Mr. Chairman, as far as any major changes, I don't believe that there any that would be significant to mention. Any regulation changes have been filed throughout the course of the year which on an ongoing basis the rate structures have to be changed by regulation. There has been attempt by the government to — or by the administration, the board of directors, to continually extend their coverage to include more new crops, expanded areas for silage corn, for grain corn, a general update on an ongoing basis as far as the provision of security to farmers who are developing or growing new crops plus an update in the general areas of all crop insurance coverage.

Another area that I should mention to the committee at this particular time is the continually updating and the need to update the reclassification or the rezoning or increasing the ability of the crop insurance to provide ongoing reports or an update on the soils as they are growing different crops. That's an ongoing process but something that I feel should be accelerated, that we for example see particular special crops being grown where some of our traditional crops had not been — the soils in those particular areas had not been identified as having the capability of producing some of the other crops at the rate of return that they are and so we're doing it on an ongoing basis, but in some specific areas I think there is need for an acceleration of that particular identification.

I should also mention to the committee that I think it's desirous and certainly is of the government and the board of directors to try and meet the day-to-day needs of the farming community with the assurances or the insurance to provide them with an adequate coverage when it comes to crop insurance, but there is the concern or the problems that we can get into on too specific an area where in fact the actual administration of the program can become somewhat prohibitive of serving the overall broad aspect of the producers. I would add that we have made a change as far as the deadline for application for nonseeded acreage last year with the flood problems that some farmers before last year had to insure for unseeded acreage by, I believe, the end of August. That has now been changed to the end of January, I believe, Mr. Chairman.

Prior to the end of the crop insurance year we put out a public press release and encouraged the farm community to get involved in crop insurance, that it was a management tool available to them, that entering into such a dry seeding period and a growing season, I felt that it was in the best interests of the producers to give serious consideration to the application of crop insurance to their covering of their expenses. We don't have the exact figures but all indications are that the applications are up this year from last year and feel that it is in the best interests of the producers who are putting out a lot of money to grow a crop that they should give all consideration, or should have given serious consideration to the purchasing of crop insurance.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister explain the rating system that is in effect in the crop insurance? I believe the rating systems are set up on a regional basis. Is there, in terms of setting the rating systems, is it set on the actuarial basis based on the premiums collected and the claims paid out, each region stands on its own, or does it vary from crop to crop in terms of across the board, in terms of setting the rating system?

MR. DOWNEY: Mr. Chairman, they go on the experience of past performance of certain areas. For example the hail coverage that is provided, the rate application is applied to specific areas as the private hail insurance companies. On the overall all risk crop insurance coverage, and I believe I'm correct in this, that each area the soil is classed or the area is classed I, G, or H, or specifically in that area, that you can buy coverage under that particular zone. If it's in a particular G rating or H rating, that that is the same applicable across the province; that you can buy insurance at that particular rate in any region. I believe I'm correct in specifying that particular rating.

MR. URUSKI: I'm not sure and I didn't bring my documents with me here, Mr. Chairman. I believe, if I am not mistaken, that there is a rate set for soil qualities in each region, whether they be classed as the Minister said, whatever class, but I don't think the rate carries on into every region for that same class of soil. It would be on the experience of the region that is . . .

MR. DOWNEY: To clarify the soil classification as it relates to the crop that is being produced, there are different levels that can be bought for the different zones within the different parts of the province, but when you are in an area the G land would apply straight across the board or the H, I use that as an example only.

MR. URUSKI: On the regional basis, I wonder if there is any consideration or any work being done in terms of looking at the rating system and looking at it, as the Minister has suggested, on a province-wide basis, whether that would make a substantial change in the way the premiums have been written in certain area, what impact, whether there is any thinking of changing the present rating system?

MR. DOWNEY: Not on an overall basis, but what I indicated earlier to the members was a need to update specific soil areas, zoned areas, that may produce a new kind of crop, better than it has done on the traditional type of crops. For example, some of the sandier regions are doing a pretty good job of producing special crops, sunflowers or rapeseed, where in fact on the traditional growing of wheat, oats, or barley, they did not show very good performance, but under some of the new crops they are. So there is a need to step up the reclassification or rezoning of some of particular areas.

On the overall basis of a blanket policy or a blanket premium or rate, I should say, for the the total province, I don't believe that the Board, they haven't recommended it, and I don't think it would be in the best interests, but it could certainly be

looked at. It would have implications as far as the different regions are concerned, but at this time there is no intent as far as I am concerned to make any change in that area.

MR. URUSKI: Mr. Chairman, the other point I wish to raise with respect to an appeal to the tribunal with respect to a ruling made by the corporation, in the event that the tribunal rules in favour or sustains the ruling of the corporation, is there room for further appeal to any other body?

MR. DOWNEY: To the court, Mr. Chairman, provincial courts.

MR. URUSKI: It is open then for the individual to take it to court?

MR. DOWNEY: Subject to further correction. I believe that if they are unsatisfied with the judgement made by the appeal tribunal or by the crop insurance, then they do have the right to appeal to the court of the province.

MR. URUSKI: Mr. Chairman, I raise that and I will give the Minister some general comments that have been given to me and it deals specifically in the area of farming practices as is being ruled on by the corporation in terms of the practices employed by a farmer in controlling weeds on a farm, and the specific weed was quack grass.

Mr. Chairman, the corporation, in its inspections, has ruled that at the time of seeding the quack grass was of such that they considered it a grass field and declined to cover the acreage for unseeded acreage, because the land was too wet to come on, and that there wasn't sufficient tillage in the fall.

However, Mr. Chairman, there are herbicides on the market, and which the farmer in question has letters supporting from the herbicide manufacturer, indicating that provided the conditions are ideal this type of a weed can be controlled by an application of the herbicide and would sustain a complete kill of quack grass, and that deals with the chemical called Roundup. Although the corporation makes the ruling that the farming practice is such that the field was not ready for planting due to the infestation of the weed, and yet the detailed recommendations on the herbicide say, Do not till prior to using the herbicide, and the farmer waited until springtime and at a time when the herbicide could have been applied, when active growth of the weed is in place, but at such time the weather was such that the fields became waterlogged and he was not able to enter in the field. Once he was able to enter in the field, he did complete the spraying and even at the late stage the field was cleared of the weed, as late as it was, however it was too late to seed a crop and the claim was denied, and that is why I ask the Minister.

The matter was taken to the tribunal, and the farmer provided the tribunal with recommendations from the herbicide company. And although the adjusters ruled that the farming practice was of such as not conducive to be able to have coverage under the unseeded acreage provisions of the contract, yet there are recognized farming practices in terms of weed control that can logically be sustained, and yet there is what is evident, a complete difference of

opinion as to good farming practices as between the corporation and the engineers and the manufacturers of the herbicide and agrologists in this area.

MR. USKIW: Mr. Chairman, I would like to know from the Minister just what is the amount of total subsidy, federal and provincial, to this program projected for this year? We have a total of 2,139,200 estimated for 1980; what would be the federal input into support of the crop insurance premiums for Manitoba? Is it 2 million roughly?

MR. DOWNEY: Mr. Chairman, the federal input would be 50 percent of the premiums and the premiums were over 8 million, so the federal input would be 50 percent of that. I am sorry, Mr. Chairman, I just want to check these figures with . . . I am sorry, the federal government would have put up approximately 50 percent, which would be about 6,800,000 approximately, 50 percent of the all-risk . . .

MR. USKIW: The total is 12 million?

MR. DOWNEY: Yes, double that would be about 13.6 million approximately, these are approximate figures.

MR. USKIW: Mr. Chairman, so that means that we have approximately a total subsidy of 8 million as between the federal and provincial governments in support of crop insurance in Manitoba, 2 million of provincial money and 6.5 million of federal money?

MR. DOWNEY: Mr. Chairman, the breakdown, if I understand it correctly, is that the province, we pay the administration costs of the program, the producer pays half the cost of the premium and the federal government pay half the cost of the premium. Roughly the breakdown would be 6.8 approximately, a little better than 6.8 paid by the federal government, the 2,139,000 paid by the province, and the producer is paying 6.8.

MR. CHAIRMAN: (2) — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, can the Minister indicate to us just where we are at in terms of reserves in the event that we have to draw down this year; how much reserve do we have?

MR. DOWNEY: Mr. Chairman, as of the crop year end at March 31st, 1979, the reserve for payment for idemnities was about about 14,454,668.00. An estimate for the end of the period of March 31st, 1980, is approximately 20 million.

MR. USKIW: That is including the new premium moneys?

MR. DOWNEY: Yes.

MR. USKIW: That would be including new premium dollars?

MR. DOWNEY: Yes, that would include the new premium dollars.

MR. USKIW: Mr. Chairman, 20 million is not necessarily a large amount of money, if in fact we find that this current drought is not going to end soon. What is the position of the corporation should it have to make payouts greater than 20 million; what is the provision there?

MR. DOWNEY: Mr. Chairman, the province and the federal government have an agreement where there is an reinsurance fund which covers the situations that may develop such as we are facing this particular year. There is almost 11 million in that reinsurance fund.

MR. USKIW: So we have a total contingency of 31 million for possible payout in 1980?

MR. DOWNEY: That would be an approximate figure.

MR. USKIW: About 31 million?

MR. DOWNEY: In addition to that, Mr. Chairman, we have a provincial one at 7.5 million and the federal one at almost 11 million, so you would have close to 38 million to 40 million in reserve.

MR. USKIW: Following that, Mr. Chairman, as I understand it, the province is then obligated to put up credit to cover any overdraft beyond that. Is that not the way it works? I am not sure, I think there is a section in the act that either requires the provincial or federal and provincial governments to provide a loan to the Crop Insurance Corporation to cover an overage.

MR. DOWNEY: Mr. Chairman, I would have to check it out further, but I am informed and I do believe that it is the federal government that would put up the loan money.

MR. CHAIRMAN: (2) — the Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman. Could the Minister give us an idea of just what the participation level is with the general crop insurance program?

MR. DOWNEY: Mr. Chairman, the figures for the last two years, 1978-79 - we had 4,552,544 acres, the numbers of people holding contracts were 15,218; 1979-80 - we saw 4,239,657 acres for a number of contract holder of 14,280; at this particular time, Mr. Chairman, and this is strictly an estimate that has been provided to me, of 5 million with 16,500 participants. Now that is information that I have just been provided to me, Mr. Chairman.

MR. USKIW: Could the Minister explain why there is a reduction of participation, or what seems to be the reason for, given a dry year, at least a dry spring, why there is a reduction.

MR. DOWNEY: Mr. Chairman, I indicated an estimated increase in this particular year. I don't have the specific numbers.

MR. USKIW: You won't know until when? What is the cutoff date?

MR. DOWNEY: April 30th was the cutoff date.

MR. USKIW: So it's past.

MR. DOWNEY: But the estimated figure that came from the crop insurance to me is 16,500 participants for five million acres. So that was an estimated figure, but as soon as the numbers are known specifically, I'll make them available to the House or the committee.

MR. USKIW: Could the Minister then give us a breakdown of the hail insurance package, just where the fund is and what is the participation rate there, Mr. Chairman, in terms of acreage and numbers of farmers?

MR. DOWNEY: Mr. Chairman, the 1979 number of hail contracts were 4,260. What was the other information?

MR. USKIW: The amount of insurance carried.

MR. DOWNEY: The insurance coverage was 63,686,000.00. That was the insured coverage.

MR. USKIW: This is outside of the general crop insurance, this is the additional.

MR. DOWNEY: That's right. This is hail insurance. Part 2. Hail insurance, Mr. Chairman. The total acreage covered was 1,576,000 acres..

MR. USKIW: Does the Minister have figures as to what percentage of all hail contracts sold in Manitoba this represents for 1979?

MR. DOWNEY: Mr. Chairman, I don't have those figures available to me, what percentage the crop insurance has of all the hail insurance sold in the province, available to me.

MR. USKIW: Can a farmer insure for hail if he does not have crop insurance, general crop insurance?

MR. DOWNEY: No, Mr. Chairman.

MR. USKIW: Could the Minister indicate why that is not possible, or why it is not advisable? What is the logic in terms of Part 2 in now allowing anyone to buy a contract from the hail insurance company owned by the province, why the discriminatory policy? I know when we were in government, which was the time when this was introduced, there was consideration given to the idea of broadening it to allow anyone in, although we didn't do it. I'm wondering whether further thought has been given to it, and if so, what is the sort of reason for not expanding that, or not allowing others to participate?

MR. DOWNEY: Mr. Chairman, there hasn't been any consideration as far as I have been concerned in opening it up. The board of directors have not discussed it or recommended it to me. I would have to do a little more research into the initial position why it wasn't. I would suspect that it could have been an encouragement for producers to cover themselves on all risk when in fact — I would have to go back to look at the initial introduction of the hail insurance, but I feel that probably would be one

of the reasons that the government, when Part 2 was introduced, that it was a matter of encouraging the total coverage that was available to the farmers.

MR. USKIW: Mr. Chairman, I raise that in the context of, I suppose, equal treatment in human rights. I don't know whether a case could be made with the Human Rights Commission on Farmer A being able to insure his crop under Part 2, Hail Insurance, and Farmer B, because he doesn't have a contract on the general insurance end, not being able to insure under Part 2, Hail. I'm just not sure how solid it is, that one should be denied that right, and that's why I raise the question.

MR. DOWNEY: The member raises a point which could be considered, and we could discuss it with the board of directors to see what their feeling is at this particular time, but I'm just trying to answer him, in light of what I would see the reason for the introduction of having to be involved in all of this originally to be able to participate in Part 2.

MR. USKIW: Mr. Chairman, I think that originally, the program was looked on as a natural adjunct to the crop insurance program, involving the same agency, involving the same people writing contracts and the same administration, ease and efficiency of operation was naturally there because of the administration already being in place for the larger operation. But that wasn't to preclude, in my opinion at least, growth for this operation. Could the Minister indicate to us just how the crop insurance Part 2 program is going in terms of its viability, in terms of its cash flow, are we in the black, are we in the red? Where is the program at at the moment? Are they in deficit or are they in surplus? Do they have reserves?

MR. DOWNEY: At this particular time, Mr. Chairman, the figures indicated to me, and that looks like an estimated figure at this time, in a deficit of 240,396, which has been reduced somewhat from the year prior to that.

MR. USKIW: So I would assume then, from the Minister's answer, that the corporation has been involved in a deficit reduction program on a gradual basis rather than trying to pick it all up in one or two seasons. So this is a deficit going back a few years that's being liquidated, so to speak.

MR. DOWNEY: That's correct, Mr. Chairman. There's an attempt to get out of the deficit position on a gradual basis.

MR. USKIW: I would think the Minister might be in a position to indicate more fully just what his position is with respect to an application on the part of a farmer's wife for a crop insurance contract, where the husband does not have a contract with the crop insurance corporation, but where the wife owns or leases a separate parcel of land from the husband's operations, just what has the Minister been able to determine with respect to her eligibility for crop insurance on that kind of an arrangement?

MR. DOWNEY: Mr. Chairman, I don't know whether the member is referring to a specific case or not, but in general . . .

MR. USKIW: The one that we raised in the House a few weeks ago.

MR. DOWNEY: Yes. But in general policy application, the position of the board, and it was a policy, or a regulation or an order passed by the board of directors several years ago, where, in fact the operation was considered as one production unit, then either/or the husband or wife could carry crop insurance on that particular unit. I think that was an order or a directive passed in 1967 and has not been changed since that particular time. The specific case that the Minister refers to, I'm informed that the individual who was applying for the crop insurance coverage on an individual half-section of land this particular year was being considered as part of the production unit, which was her and her husband working out of the same yard and using the same machinery. Apparently the decision was made by the crop insurance that if the previous year crop insurance premium had been paid, which was debt incurred by the husband of that particular party, and that the total acreage within that unit were covered, then in fact crop insurance could have been purchased. That is the information that has been provided to me from the Crop Insurance Corporation and that's how it stands at this particular time.

MR. USKIW: Mr. Chairman, is the Minister suggesting then that if this lady was to sever her marital relationship, that she would be insurable, No. 1. No. 2, is he suggesting that if it was a common-law relationship, that she would be insurable? No. 3, is he suggesting that the only way she can be insurable is if she files for divorce or separation?

MR. DOWNEY: No, Mr. Chairman. I'm not indicating that. I said, No. 1, that if they are considered to be one production unit, that in fact if the last year's debt had been paid for the crop insurance carried by that unit, which, husband and wife are considered a unit, then when the total unit was covered, then crop insurance could have been bought. He is throwing in some other qualifiers — (Interjection)— he says, very relevant for our times, which would have to be taken into consideration by the board, but I would think, as long as it was considered as a production unit, whether in fact they were married, divorced, or common-law, wouldn't really make any difference if it was considered as one production unit.

MR. USKIW: Mr. Chairman, is the Minister suggesting that a common-law relationship could be considered as a single production unit?

MR. DOWNEY: My interpretation of the order that was put through by the board of directors in 1967, yes, it would be considered as a production unit.

MR. USKIW: So that in essence, if someone wanted desperately to enter into a contract with this Minister, one would have to sneak in a common-law relationship but live separately in order to satisfy the criteria of the Minister of Agriculture in Manitoba?

MR. DOWNEY: Mr. Chairman, as I indicated, that policy order hasn't changed in 1967, so he was the Minister of Agriculture for eight years, that hasn't changed in the particular period of time.

MR. USKIW: Mr. Chairman, I want to relate a little story in that connection. When we were in government, we were discussing the problems that are arising because of the new mode of living amongst Canadians and North Americans these days, one of not entering into formal relationships, but rather very casual ones. And one day, Mr. Chairman, when we were discussing this, there was some reference made to what we should be doing with respect to what one person considered to be a shack-up relationship. That was the terminology used and, Mr. Chairman, the women in the audience rose very quickly to correct that interpretation. They called it cohabitation, which they thought was much more respectable. So since we are accepting the idea of cohabitation, is this Minister going to be in a position now of making some amendments to his regulations in order that we can somehow fit in the programs of this department under that kind of arrangement, because I can see all sorts of problems creeping into the administration of crop insurance, based on that new-found relationship that seems to be much more prevalent in our society today than it was 10 or 20 years ago.

MR. CHAIRMAN: 2.—pass; Resolve that there be Granted to Her Majesty a sum not exceeding 2,139,200 for Agriculture, Crop Insurance—pass.

Now we're on to 3. Administration—pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, how long do you wish to carry on tonight?

MR. DOWNEY(?): Finish this, if we could.

MR. URUSKI: This likely will be quite a while, Mr. Chairman.

MR. DOWNEY: Let's finish it. We've got lots of time.

MR. URUSKI: Mr. Chairman, could the Minister indicate his credit policies with respect to the Agricultural Credit Corporation.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would like to make a suggestion, that is, that since we are entering into a large area of debate — I'm certain that it's going to be a large area of debate. The involvement of credit for Manitoba farmers is no small item. It probably is the most appropriate time to break off for the day, unless we are planning to stay into the wee hours of the morning, which is no problem for us, Mr. Chairman. I simply want to point that out, for whatever it's worth.

MR. CHAIRMAN: I like that suggestion but I am at the mercy of the committee and the Minister. It is five to twelve. I begrudge working after midnight, but I will stay with it if it is the wish.

MR. DOWNEY: Are we going to finish this tomorrow?

MR. USKIW: Mr. Chairman, we are not in the bargaining position.

MR. DOWNEY: No, we are not bargaining.

MR. CHAIRMAN: We do have to break for a changing of the tape, so it might be appropriate to call it a night.

Committee rise.

SUPPLY — COMMUNITY SERVICES AND CORRECTIONS

MR. DEPUTY CHAIRMAN, Albert Driedger (Emerson): I call the committee to order. I would like to refer members of the committee to Page 20, Resolution 30, Item 4. Child and Family Services, 4.(a) Salaries — the Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Chairman, on Salaries, I guess this would be the place to talk about adoption. I wonder if the Minister can give us a bit of a progress report. Do you still have the Central Registry for adoption, and how is it working? Can he give us the number of children that were placed during the year, and if you have it broken down in different age groups, could the Minister give us that.

HON. GEORGE MINAKER (St. James): Mr. Chairman, if I can just get organized here. Mr. Chairman, during the last four years, if we want to bring the honourable member up to date, in 1976, there were 553 children adopted; in 1977 it was 548; in 1978 it was 491; in 1979 it was 496. I think the honourable member appreciates that the number of births are falling off during the past few years, which is a ratio to some degree of those children that might be adopted, which accounts for some of the falloff.

The other thing that we have introduced, I think in the past year, is the encouragement of native couples to adopt native children within the province. Somewhere in here I have the number that have been adopted in that manner, but it has been encouraging that the native people are interested in adopting their own children and we have instituted that type of program.

The registry, we are looking at a possible change in the registry and unfortunately I haven't have a chance to give second reading to The Child Welfare Bill that is coming before the House so I can't really comment on that at this time.

MR. DESJARDINS: Mr. Chairman, I am sure that the committee would understand if the Minister . . . It doesn't matter if an act is passed or not, or if something happens and it doesn't go through, that we can understand, but maybe the Minister could tell us; I think it is important to know.

For adoption, are you talking — maybe I could make one guess. Is it financial assistance for

adoption, reinstating that in the law? Is that the situation, Mr. Chairman?

MR. MINAKER: No, Mr. Chairman, if the honourable member is talking about subsidized adoption. No, I understand that that doesn't require a change in law, it has to be, I think, under regulation, or the law exists now if we want to bring forward that part of the Act we can do so but that's not what I'm talking about.

MR. DESJARDINS: Mr. Chairman, that places us in some kind of a not funny situation. We're talking about the Minister's program, we're voting money and apparently it's a deep secret, we don't know what's happening. I guess if the Minister wants it like that we'll wait until the legislation comes in, but it makes it very very difficult to discuss the situation of adoption. The Minister is saying, and left me hanging there, that he's thinking of changing the question of the central registry and we don't know what is going to replace it. I guess if that's the name of the game we won't be able to say too much on that then at this time.

MR. MINAKER: Just to let the honourable member know, it does not affect adoption in any way and it won't, to my knowledge or understanding, won't increase the cost to the department in any way. It is just something dealing with the way the registry will be handled.

MR. CHAIRMAN: The Member for Transcona.

MR. WILSON PARASIUK: Mr. Chairperson, the CBC has just run a series on Information Radio on the sort of social disorders amongst young people and the way in which these people end up in correctional facilities and the fact that there are a large or ever increasing number of young people ending up on the streets. It did focus in on child prostitution, and this was the series that ran last week. The situation is getting worse. They interviewed the Commissioner of Corrections — that's the one I heard interviewed on radio. I don't know if the Director of Child and Family Services was indeed interviewed on that program, but one got the impression that although this is a problem somehow we operate within a world of restraint and therefore we can't deal with this problem. That seemed to be the government's position with this. There aren't good medium-term residential facilities to deal with young people that have problems. What they do is they go back on the street; they're put in a correctional institute for a while and they go back out on the street again. They have, you know, adolescent prostitutes picked up for the fifth and sixth time. What bothered me about the message conveyed by the government was that it was a matter of priorities and this was an expensive proposition and they really couldn't afford it. My point is that: (1) we're giving up on young people and that disturbs me; and secondly, we are being penny-wise and dollar foolish, because surely when these people end up as pretty hardened cases in the correctional institute for long periods of time, then we're talking about a very very expensive proposition and we're probably past the point of no return in trying to rehabilitate these young offenders. I assume

that this is the proper appropriation to discuss this problem. It's a problem that seems particularly acute again in the inner city, on Portage, on Main Street. Everyone thought it was just centered on Main Street but it really is extending onto Portage Avenue as well.

I'm wondering then, if the Minister has any general statements that he can make with respect to the problem of alienated youth in the inner city and the extent to which there is anything within this program budget apart from sort of a prices-oriented maintenance payments that is trying to ameliorate this particular program which is growing yearly, as that documentary on the CBC pointed out.

MR. MINAKER: Mr. Chairman, with the utilization of Seven Oaks now as an area where short-term and intermediate term treatment can be provided for children in our welfare system, we have at the present time some of the young people who were involved in prostitution being treated there now, receiving some psychiatric help as well as general remedial education and really proper care in terms of the basics such as meals, nutrition and so on, which some of these children were not receiving and along with basically therapy and healthy recreation that they are being counselled at the present time in the Seven Oaks. And as I indicated earlier during debate, that particular facility is set up to accept children on a short-term basis till the Childrens' Aid Society has an opportunity to either return them to their home or put them in foster homes, and then we also have a certain number of spaces allotted for six to eight month treatment. As the honourable member knows, we are presently setting up a program at Knowles School for a psychiatric treatment facility where obviously this type of child will be able to be treated as well.

In addition to that this particular problem — it obviously has existed through the years. We don't know to what level but has sort of been a brought to head with the recent recognition or the taking into custody the six young prostitutes that were involved in that ring. I have advised my staff that in the instance of how to treat these children and how they are being treated across Canada, our Director of Child Welfare is going to be at a June meeting of all of the directors of Child Welfare from the various provinces and to raise that particular subject at the meeting, to find out if in fact it is a problem across Canada and if in fact it is, how are they treating these particular children in other areas of Canada, so that we can check to see if in fact the way that we are treating them at the present time, in the initial stages, is the correct approach; or not necessarily the correct approach but the method that is being utilized in other parts of Canada.

As I indicated earlier we have to recognize that there are probably children out on the streets doing this type of thing, but to date it hadn't been brought to the attention of the department that it was a major problem. It could be that the six children involved, it might not happen again for, say, another three or four years; we don't know. But we are checking into it and also checking across Canada to see if this is a trend or a situation that is occurring in the different cities in Canada.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: The Minister indicated that there were some spaces for six to eight-month treatment. Can he be a bit more specific? How many places do exist for what I would call medium-term treatment?

While he is looking that up, or getting his staff to give him that information, I would just like to pass on another comment to him in this respect. I am wondering whether, in trying to treat something like this, that it isn't a mistake to try and, in a sense, make a 180 degree turn from the type of street culture that maybe a lot of these young people are used to. If you try, in a sense, to capture or seize these people and then try to put them into a place like Knowles School, I'm wondering whether that is just not something so alien that the first thought of the people put in there, or in a sense incarcerated there, is to get out or to get back, and if there isn't some way of trying to provide some facilities in the inner core itself, where people have a chance to relate to some stability and yet have an opportunity to in a sense still, to a degree, be involved with the friends that they grew up with and are very close to. Because the friends of adolescents are probably extremely close friends that people have. People are always very insecure at that particular stage. They are going through tremendous changes in their life and they tend to form very strong attachments, sometimes for better or for worse, but nevertheless, those are very strong attachments, and trying to sort wrench someone out of that milieu entirely, in my estimation, isn't necessarily the best way to deal with it.

We are, indeed, having the problem that I think exists in other older cities, the problem of ghettos, ghettos of poverty, with a whole set of other conditions, unemployment, alcoholism, frustration, alienation. There isn't one simple solution to it, although we have certainly got a lot of indicators of the problems and this is why we keep coming back to it, not only in this part of the estimates but other parts of the estimates of this department and other departments. It is a serious situation when 55 percent of the parents of the children in Winnipeg School District No. 1 are unemployed. It is a very serious situation when about, again, something in the order of about 60 percent of single-parent families in the inner core can't afford the housing they are in and a majority of the housing that they are in of substandard quality.

It is a very serious problem when these children don't have access to the same types of recreational facilities that children in other parts of the city have. It is an indication of problems when we have so many truant.

So we have a whole set of indicators in the inner core, relating to the inner core, and what concerns me is that, again, we don't seem to have any concerted attempt on the part of this government to deal both with the symptoms and with some of the core problems that exist. There used to be an Inner City Employment Program that was operational under the previous administration. It was cancelled. Nothing has filled that vacuum. The private sector hasn't filled that vacuum, there are still a number of public needs unmet in that area, and the public sector certainly could revive the Inner City

Employment Program and try and deal with, I think, the critical problem of low incomes, unemployment in the inner city.

There was an attempt to try and upgrade the housing. The only work that I can see happening is work that in a sense was committed by the previous administration and has been carried through, in some instances, by this administration. But we still have far too many condemned and boarded-up houses in the inner city.

When the Minister now says, well, you know, we are just starting to become aware of this problem, the point is the problem is festering to the point where we can't hide its symptoms any longer. What I am afraid of is we are not getting down to dealing with the problems, the real core problems. I think that what we might be able to do in the short term, until we start trying to do something more with respect to unemployment, housing conditions, recreational conditions, special inputs for Winnipeg School Division No. 1, you know, we have just had a tremendous flurry of activity with concerned parents saying that we are cutting back, or the Winnipeg School Division No. 1 is cutting back programs for inner core residents because of cutbacks, or lack of funds, by this Conservative Government to Winnipeg School Division No. 1. We have had the school division come to us saying, Well, we're running the programs right at the bone but the cutbacks have hurt us. We have had parents, concerned parents, not only from the inner core but from neighbourhoods outside the inner core, coming in . . . The inner city is more appropriate, yes. People coming in from neighbourhoods outside the inner core, within the city, coming in saying the services are essential in the inner city; they are being cut back. We can manage in Kelvin but we think that there has to be extra funding for programs in the inner core.

I think they are being very enlightened when they take that position. Unfortunately, the government isn't being enlightened when it makes these across-the-board cuts in education, because we are dealing with young people. We had a Community Education Program, Community Schools Program, where we were trying to involve the parents with the children at the schools. That program was cut out in the Department of Education by the government. That group had to turn, and got some interim funding, right at the last resort, from the United Way. Yet it was that group that did most of the work in making parents aware of the dangers of glue sniffing, making parents aware of the prevalence of glue sniffing; making parents and the community aware of the fact that certain stores seemed to be selling an incredible amount of glue under weird conditions; and as a result something may in fact be done with respect to the whole problem of glue sniffing, which I think is symptomatic of the problems of young people in the inner city. The point is the Conservative Government of Manitoba cut out funding to those types of programs and what I am saying is that we are reaping the horrible results of that shortsighted policy. I think when we deal with young people like this we have to, not only talk in terms of medium-term residences, but we really have to start looking at those core problems of unemployment, housing, recreational facilities. And if we do something for

the University of Winnipeg Field House, surely it should be possible, on the old St. Paul site, to build into that facility programs for young people living in that area so that they may come in contact with the better athletes; so that they may see some career paths, or come into contact with some role models, at least on the athletic side. But that doesn't seem to be in the plans right now. What I'm concerned about, and it comes back to the lack of planning; it comes back to the lack of an overview on the part of this government with respect to the particular problems of the inner city; and it comes back to the abdication by this government of any concern for problems in the inner city. It's as if somehow they assume that a city administration, which in a sense has washed its hands of many of these things, will somehow deal with problems that possibly the city administration doesn't have the financial resources to deal with; doesn't have the instruments to deal with; and in my estimation, to date, has lacked the will to deal with them. Just because the city administration is lacking in many respects is no reason for this government to abdicate its responsibility for citizens of Manitoba who happen to live in a particular geographical part of the province. We express concern for rural residents; we express concern for northern residents, but for some reason provincial governments, and this one especially, seem to shy away from taking a direct activist approach with respect to the problems of citizens living in the inner city. As a result of all this buck-passing we have a problem that is getting greater and is being accentuated and is spreading and we are dealing with a symptom when we start talking about medium-term treatment, but we have certainly nothing happening with respect to dealing with the fundamental problems that area faces. That is the big problem for this area. We can keep increasing 4 million a year for maintenance but that's really welfare. We aren't dealing with changing the dependency relationship that all those families have; we aren't doing much in the way of providing better housing accommodations; we aren't doing much with respect to providing day care there; we're not providing very much with respect to luncheon and after four, and noon or after four — but in that particular area, I think that maybe we have to talk about lunches as well as noon supervision. I think nutrition is very important in that area, and I think we have to make concerted efforts, and we haven't done it to date. I recognize that this department can't deal with all those problems; but what concerns me is that there is no department in this government that does deal with the overall problems and no department that seems concerned about it. No Minister has come forward to us in any of these estimates to say, we have a critical problem in the inner city, we have to do something about it.

I can recall previous Ministers of Education in the previous administration saying, we have to do something special in the inner city. Previous Ministers of Health, previous Ministers of Corrections and Rehabilitative Services said, we have to do something extra, and they did, and they came forward to the Legislature and they asked for the financial resources to carry that out. But with this government it's as if the problem doesn't exist, and the problem is getting worse and worse and worse

over the last three years, so it's inexcusable for the Minister to now get up and say, well, we just became aware of it because six young prostitutes involved in a ring were picked up and the whole situation was made public. People have been talking about these problems six, seven years ago, certain action was being undertaken to try and ameliorate, if not solve, their problems; those actions were cut out and now we're reaping the sad effects of that.

So I think the government should establish a task force on the social and economic problems of the inner city, and it should get on with the job of trying to deal with these problems, because I'm quite convinced that we do have a case to make to the federal government. We do have a case to make to the city, to try and deal with these, because you know, I look at something here, and we have 50 percent of these welfare costs are cost recoverable from the federal government, but we're dealing with the symptom and not the problem. And yet we have no initiative, no leadership on the part of the government, and that's tragic.

MR. DEPUTY CHAIRMAN: The Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Chairperson. I'm coming in where the previous speaker, I guess, left off. I just sort of mumbled to myself, if you give me a chance to speak that's what I want to talk about.

I want to say, first of all, that in my enquiries around the city, Mr. Chairperson, I'm told that the director and directorate of this department are doing a good job, and I hope I'm not jeopardizing their position in any way by saying that. I've never met the director so I haven't been unduly influenced. I'm told they're effective in insisting on evaluation and services but, of course, are hamstrung by budget restraint, and they're forced by restraints, and I presume this has been going on for some time, into supporting residential institutions instead of helping family to cope through some sort of a home care assistance program, which probably, in some cases at least, would be better.

I would like to suggest that it could be more economical, as well as more efficient, to try to assist families in the family atmosphere, and through the schools and so on, with existing institutions — and I'm calling the family an institution — rather than separating families and putting the children into other institutions.

Between 1975 and 1978, I understand the Social Services Review was started by a joint federal-provincial committee under changes to the Canada Assistance Plan and a cost-sharing plan was proposed for preventative child care services. Now, nothing ever came of that, it never got anywhere, and I just wonder if the Minister can tell us anything more about that, he wasn't listening.

There was a joint federal-provincial committee to discuss changes under the Canada Assistance Plan, a cost-sharing plan for preventative child care services, and I understand it never got anywhere. I wonder if the Minister can tell us, is this going to be re-activated; will he propose to the federal government that meetings be held again in an attempt to get some cost-sharing plan? It seems that

if you go into any preventative child care program now the province has to pay for it 100 percent, and unfortunately there seems to be a reluctance to do anything in which the province has to pay 100 percent.

Before the Minister replies, I'd like to suggest that in a program like this, before you can say that it's too expensive, the costs have to be offset against costs of existing programs and costs of not having programs at all.

So I'll sit down, I have more to say on other things, but I would like to have some answers from the Minister on that particular aspect.

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

MR. DESJARDINS: Mr. Chairman, I think it would facilitate things if we knew exactly what we were going to discuss under this item. The Minister mentioned Seven Oaks. I wonder if the Minister can explain, I was under the impression that Seven Oaks would probably be better discussed under Care and Rehabilitation of Juvenile Offenders, or am I wrong on that? Seven Oaks is something that was renamed at the end of our term, I guess, it was the Home for Girls. Now that has changed completely. I would like if the Minister, when he is going to get up, and then we will try to discuss it at this time. I'm not talking about prevention and so on, but I'd like to know what the facilities are for this. We have under Corrections, and under this we have the Manitoba Youth Centre, the Home for Boys, Home for Girls — Seven Oaks, and if I'm wrong about Seven Oaks, I wish the Minister would tell me.

So it is under this item, and is not considered a detention or a reform school or any of that part at all? Okay, that's what I wanted to know. Now, at one time, a few years ago, we were talking about a wilderness facility and there was money put aside in the budget for that and I haven't heard any more about that, and there was also a northern facility. Was that abandoned also?

It was felt, like the Minister said awhile ago, that when we talked about adoption, they had a program, tried to work with the native people and have them adopt some of their own, and I guess it was somewhat the same thought when we were talking about the northern facility, it was felt that many of these children were sent from the north, they had to come here, and it wasn't as good — mind you, the facilities were very, very good here. I remember the Sisters at Marymount were quite interested in some construction in the north, and maybe there would be an adjustment in beds at the time.

There was also, under this item, the line previously of Program Expansion and Developing Fund and that is not there, I wonder where we will find that? I think we talked about the wilderness, there was something for improving the rates in foster homes, both the regular and special rates, and as I say, those two centres. Then also there was employment of ten native family counsellors in 1978. I wonder if the Minister can tell us where we will discuss that? I see here in front of us, I see there are Salaries and Other Expenditures, the Maintenance of Children and External Agencies, and there again, has there been some change under Maintenance of Children or

External Agencies? I think there was a grant from both or payments from both these lines to the Children's Aid Society, one was for administration, I think, and for their field staff, and the other was for the per diem rate.

I wonder if the Minister could, before we really get into this, if he could make a kind of an opening statement on that. It is a very important department, if he could explain his program, where he feels his government is going at this time, and then we can go from there. Of course, I realize that the Minister is not forced, is not compelled to do so, but I think it would be very very helpful to know his policy, his dreams also, in this area, and then maybe guide us as to where we will discuss these different things. I see now the Seven Oaks Centre, I was looking for it, but would the Minister do that, and then we will be able to discuss the whole thing.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, I don't know who to give preference to first. I have sort of been following sequentially with the members who stand up to raise certain points and questions, and I now have been asked by the Member for St. Boniface with regards to where the department is heading and so forth, and I wonder if I could maybe answer some of these individual questions first, and then get on with the Honourable Member for St. Boniface's question.

The Honourable Member for Transcona would tend to indicate that there are no programs in the inner city to deal with the problems of young people in our community, and mentioned several items which really, as he indicated, didn't fall under our department, indicating poor housing and poverty and so on that we know is a problem in any large city. We sometimes forget or we tend to think of the city of Winnipeg as a small city, when I think in actual fact it probably ranks in maybe the top 20, or at least in the top 25 for the North American continent. The items that he mentions are problems of all large city and have been for many years, and like all governments we are trying to overcome some of these problems.

It even further complicates itself in that you are not necessarily just talking about the inner core, but you are talking about conditions within a city, so that quite often the conditions that we have right in the centre core of the city, some of them hold true say in the northern part of the city and in the old western parts of the city and eastern parts — that's right, that is what I am saying, the early western parts of the city that these conditions exist. We recognize them and we feel that the best approach to the problem of children with their families is to utilize the agencies such as the Children's Aid Society, and they are at the present time starting the preventive measures that were indicated, I am not too sure whether it was by the Honourable Member for Fort Rouge or Transcona about dealing with the parents and getting into the homes and talking to the parents and counselling with the family. The Children's Aid Society is now doing such programs and I imagine the Member for Fort Rouge would be able to indicate exactly when they started that type of program.

I am sort of hopping around here a little bit, but the question was raised, how many intermediate term spaces do we have at Seven Oaks. We have eight and we can go up to twelve spaces.

MR. DESJARDINS: There is eight?

MR. MINAKER: Yes, there is a total of 38 spaces at Seven Oaks, 15 for boys and 15 for girls for short terms. This is what they originally were designated at, that they would be there for two to three days until they got looked after by the Children's Aid Society, and either returned to their own home or found foster homes or whatever was the best in the interests of the children, or returned out into our community.

Our policy is, while the Children's Aid Society's general practice is that after they are treated in Seven Oaks we like to return them to their home if it in the best interests of the children that are involved. If they can be returned to their parents, obviously we would like to return them to their parents. Failing that, then we like to see them placed in a foster home; failing that, then we would get into an institutional or group home facility such as Marymount or one of these other facilities, and in all likelihood probably a few of these children that have been involved in this prostitute ring, after they have had some treatment in Seven Oaks, will probably end up in Marymount, which is an excellent school for girls, and Sister Elise, who does an excellent job over there would be involved in treating and working with the children involved.

For the information of the Honourable Member for Fort Rouge, where she indicates she is hamstrung on the budget restraint, I just might point out that where we are dealing with the maintenance of children — we haven't got there yet, but that is primarily the Children's Aid Society — that we have had a ten percent increase, and then with External Agencies, we have had some 22 percent increase this year over last year, so that there is money being expended into the department to deal with this area.

In addition, I might just draw to the attention of the Honourable Member for Transcona that with regards to the facilities available to the inner core area for the treatment of children, that to give an idea of the percentage of the facilities that are utilized by the Children's Aid Society of Winnipeg, in the instance of the Children's Home, 23 of the 34 spaces are utilized by the Children's Aid Society of Winnipeg, at Knowles School some 15 out of the 24 are utilized by the Children's Aid Society of Winnipeg, at Marymount School 26 out of the 62 are utilized by CAS, Winnipeg, and Sir Hugh John Hostel, 25 out of the 39 spaces are utilized by CAS, Winnipeg; so that a good portion of our services, even though they be sort of an inter-provincial facility, are utilized by the central area of Winnipeg.

I won't go into other details on other facilities available, because that comes under another area.

The Member for St. Boniface raised a question about the Wilderness Program. That still is in existence. Sir Hugh John MacDonald Hostel has the program going, it is a four-year program. I understand it is in its third year, which is at Elbow Lake and utilizes 12 spaces. Most of them are utilized by northern children.

I am just trying to think of another question that was raised. The question of rates in foster homes, I think that best comes under another section where we can deal with it. I think it would be under item (c), we can deal in detail on that.

With regard to the family counsellors, I think you raised the question of 10. I think that the 10 family native counsellors have been transferred to the regions and now work out of the regions.

MR. DESJARDINS: And are there native counsellors?

MR. MINAKER: Yes, native.

MR. DESJARDINS: And it stayed at 10?

MR. MINAKER: Now, with regard to the administration costs for the Children's Aid Societies, they come under Item (d). With regard to the maintenance of the children, or the family rates, they come under (c).

I think to some degree I have indicated the general policies of the department with regard to the handling of the children and that a step was taken early this year, when I first took over the portfolio, that we separate those children on welfare from the juvenile delinquency system and have isolated these children from the delinquency system by utilizing the Manitoba Youth Centre now as a refinement for those children in the juvenile delinquency system. We have transferred over the industrial school to Doncaster Centre, where it was originally at Seven Oaks; and now utilize Seven Oaks, as I indicated earlier, strictly as a facility where children are brought to and are dealt with in the Children's Aid system. Our policy, as I indicated earlier, where it is feasible to return the child to the home they are returned to the home; where it is not feasible, in the interests of the children, then we try and work out a temporary arrangement with the parents that they either go to a foster home and then eventually return to the parents, or they go into a foster home. Failing that, then they could be housed in an institution such as the Sir Hugh John Hostel and other group homes that we have.

We have indicated that we are in a program of putting in a psychiatric-type of facility at Knowles School so that we can work with these children who need psychiatric help before they may be returned to either a foster home or their own home, so these are some of the programs that are being instituted by the department.

I think at this point maybe we can have questions.

MR. DEPUTY CHAIRMAN: The Member for Fort Rouge.

MR. WESTBURY: Yes, I wanted to say another word about this matter of the child prostitution. I am told that some of these young homosexual prostitutes get weekend leaves and they go off with their friends and they return with large sums of money; they have gone for the weekend. It is believed that they are taken to Toronto and Calgary and other centres for weekend homosexual parties. They are flown out and they are flown back, and that this is all involved in the outskirts of a heavy drug and pornographic trade.

This absolutely horrifying and appalling situation is something, unfortunately, that apparently has been going on for some time in the city. The Director of Counselling and Community Services at Family Services of Winnipeg is quoted as making a suggestion that a committee of members from all Winnipeg social agencies should be formed to examine this problem, since it is something that most social workers and counsellors, as individuals, are just finding that with their caseloads and so on it is too big an issue for them individually to counteract.

I wonder if there is any attempt being made to form such a group, a committee, to study the question and see how it should best be approached by an amalgam of all the available agencies and including, I would hope, the Juvenile Squad of the police department as one of the agencies affected and working in the area and, I am sure, extremely knowledgeable about what is going on with this really horrendous problem. I would appreciate it if the Minister would tell me that, yes, they are planning on setting up such a committee to try to find a solution to this continuing program.

I also have a question which I believe would come under this section. I am told that provincial child welfare can only enter a reserve in a life-threatening situation. I realize this is a federal government reservation, preserve, but is it true that the Child Welfare cannot act on complaints when it is a reservation? Does the Minister feel that this is fair to the Indian children? While it may be a federal matter, I appreciate that the Minister has spoken two or three times and he hasn't yet told me to take it up with my friends in Ottawa, and one of the few Ministers that hasn't resorted to that out when asked questions. I hope he is not going to start now, because I do believe that the provincial government has to share some of the responsibility. If there is a need that is not being met, then the provincial government should perhaps be approaching the federal government with a view to solving the problem.

We can't sit back and say, well, it's not our responsibility, it's federal; it's not costing us any money, so we'll just let it go. If there is a need there, if the Indian children have needs that are not being met and we cannot go in until their lives are threatened, then I suggest that some responsibility has to lie on the shoulders of all of us and the government, as our representatives. Thank you.

MR. DEPUTY CHAIRMAN: The Member for Wellington.

MR. BRIAN CORRIN: Mr. Chairman, I, too, wanted to discuss the question of the rights of Indian children and their families on reserves. Mr. Chairman, as the Honourable Minister and most members of this Assembly are aware, and this has been, Mr. Chairman, the subject of discussions during the question period in the past six to seven weeks, a provincial judge in this province last July issued a judicial declaration or statement wherein he condemned the Minister's government and department for their abominable and abhorrent practices respecting native people on reserves. Mr. Chairman, if it pleases the members present, I suppose the honourable provincial court judge could

well have condemned the practices of all provincial governments in this practice for time immemorial.

Mr. Chairman, the case that was before him was one that dealt with this government. I would indicate, Mr. Chairman, for the record, that the evidence that was tendered in that particular matter was of an incredibly exceptional nature. It was incredibly exceptional, Mr. Chairman, because it showed a complete indifference on the part of this Minister's government for the rights of people. One could, Mr. Chairman, characterize that sort of indifference not just as being financial prudence, good fiscal management. One could say that it inferred more than that, Mr. Chairman. One could suggest that it inferred a belief, a real belief in the inequality of people. Mr. Chairman, I think this has gone on too long, too many generations. It's unfortunate, Mr. Chairman, that there are not with us in this Assembly members of that group who have been oppressed for so long because, Mr. Chairman, they could say what I am trying to say, I'm sure, in a much more articulate and in a much more cogent manner.

Mr. Chairman, I want to tell you that when the Member for Fort Rouge suggests that the Minister's staff will not attend upon a native community reserve except in life and death circumstances, that indeed was the finding of Provincial Judge Garson. In that particular case, Mr. Chairman, the provincial Department of Child Welfare, or the Child Welfare Division of the provincial Department of Community Services, were attempting to apprehend a child from a reserve in the western central portion of this province. The judge, in hearing evidence from departmental staff, was able to determine that there were services available of a nature that would be able to support and sustain that particular family and provided to white communities — and I'll use that term white communities — throughout the province. It was even found, Mr. Chairman, that those sorts of services could be obtained in remote white communities in the province, so long as those communities were off reserve.

Mr. Chairman, he determined that insofar as it applied and pertained to reserve communities, no supportive services were available. He was able to determine that even though he wanted to be able to maintain the children, find a way to maintain the children on the reserve in their community with their family or with the family, he was unable to do so because there were no familial support services provided to that or for that matter, virtually any other reserve, by the provincial Government of Manitoba.

Mr. Chairman, he went further because in his exploration of the law, he queried as to whether or not the lawyer for the Minister's government was correct in her submission that this was a matter wholly within the responsibility of the federal authorities and there were references made to The Indian Act of Canada, and The British North America Act, and it was indicated by the Minister's staff that that legislation superceded the provincial child welfare laws.

Well, Mr. Chairman, he being the Provincial Judge, in a lengthy dissertation came to the conclusion that was simply unfounded, that it was not true, that there was simply no reason to believe that the federal government had any sort of paramountcy in this particular area of jurisdiction. And in so doing,

Mr. Chairman, he indicated that he felt that it was imperative that the provincial government assume immediate responsibility in this area. I believe that he asked them whether they would do that. He asked them whether they would provide the service in order that he could retain the family unit. But, Mr. Chairman, he received the same response as we have received from time to time in this House, that it's a matter essentially of federal responsibility and if not, in any event the Minister's department will only attend upon the reserves in life and death circumstances.

Mr. Chairman, we have a situation where every year the taxpayers in Manitoba are required to pay vast sums of money in order to take children out of their communities, away from their families, and support them in artificial environments in other communities. We have a situation where certain people are virtually alienated from their rights, their basic rights as human beings. This, Mr. Chairman, was the cause of real concern at a recent conference in Winnipeg where Indian leaders from across the country gathered to confer on Child Welfare legislation. They too brought this matter to the Minister's attention. They too asked what if anything was going to be done on this various serious matter. I am aware, Mr. Chairman, that there have been ongoing tripartite negotiations as between the federal and provincial governments as well as the representatives of the native communities. Mr. Chairman, to the best of my knowledge nothing has come of this and these negotiations, Mr. Chairman, were not commenced as was indicated during one recent question period, were not just commenced during the course of this government's tenure. They were ongoing, I believe, during the course of the last government's tenure. I suggest, Mr. Chairman, that it is time that some response would be elicited from the Minister.

He said earlier in his statements, I believe to my honourable friend from Transcona, that there was a very serious effort being made to retain the integrity of native families and communities. He indicated that this government was moving in that direction and had conceptually adopted that as a policy direction. But, Mr. Chairman, that seems to defy the reality and actuality of the situation that pertains in our reserve communities.

Mr. Chairman, I would ask for the record whether or not now we could have some categorical statement as to what the Minister will do, independent of the federal government, what the Minister will do to help the Manitoban families' children living on reserves within the community and society of Manitoba; what he will do for the many disenfranchised who live on those reserves? Mr. Chairman, I can ask the same question, and I think that the Member for Transcona hit the mark dead centre when he suggested there was a complete lack of concern with respect to the problems that have prevailed for a great period of time in the inner city of Winnipeg. They are not getting any better, Mr. Chairman, and I am sure none of us has a simple solution that would heal and remedy all that is now plaguing the core area of our city. Mr. Chairman, in the three years that I've sat in this House I've not yet heard one single member opposite rise in his or her place and give us some

idea of what they would wish to do with respect to that problem; what goals they've set; what they envision as being within the realm of reason and possibility for their term of office. We haven't heard a statement of housing policy. We haven't heard a statement with respect to child welfare policy. We've heard very little with respect to education and inner city schooling problems.

Mr. Chairman, this area is simply a vacuum. I suppose one could cynically say that there is no reason why anybody should expect that government to have any sort of commitment to the inner city. The reality is, Mr. Chairman, with very few exceptions, they get very few votes there and there is good reason for that, because the disenfranchised very often also have good common sense.

Mr. Chairman, we have heard absolutely nothing. We have heard pious platitudes on the subject of rail relocation — that's a federal responsibility. Everything is somebody else's responsibility. They have block funding so virtually everything in the core area that can be deposited in the urban government's field is shoved there. We have problems pertaining to the education field, so we have a school board and a school division which can deal with the problems in that area. We have something for everybody, except the provincial government of this province. It completely, continuously abstains from responsibility in that area.

If, Mr. Chairman, we could hear one simple utterance of policy, one exposition relative to their desires for the inner city, anything, Mr. Chairman, absolutely anything, we on this side would, I think, breathe easier. But to date, Mr. Chairman, that hasn't happened and it is highly unlikely that it will. That commitment simply doesn't exist.

Mr. Chairman, when we rise in our places on this side and we speak of inner city problems, we don't expect anything but the callous disregard that meets that sort of concern, and which we confront every time we bring those topics before this Assembly.

This, Mr. Chairman, will afford the Minister, a new Minister, an opportunity to tell us what sort of commitment he has; what, in the half-year or so since he has assumed responsibility for this very important and vital department, he has set out as being his goals. Surely, Mr. Chairman, he intends to leave a legacy of something. He wants to do something; he wants to accomplish something; he wants to leave something by which his government can be remembered, something that will lead to a better way of life for the people of the inner city.

What can that be, Mr. Chairman, my question is very simple and very general? What is it that this Minister wants? Does he want to stay out of trouble? He can do that simply by playing ball with the social service agencies. As long as he speaks well of all the social service agencies he will stay out of trouble, because the disenfranchised do not have a voice; it is a safe position.

What does he really believe the problems are and how does he think he is going to solve them? Is he happy with all the social service agencies; does he feel they all do the job; is he happy with every single dollar he spends? If that is the case, how does he come to be so happy? Does that happiness rest on a foundation of evaluation and cost-benefit analysis? We all know that's not true. Or is that based on the

10 percent increment, the COLA that matches inflation that means that the government is concerned? How much of that money goes to the people that are serviced? Does the Minister know and does he care?

I think there are a lot of questions that the Minister should have. The Minister should be the advocate of the people. I don't give a damn if the social service agencies are happy. The people aren't and that's why there is delinquency and that's why we have a child welfare system. The people of the inner core are indeed suffering and when we come to our senses we will realize that as they suffer, and as the pressure builds, we too will bear the bitter seed of that suffering. We, too, can have a Watts; we, too, can have a burnt-out inner city.

Mr. Chairman, when I talked about the lack of funding and lack of direction on the reserves, and we can acknowledge that the federal government has very little commitment in this regard, Mr. Chairman, I am willing to say that, but, Mr. Chairman, what difference does it make? The problem is coming south. If there is a state of dereliction with respect to federal responsibility, if they are not meeting their commitments with respect to reserve communities, they are simply transferring it to the urban community down south. That's where the easy social allowance is and anybody who has ever dealt with the people on the streets knows that. They are coming this way, and they are coming this way in absolutely astonishing numbers, unparalleled. The demographic population of this city is changing dramatically. It doesn't look the same way; in terms of the inner core of this city, it doesn't look the same today as it did 10 and 15 years ago. It is indeed, Mr. Chairman, a ghetto. It is a place where Indians live. I wouldn't mind, Mr. Chairman, if I could say that and I felt that they all wanted to live there and that they were living in the happiest of circumstances, because I think any community is entitled to live where they want. But, Mr. Chairman, they are there because they don't know where else to be, because there is nothing up north, there is nothing in the remote communities. When they come down here, Mr. Chairman, they are alienated and they are disillusioned and they are frustrated, and they meet a stone wall of bureaucracy and sophistication. A lot of that, Mr. Chairman, is personified by the social services agencies that this Minister will extoll.

The question for the 1980s, Mr. Chairman, is not just a question of whether or not we can keep the lid on the problems that plague the inner core and the people that live there, the question is whether or not we can have an habitable city in the next decade. The city, Mr. Chairman, under this government, is losing its soul, and that's the truth. It is not a hospitable place to be; we occasionally throw charity to people from far-off lands, we are very good at that; we bring people from Vietnam and we hold public meetings and benefits and concerts for Boat People, and there's nothing wrong for that. Mr. Chairman, politicians jump on soap boxes in order to be first to have access to the public applause and approbation that will flow from that sort of activity.

But, Mr. Chairman, we don't hear anybody talking about having special benefits for the native people from the reserves, people who are surely living; people who live in the core, people who are surely

living in circumstances that are absolutely no better than those people who came from China and Southeast Asia. If the minister believes that the conditions in our reserves and in the core are any better, then he should go down there and look with his own eyes. He should go into the houses; he should go into the flats and the tenements; he should go to the Mount Carmel Clinic, where all the Communists purportedly live; he should go to Clinic and he should go to Health Action and he should go to the Emergency Centre at the Health Sciences; he should go to the Main Street Project; he should go to Main Street on a Friday or a Saturday night; he should go to the hotels on the strip; he should go to the pinball arcades. He will see Babylon. It is absolutely unbelievable. It is a place where policemen, hardened officers, walk in pairs.

I remember a few years ago talking to Norm Stewart and he was recalling to me that when he first joined the force his first tour of duty, coming into Winnipeg, was to walk Main Street, and he did it alone. He said that a lot of the people said, well, that was a tough tour of duty. He spent his first year walking Main Street beat and he was a big, tough, young cop, and he said he could do it alone; but he admitted that he wouldn't send out a similarly tough, young cop on that strip today alone. And they don't go alone.

Mr. Chairman, I suggest that it is time that this government — well, not just rethink, but think about a policy for the inner city and the core and the children and families. And when they've done that, Mr. Chairman, they can prove their will and their commitment to assisting to ameliorate some of the problems. Any government could only do very little in this regard, Mr. Chairman. But then they can come here and they can play pious platitudes and virtue. But until they provide us with some solid foundation on which to rest their case, they should remain silent.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Inkster.

MR. SIDNEY GREEN: Yes, Mr. Chairman. I think that the Member for Wellington has certainly pinpointed, and I believe, for the most part, correctly described some of the conditions which society does not, should not tolerate, in any event, with respect to many impoverished people of various creeds and backgrounds in the inner city of greater Winnipeg. And I also think, Mr. Chairman, we would be closing our eyes to the case if we did not acknowledge that on the lowest level of the economic totem pole, as measured by almost all indices, that is with respect to people who wind up in difficulties in terms of the law, who populate our penal institutions, who populate our correction homes, who are not proceeding with their education beyond the lowest number of years on average, that it would be closing our eyes to say that it is not merely an impoverished group of people, but that it can be identified with one particular racial group, namely people of Indian descent, whether it happens to be full-blooded Treaty Indians who have left the reserves and who still maintain their Treaty positions, or that group which has adopted for themselves the name of the Metis people, which is not the same designation that originally attached to the Metis to the province of

Manitoba, but more correctly described as people of Indian origin who have left their reserve and who have given up Treaty rights.

I don't think that the member is furnishing anything very new, although I think he said it with some eloquence, some feeling, that we have heard similar expressions of opinion in the House for all of the years that I have been here in any event. I can remember the members of the House unanimously adopted a resolution in 1968, which I happened to have presented, which stated that the restriction from school boards against native Indians would be removed, and that native Indians would have the right to be elected to school boards on which they resided. That was adopted unanimously, and subsequently implemented.

Also, his reference to the uprisings, the violence that took place in the United States cities was something that was made reference to in this House on numerous occasions, and I don't think that there can be anyone who should minimize the problem. I think, Mr. Chairman, without it being obvious to everybody that we can, and I don't like to try to relieve the Minister of any criticism, but I think that we have to accept it as a shared criticism. The Minister, as indicated by the member, has been there for half a year and has not corrected this problem, has not made a statement defining the problem, and I have to say that my friend, the Member for St. Boniface, was Minister of Health for three years, and was not able to correct the problem.

I know, Mr. Chairman, I was the Minister of Health for some four months, and in those four months the problem was certainly brought face to face with me. I can't claim to have accomplished a great deal. I did remove, Mr. Chairman, a reference to Indians in the Act which had never been proclaimed, and this had some effect of causing, which I was quite amazed, the provincial government to have accepted greater responsibility in the area of child welfare so far as Indian people were concerned. And I also, Mr. Chairman, recall quite vividly that at that time the government said that it would not accept responsibility for social services with regard to Indians living on the reserve. Particularly in Churchill, it came to my mind that the province would not accept responsibility, and at that time, Mr. Speaker, we articulated a policy that we would, yes, we would not let anybody be in a destitute situation in the province of Manitoba merely because there was a jurisdictional distinction between federal and provincial.

And I think we did do somewhat more than what had happened in previous years on that basis. But Mr. Chairman, it is also a fact that the problem was not solved, and I do not think that the problem is quite as simple as it is being made out.

In 1969, the federal government introduced what some may recall as the federal White Paper. It was a very progressive document. It was pronounced by Jean Chretien. If they introduced it before 1969, it was introduced either immediately before or during the period in which the New Democratic Party assumed government in the province of Manitoba. Perhaps immediately before, perhaps during. But it was introduced by Jean Chretien, and I considered that document, Mr. Chairman, to be the most

progressive statement that had been made with regard to Indian affairs that had been made up until that time. The federal government said that they want to regard all Indian people as citizens of Canada in the same way as every other citizen, and citizens of the province in the same way as every other citizen. And we're prepared, Mr. Chairman — and this is particularly important to the province of Manitoba — we're prepared to transfer quid pro quo, its allotment of expenses vis-a-vis Indian people to the provinces, on the understanding that Indian people would then be regarded in the province as citizens of the province.

And I must say, Mr. Chairman, that I, as the, what they call in French, the homologue of Monsieur Chretien at the same, said that I would fully endorse the position and I also said, Mr. Speaker, that I knew that there was going to be some static with this position, and that I was prepared to fight with the federal government hand in hand to bring them out a steady implementation of that policy. It wasn't the province who refused, Mr. Chairman, it wasn't the federal government who refused, and I am not going to pass judgement on the ultimate reasons for it being refused, but it was refused by that organization which represents the Indian people, or at least was the spokesman which the federal government looked to for that recognition, namely the Canadian Indian Brotherhood and in Manitoba, the Manitoba Indian Brotherhood. The reason they did it, Mr. Chairman, and I am not going to pass judgement on this, but they felt that this was a means of the federal government absolving itself of responsibility and gave the province an opportunity of accepting the responsibility without putting up the financial equivalent.

The province said, and Manitoba and Saskatchewan were particularly affected because they have the greatest number of Indian people who are under federal jurisdiction per capita, that we were prepared to do this, but we were not prepared to have the immediate financial load thrust upon the province.

The Manitoba Indian Brotherhood — and this, they considered in their judgement to be their best bargaining position — said we want provincial services, but we don't want to give up the federal responsibility, and therefore the province should be gradually assuming these responsibilities and the money that the federal government has been paying should not go to the province, but should go to the Indian Brotherhood — not to the Indian Brotherhood but to the Reserves.

I, Mr. Chairman, don't want to fault anybody for taking a strong bargaining position because that is their right to do, but I do think that we should all recognize that part of the problem resulted not from lack of care on the part of the New Democratic Party Government when we were in power, but lack of a means of solving this problem, because the province then was prepared, and indeed came very close to saying to the federal government that if the White Paper is not accepted, then without the White Paper you make the province the agent for the delivery of services, it is still a federal jurisdiction, the province will deliver the services in the same way as they deliver it to any other citizen in the province, and the moneys that are required for this delivery will come

out of the federal responsibility for Indian Affairs. It wasn't the federal government who rejected this solution. It was the Manitoba Indian Brotherhood.

Again, Mr. Chairman, I am not going to be the one to say whether this was right or wrong on their part, but it was part of the problem. If the Member for Wellington is saying that the fiscal end of it should be ignored and that the federal jurisdiction should be ignored, then I think that one has to examine what are the implications of proceeding in that way, because if the reserves say, and they did say, you cannot collect sales tax on the reserve because it is in the jurisdiction of the federal government, then is it also for the province to say that we will do all of these things, not only without receiving money from the federal government, but without being able to put any sales tax in that particular area.

Mr. Chairman, I am not saying that there shouldn't be more strength and initiative exercised on the part of the provincial government, but I think that the member should realize that that kind of initiative does put one face to face and in direct conflict with some of the people who are the recognized spokesmen for the Indians who are living on the reserve. Because I was, Mr. Chairman, prepared to say — and I don't think it is any secret — unilaterally that we will act as agent for the federal government for the delivery of all services, now delivered to the reserve, to the reserves. And the Manitoba Indian Brotherhood said that we want a commitment from the provincial government that they will make no such arrangement without the consent of the Manitoba Indian Brotherhood. And that consent was not forthcoming, and that brought about the tripartite negotiations, which I do not have any faith in it. I said it when I was in government. My friend, the Member for St. Boniface, said the same thing. I think the Member for Winnipeg Centre said the same thing. There were various people who said that this is not going to result in a conclusion, and it won't, Mr. Chairman, because there is a very very complicated process taking place amongst the Native people and the Indian people themselves with regard to this particular reserve status.

I think the reserve status is what has hurt and will continue to hurt the Indian people. I believe the reserve status was a way in which the whites who came to this country found of absolving themselves of responsibility on the suggested benign position of saying we will give you a certain allocation and we will let you live your way of life on the Reserves, there will be a special geographical area, and you will have that area, and you will live your way of life. — (Interjection)— That's right. Then the white man could say, well, we made a deal with your leaders, we have done this, and we really don't have any responsibility. That is what was done, Mr. Chairman, when the reserve status was created.

Mr. Chretien's paper, the federal government's paper, was in my view a recognition that that was wrong, that the Indian people did not retain their culture. It was not that they retained something, they obtained something, they obtained something that nobody would want, they obtained dependency. They obtained dependency, they did not retain their culture, and they did not have a bridge to the new North American culture that emerged, so they got the worst of both worlds. They lost their own and

they didn't acquire any of the good that came with the new.

I was very pleased, Mr. Chairman, about a year ago to hear one of the leaders of the Indian Brotherhood saying that we don't want to live on the reserves in poverty; we want to be doctors, lawyers, and millionaires. That is what we want. I think, Mr. Chairman, that he was expressing something that was quite positive, but which has been made impossible. The reason that it has been made impossible is that there is still this urge on the part of some people — and I would say particularly sociologists and university professors, many of whom have never been in the reserve situation and seen it — who say that the Indian people are a nation, that they want nation status, that they want to have a separate status within Confederation, that they want a separate place at the Confederation bargaining table, and that they want to live their own way of life on the reserves, and that what they need is to be completely separated in that way.

In Africa, we call it apartheid — we do. And you know, the Afrikaners, the white minority ruling class, they say that the apartheid is with the best of intentions, that it maintains a white population with their culture and it maintains a black population with their culture, and that is the way it should be, and that any attempt to undo this would be to deprive both peoples.

That kind of thing, Mr. Chairman, is being said in the area of Native rights and it is particularly being said, and we ran face to face with it, and now the federal government is running face to face with it, and I am glad that they are getting their come-uppance, that nothing can be done with respect to a public program which affects an Indian reserve without the consent of that reserve, not without just compensation being made, but without the consent.

For some years the federal government operated on the fiction that they would not have any northern development, pipelines or otherwise, without the consent of the Natives in the area. They now do not use that phrase without the consent, they say without due consideration of the rights of the Native people. Well, that makes a little bit more sense, because it at least implies that if there is argument as to what the due consideration of those rights are, that there will be some way of determining them other than through the unilateral position of one side or the other side, that they can be adjudicated, and there are various forms of adjudication.

Mr. Chairman, you just cannot have it both ways. I will fault the Minister; I won't heap as much blame on him as did the Member for Wellington, perhaps as a matter of self-protection. Maybe it is not because I love him more, is that I have some regard for the efforts of the previous government, who didn't have — he has had how many months? Six months. Well, that is too long, that is too long. I mean we had eight years. Six months, less two. Now, that doesn't mean that I'm going to suggest that the Minister shouldn't be doing something. I'll suggest to him, and I will make the suggestion in all sincerity, and I have no hesitation in making it, because I don't speak different now than I spoke before, that the provincial government should go to the federal government, and go before it's too late, because the federal government is playing a waiting game.

The federal government says that time is on our side; the longer we wait, the more the kind of pressure will be to do something not only on the reserve, but that more and more people will leave the reserve, in which case the province will have to deal with them and the federal government will be relieved of responsibility. Eight years ago, I am quite certain that the federal government would have made an agreement where the province would have received considerable financial input in order to make such an arrangement, to the extent that some of the problems are already being assumed by the province, the federal government no longer will feel obliged to do that.

Now, Mr. Chairman, let me tell you some of the things that they stopped. They stopped paying for tuberculosis patients in sanatoriums, isn't that, one of the staff can help me. And they said these people are your responsibility, and, indeed, I really couldn't say no, because I cannot refuse responsibility on the basis of the person's ethnic background. But there had to be some fairness, Mr. Chairman, and that's why I was very anxious, very anxious that the provincial government make a deal, and it wasn't because of any want of care on the part of the provincial government or any unwillingness on the part of the federal government, but somebody suggested that if we get together the three groups, that they will pay 30 million a year to the province to do this. Is the figure right? Approximately, 30 million I said that, I remember them saying it. They have an agreement. We've never seen any of that, Mr. Chairman, we've never seen any of that, because that agreement wasn't there; it never was there.

It was suggested that talk would lead to such a settlement, but it didn't lead such a settlement. Mr. Chairman, the remarks that have been made in this House tonight with respect to the dangers if we want to be completely self-interested, and usually that works. Self-interest always works better than humanitarianism. If we can join self-interest and humanitarianism then we've got a good proposition. But if we want to be completely self-interested, the dangers that lie ahead in failing to solve this problem are enormous. I don't think that the member for Wellington has exaggerated the potential problems that can exist if this situation is not corrected. And therefore I say to the minister that I won't be nearly as directly critical of him as being the one who hasn't done anything. I will have to share the responsibility with him and with the Member for St. Boniface, and with all of the people in this Chamber and the people who were in here before. I think it is very nice for whichever judge this was to have had an immediate solution and an immediate assessment and judgement as to how the problem would be corrected. I think that we should get that judge into the Minister's chair and watch him squirm. The Member for Wellington is applauding. I say that the judge, in the Minister's chair, would squirm, that he would not have the problem solved. It is easy for him to say what he has said from the bench, with no responsibility of dealing with it. It is not easy for the Minister to deal with it. That doesn't mean that the Minister shouldn't deal with it; that doesn't mean that he shouldn't direct his attention to it; and that doesn't in any way take away one iota from the problem.

But let's put it on the record, Mr. Chairman. The federal government did say that they wanted to eliminate the special — I have used that in quotation marks — status that Indian people enjoy — and I would use that in quotation marks — under confederation; that the direction that the federal government wanted to go was that Indian people would be citizens of the province of Manitoba, and citizens of Canada in the same way as the other 57 members of this House are.

Mr. Chairman, one of the things that I can tell the Member for Wellington, and he should know it, we did have Mr. Dillon, the Member for Thompson, was a member whose background included — I don't know what the percentage was but certainly he was — (Interjection) — Was he half Irish? He certainly had native blood. Mr. Chairman, to my knowledge, in this House, and in the many discussions that I have had with Mr. Dillon, he said many of the same things with regard to what the future must hold, that I have been saying here today, and it wasn't on the basis of those groups who are talking about special native rights and special status, sort of nation characteristics, which is now — and there is a brief in my office, filed to the Constitutional Committee of the Manitoba Bar Association — which doesn't talk about making the person of Indian ancestry citizens of the province of Manitoba or of Canada in the same way as people of different ancestry, but talks about the nation status for Indians within Confederation.

The problem is not a simple one. The problem is not one which will be solved by recriminations against any particular person or any particular party, but the problem is one that the Minister now shares with other members of the front bench. I am suggesting to the Minister, with no less urgency and with perhaps a little more, and I won't even use the words personal understanding, a little more understanding of the Minister's plight than has been expressed in the previous speech, that he does have to move in a direction other than appears to be pushed by various groups who say that they better represent what should happen than does the government of the province of Manitoba. The government, much as I hate to acknowledge it, in my view still best represents what we can, ensemble, call the people of the province of Manitoba. It happens to be a Conservative Government at the present time. I don't particularly enjoy having to admit that they represent the people of the province of Manitoba, but I do so in the hope that someday it will be another government and that we will then correctly be able to be consistent and say that that government represents the people.

I remember the Member for Wolseley got up in the House, in his first speech in the House, and talked about how the government didn't represent the people, and was vituperative in every way about this government not speaking for the people, that was the New Democratic Party Government, and made a speech which showed that he had absolutely no acceptance of the principle that the government is the — perhaps does not speak for the people in every respect — but it is the one which can lay most claim for speaking for the people. It lays more claim than the people who were not elected to government, who generally say, We are the people. I

remember the Member for Wolseley carried on in this way for quite a long period of time and I got up at the time, Mr. Chairman — and you will be able to check it in Hansard — and I said that I could understand the member's feelings, that he does not like the New Democratic Party, he does not like them as the government, that he does not accept the fact, but that he has to accept that we were the spokesmen, collectively, for the people, as long as we continued to be the government; and that if that came as a heavy blow for him — and he is not here — he could have some satisfaction in that I, too, had a terrible cross to bear. My cross was that he spoke for me. He happens to be my Member of the Legislative Assembly, and I had to have that problem. So he spoke for the people of my constituency at that time, and I happened to be one of them. I am sure that there are many of us who have spokesmen who maybe we do agree with or we don't happen to agree with.

I rise, Mr. Speaker, only to indicate to the Minister that although it will be correct that it's not solely his responsibility as to the condition of the present affairs, it his responsibility as to whether there is an improvement in those conditions, and the member is right. What kinds of steps does the Conservative administration and his minister have in mind, with respect to improving the conditions that have been described?

MR. DEPUTY CHAIRMAN: Order please. Before I recognize the next member, we are dealing with Item 4, Child and Family Services, and I have allowed a fair amount of latitude and, I think, basically the Child Services is what we're dealing with. If my interpretation is wrong, I'm at the discretion of the committee. The Member from Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Yes, on that particular item, Mr. Chairman, while I appreciated the member for Inkster's remarks and his recollections, his ability to recall which nobody questions, as far as the negotiations with the Federal Government are concerned, it doesn't distract one whip from the importance, as pointed out by the member from Wellington, of the problem in the City of Winnipeg. I would like to speak briefly to underline the importance of the Minister doing that which is possible, taking into consideration what the Member for Inkster had said and our appreciation of the problem in dealing with the Federal Government vis-a-vis native people, and especially native people off reserves because, as pointed out by the Member for Wellington, a goodly number of people are voting with their feet and they're leaving reserves. I don't want to focus on any particular reserve because I know some of the chiefs on those reserves are trying as best they can to deal with the problem, and I understand that some of the ad hoc programs which were put in place in '76 and '77 are still being stretched a little bit, as far as some of the reserves are concerned where some of the programs fall between the cracks of who is responsible but, nevertheless, that which can be done is being done. But, it's a real problem. On the news tonight, Mr. Chairman, there was a reference to the efforts being made by some businessmen on Portage Avenue to upgrade the north side of the street; and one

evening, last summer in fact, one of the businessmen called me up and asked me to come down for a cup of coffee and I parked in one of the parking lots. To get into his establishment I had to go through a number of kids that were doing absolutely nothing but running up and down the street, and as soon as I saw that I knew why I was invited down for a cup of coffee, because he asked me, when I went into his establishment, how long I thought he could put up with it. There wasn't a soul in his place because the people drive by and they see these circumstances and they just don't stop. Well, in the intervening year the man has closed his doors and left. It wasn't economic conditions in general, it was a specific problem. It's so easy for people to see problems from afar and think that they're easy to solve, but they really boggle the mind, Mr. Chairman. I just want to agree with one thing that the Member for Inkster said in his dissertation that people who kid themselves and think that they're going to get the tripartite approach or agreement necessary to solve some of these problems, I think are deluding themselves. They're totally unfamiliar with people and they're totally unfamiliar with history, because even when people say the Manitoba Indian Brotherhood, it's like saying we'll get all the Kelts together and we'll solve some of the problems in the world; we'll get a representative from the Irish, get one from the English, we'll get one from the French, we'll get one from the Germans, and as we go down through history, Mr. Chairman, it's very very difficult to get a group which can, with any voice, speak for the different groups, especially when you get into the ethnicity of groups. The history of Manitoba as far as the Indian tribes is an interesting history in itself, the differences between the Chippawas, the Crees and the Saulteux and the Ojibways and the rest of it.

But, Mr. Chairman, to think the kind of agreement that was foisted for a short period of time, I'm glad to see that the federal government is changing their attitude, that they ultimately have to accept the responsibility, and the provincial government has to accept some of the responsibility, and we have to move ahead to solve these problems, accept the responsibility for solving them.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, I don't know where to begin because we're dealing with a very complex problem, as has been indicated by several of the speakers earlier in the debate, and dealing first with the Honourable Minister from Inkster that I say that I don't really have any debate with his comments because most of the views that he has indicated tonight I support, particularly dealing with the question of reserves and the affect that they have had on our native people during the years of our country. I also respect his comment and recommendation that we approach the federal government in the near future, and I can agree with him on that, and as part of the government treasury bench I will be trying to influence my colleagues that we take this approach. With regard to my own department's responsibilities, our department officials have been meeting with several tribal councils over the past few months to deal with primarily the Indian child welfare problems on the

reserves. We have met with the Western Region Tribal Council from Dauphin; we've met with the Island Lake bands, in the area east of Norway House; and we've met with Dakota Ojibway Tribal Council and the Swampy Cree to look at this problem that we have on the reserves with the Indian child welfare situation. I might just comment that the sub-committee of the tripartite dealing with Indian child welfare has finally come forward with a report and we're now waiting for the sub-committee meeting to be called to deal with the report. Being a new minister I have sort of sat back waiting for this report to come prior to maybe making initiatives with regard to approaching the federal government on the situation of responsibilities and so forth, but have continued with discussions with the Native people because they have indicated they would like to have the responsibility, many of the tribes, of looking after the Indian child welfare on the reserves. And as the honourable members know that under this Section 7, I think, of The Child Welfare Act, that we do have that authority to form child welfare committees where the Children's Aid Society do not operate, or have responsibility, so it is one avenue that could be looked at. But I did not want to take that step until we find out what in fact the sub-committee has come up with in terms of recommendations.

The question of the inner core and it's problems, is a big subject. I would prefer not to debate it, at this time under the Child Welfare sections and I'm sure it will be debated during the budget debate to a large degree.

With regard to homosexual prostitutions, that's the first time that I'm aware that they are leaving on weekends and I would ask the Honourable Member for Fort Rouge if she can advise me where these children are being housed that that they are leaving on weekends because if they are, say, in the Seven Oaks facility, it's a closed setting and they're held during the weekends, so that we are not aware of that problem, and if she can advise us of it, we would greatly appreciate that.

With regard to the way we're handling problems on the reserves with Indian children, as the honourable members are aware there is a federal law that states that we do have to have permission of the Indian Chief to set foot on Indian reserves. And the way, I know in the instance of the central Children's Aid Society, the way they operate is that one, if they're sometimes are advised by people on the reserve of problems they contact the Chief and get permission to come on to the reserve, or, in fact, sometimes the children in question are delivered at the outskirts of the reserve to the Children's Aid people to be picked up. It is an emergency-type of service that we provide, similar to that that was provided in years gone by, and again relating back to whose responsibility is it to look after some of these services, but as a department there is no way that we will allow any child in our province to be mistreated regardless of race or creed, so that we, when we are advised of such situations we correct it as quickly as we can. But we do it in conjunction with contacting the Indian Chief on the reserve, ask him to allow us to come in and review the situation with him.

I think I've covered most of those that were raised as certain items on the subject.

Monday, 12 May, 1980.

MR. CHAIRMAN: The Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Chairman, I don't want to prolong the debate, but I want to if I may give some advice to the Minister in regard to the problem that we discussed earlier, that is the service to the Indians, especially, on the reserve. My recollection is pretty well the same as the one that was narrated by the member from Inkster, but I want to add this, that every single meeting of the Minister of Social Development in those days with the, whatever you call it, Community Services, the Minister for that responsibility that we had with the ten provinces and the Minister, the federal Minister, I brought this up. And in fact one time I remember I was pretty violent about this. During the term that I was the minister, that committee was set up, of the Indian Brotherhood, that was supposed to deal with the federal and the province to try to come to an arrangement. The White Paper thing got through for the reasons given, but we ended up with, in the eyes of many getting a certain responsibility, moral responsibility, because we're right here, they're not here, and we see all these problems and it's brought to our attention such as the judge referred to and others. And in fact, the province helped fund that committee, but now, it's four years later, and there's nothing. I would want the minister to take a short cut, not to say, OK fine, I'll accept what you are saying and I'll try to convince people. You've got to go, that was done.

I would suggest that there's only one way, is that the Minister convince his First Minister to bring it up with the western Premiers, I think that that should be one on the agenda of the next meeting, and try to get the backing of these people, and it's not going to be easy. Even in western Canada, I tried that. They haven't got the same problem in B.C. and Alberta, so they paid lip service but that was all. They didn't really put in any pressure on. And even Saskatchewan, I don't know if they're getting too rick out there, but even Saskatchewan, didn't have the same concern, although I had been promised assistance.

I think something should be done. It should be done now. There is, it's OK to say we accept the responsibility, and none of us, I know that when I was a minister I didn't like what was going on, but we felt that it was another jurisdiction, rightly or wrongly. Like the minister said, we couldn't put any taxes there. And at times we were even refused admittance to the reserves, so the situation was that we were trying to get something, either that they keep on the way they were doing before, or that they put on the responsibility and the funds to fall off to the province. Or the last suggestion we made that we would be then their agents and then we could do that with or without the consent of the Brotherhood. And I think that as the Member for Inkster said, I think that that's the solution

But I would suggest that if you're going to bring it up, if the Minister is going to bring this up to his counterpart in Ottawa, there's going to be another long delay. I would suggest that it be brought as forcefully as possible, probably by the First Minister who, I think, there seems to be a bit of a clout, it might be the best time to do it now. You know, they might want to treat the west as Canadians, and

accept their responsibilities. I suggest that maybe it should be brought up at the Western Premiers' Conference. It wasn't done in our time, I had had a promise that this would be done, we were waiting for a report of that group which hadn't been in existence that long, but now it's three or four years later and it's high time something should be done, so this is my suggestion to the Minister.

MR. CHAIRMAN: Member for Inkster.

MR. GREEN: Mr. Chairman, I wonder if the Minister can help me out with respect to the sales taxes. I don't remember how that was disposed of. I remember that there were strong representations made by the Indian reserves that we not collect sales tax on reserve, I don't know whether we subsequently did do that, or whether we didn't, but I remember that there were strong representations.

MR. MINAKER: Do you mean the provincial sales tax?

MR. GREEN: Pardon me?

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Is the honourable member referring to provincial sales tax?

MR. GREEN: Yes, my understanding is I believe they still are sales tax exempt on the reserve, because that was one of the problems they had at The Pas when they opened up that shopping centre.

MR. GREEN: When the member says they are still sales tax reserves, we first of all did collect sales tax on reserves. I think that when the province went into the sales tax we collected on a reserve, and I believe it was my government that said that we would stop, although that's not entirely on my mind, but you are telling me, you're telling me at the present time that we do not collect sales tax on reserves. Well there, Mr. Chairman, that confirms then my memory at least that we don't get it. I also believe that we were the ones who stopped it, that there was at the beginning sales tax on the reserves and that we stopped collecting sales tax on the reserves. I think there was a suggestion that there would be a fight about it if we didn't. It does point out, Mr. Chairman, that the anomalies that exist once you start setting up a different system with regard to different citizens, and that's not what we did, that is part of the Canadian Constitution.

It was my strong suggestion that the province may consult — yes consult, consult meaningfully — but if there is no resolution to the consultation that the province accept being appointed by the federal government as full agent of the federal government for delivery of all services delivered by the federal government presently to Indians, that the province will be the federal government agent for the delivery of social services and receive quid pro quo fiscally for the responsibility that has to be assumed. And then, Mr. Chairman, the province will not ask, which I do not think they should ask, are you an Indian or are you not an Indian. . Are you on a reserve or do

you live in Roblin; that you will be dealt with in terms of your rights as a citizen of the province.

And I believe that is the solution, and I tell you, Mr. Chairman, that when you propose that it will not be the federal government who stops you, it will be the Manitoba Indian Brotherhood, and I suggest that with all due respect to the Brotherhood that there can be no prejudice to the fact that the federal government has its agents in the province. If they then wanted to take the next step and set up a reserve as a child welfare agency, I think that that can be looked at. I'm not sure that's the best way. I think that there is no doubt that the provincial social workers who are in the process of delivering these services, that amongst them should be included many people of different backgrounds, and in particular of the background of those who are in need of the service; that there should no doubt be. But to set up a separate jurisdiction of the reserve to deliver the services, Mr. Chairman, I would question that.

MR. CHAIRMAN: (a)—pass; (b)—pass; (c)—pass; (d)—pass; (e)(1)—pass; (e)(2)—pass; (4)—pass. Resolution 31, Item 5, Rehabilitative Services 5.(a)(1). The Honourable Minister.

MR. MINAKER: Mr. Chairman, I think there was an understanding the committee would rise when we were able to get through that particular resolution.

MR. CHAIRMAN: Committee rise.