

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 4 June, 1985.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - EMPLOYMENT SERVICES AND ECONOMIC SECURITY

MR. CHAIRMAN, C. Santos: Committee, please come to order. Since we have no item before us, I'll first call item No. 2.(a)(1), (a)(2) and (a)(3), and then go back to what we were discussing, the economic outlook for Manitoba.

2.(a) Economic Security, Administration, 2.(a)(1) Salaries, 2.(a)(2) Other Expenditures, 2.(a)(3) Social Services Advisory Committee. Having laid the item on the table, we leave it for awhile, then we go back to what we were discussing, the economic outlook for Manitoba.

The Honourable Minister.

HON. L. EVANS: Mr. Chairman, I was speaking when we concluded at 5:30, and I just want to make a couple of concluding remarks to the response that I was providing to the Member for St. Norbert. I have some charts and maybe the Clerk can assist me by distributing them, but I want to lay on the table statistics from the Labour Force Reports for the years 1978-81, which gives you the period in which the Conservative Government was in office, and the years 1982-84 which is the full three years that we have experienced.

If honourable members care to compare the bar charts to begin with, you can note that in 1978-81 - this is the average of the four years of job creation - our average annual employment growth. Regrettably, we were low province on the totem pole. Out of the 10 Canadian provinces, Manitoba's record on average in those four years was the worst of the 10 Canadian provinces. That's clearly demonstrated in that bar chart entitled: "Job Creation, Average Annual Employment Growth, 1978-81."

The other bar chart gives you the average of the first three years of our period in office, 1982-84. In this case, we're ranking fourth from the top. You'll notice, Mr. Chairman, that half of the Canadian provinces are well below the zero line; that is, you had in the Provinces of Quebec, Newfoundland, New Brunswick, Alberta and British Columbia an actual declining employment situation. There was no employment growth, but rather there was employment reduction; whereas Nova Scotia, PEI, Saskatchewan, Manitoba and Ontario were on the plus side. We ranked, as you can see, fourth out of the 10 provinces.

If you look at the two line charts, they are entitled Chart 9, Index of Employment in Manitoba under the Conservatives - this is prepared by our New Democratic Party Caucus staff but, nevertheless, it's the same source. It's from Statistics Canada. Again, you can see in the period from 1977 through till '81, the latter part of '77 through the latter part of '81, which again is the

Conservative period in office, the Canadian rate of employment growth as indexed here was superior or was much higher than the Manitoba growth.

It's quite clear, if you look at Chart 10, happily we have the reverse situation in Manitoba. The rate of growth, the index of employment expansion in Manitoba, throughout this period in office has superseded the Canadian situation. So I think taking the long run of what has happened so far is something that our government is quite proud of.

I would like to indicate, Mr. Chairman, that the latest forecast that we've had available is from the Investment Dealers' Association of Canada. As I said this afternoon, there are many organizations that engage in forecasting. One of the latest to come out is the Investment Dealers' Association of Canada which presented a report entitled "Economic Outlook for Manitoba, May 1985," and the forecast here is for an employment performance to be at least as good as the Canadian average, not below the Canadian average, but at least as good, with unemployment rates continuing well below the Canadian average and maintaining our place as either lowest, or second lowest, or perhaps third lowest, in the 1985 period. I believe this is a public document, but if one cares to go through it they point to very significant, positive factors that should mean a strong economic expansion in the province in the next several years.

They refer, among other things, to something very very critical, which is capital investment, which will continue to be a major source of growth. There's various statistics, various pieces of information provided suggesting that capital investment is forecast to increase 9.1 percent in 1985, following increases of 11 percent in 1984, and 10.9 percent in 1983. After a decade of low capital investment, Manitoba's capital spending increased only 20 percent from '76 to 1983, compared to 76 percent nationally, and is the main reason for the province's having the lowest capital stock ratio among the provinces.

"The government attaches a high priority to productive investment," Premier Howard Pawley stated at the First Ministers' Conference on the Economy in February this year, "that increased productive investment is central to Canada's economic performance over the longer term. It is a key element in securing sustained economic expansion and new job opportunities, improved competitiveness, and the development of regional economic strengths."

The report goes on to make reference to developments and potential of Limestone, the Polo Park Mall, North of Portage Developments and other possibilities for the province. So I'm not going to read the whole thing. It's a public document, we can make copies available for members.

This would reiterate, however, in concluding, what I stated at the supper hour break, that we are quite proud of the fact that as of April '85, we have 11,000 more jobs than we did at the peak employment level prior to the recession, that was in May 1981. We're 2.4 percent higher than that peak and that compares with

the national employment of only 1.9 percent of the country's pre-recession peak. So, taken in perspective, looking at it in the longer run, I think Manitoba has performed quite well.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, it's interesting how the Minister responds to a simple question that he advise the committee whether or not any research has been done with respect to the statistics I pointed out earlier this afternoon with respect to Manitoba's second worst job creation record during the last year amongst all provinces.

I have to, Mr. Chairman, put on the record that from 1977 to 1981, whilst there was a growth in the labour force of 35,000, there were 33,000 jobs created for those 35,000 people who joined the labour force; during the past three years for the 25,000 who joined the labour force, there have only been 11,000 jobs created; and we now have almost 20,000 more unemployed persons in Manitoba than when this government took office.

I return, Mr. Chairman, to the question I asked earlier. Has the government, through this Research and Planning Department, done any analysis of why, during the past year, Manitoba has the second worst job creation record amongst all provinces? Have they analyzed those statistics in an attempted to determine the reasons for that record?

HON. L. EVANS: Yes, Mr. Chairman, although I don't have the figures right in front of me, maybe they are someplace here, there has been a rather interesting phenomenon in the Province of Manitoba which is in contrast to what's been going on nationally, and that is, there has been a diminution of part-time employment. While many people out there are worried and concerned about the growth of part-time jobs at the expense of full-time jobs, we have had the reverse situation here where we have had a diminution of part-time jobs and an expansion of full-time jobs.

It's very difficult to explain why that is - one can speculate - but we haven't got any concrete evidence as to why that particular phenomenon is taking place. We have phoned some of the major employers around the province to try to get an indication and we weren't successful. We weren't successful in getting a satisfactory explanation; for example, in April of 1984, Manitoba had 83,000 part-time jobs and by April of 1985, this had dropped to 78,000. We dropped from 83,000 to 78,000. At the same time, the full-time jobs went up from 384,000 to 388,000. So that, on balance, there has been a bit of a shift take place. One can speculate as to why this is happening, but there isn't any concrete, clear evidence for that trend.

The other piece of information that one gets out of the statistics supplied by the labour force survey of Statistics Canada is the phenomenon of a drop in the employment in the public administration sector. There is provided to the members, I believe in the report that has been distributed to everybody who wants to get a copy of the report, evidence that the weakness in our employment growth is in the public administration sector. There has been a decline, and this accounts

largely for a performance that we would like to see improved. There is a 10 percent drop in the public administration sector in the Province of Manitoba by the first four months of this year, compared to the first four months of last year.

We, again, surveyed the City of Winnipeg, and we discussed this with our own Civil Service Commission officials, and we can't detect it at the provincial or municipal level and we wonder if it is at the federal level. Again, I appreciate the fact that when you break down statistics into smaller sectors, the reliability is not as great as it is for the totals so I would admit that. But, nevertheless, that is what the industry breakdown shows as the weakest component of our employment picture. If you break it down by industry, agriculture, manufacturing and construction, etc., you get public administration as the sector and that is the point of weakness.

MR. G. MERCIER: Mr. Chairman, I take it from the Minister's answer there has been no analysis and no report to the Minister on the matter I've raised. I wonder if he could, in a specific area, when the government took office, in manufacturing there were some 66,000 persons employed in manufacturing. Over the last year from April, 1984 to April of 1985, there has been a reduction from 56,000 to 55,000. So since November of 1981, there has been an 11,000-person drop with respect to the number of people employed in manufacturing in Manitoba and I believe that most, if not all other provinces have in the area of manufacturing, employment is up to the pre-recession levels. I wonder if the department has done any study or analysis of the reasons why employment in manufacturing has not gone back to the November, 1981 level or higher.

HON. L. EVANS: Mr. Chairman, I wonder if we shouldn't be referring this to the Industry, Trade and Technology Estimates to discuss what's happening to manufacturing. This forecast that was conducted or put out by Investment Dealers Association of Canada refers to the fact that in manufacturing the employment level fell from 66,000 in 1981 to 58,000 in 1984. If I could just quote from this: "Productivity improvements in the manufacturing sector have kept employment in the industry from returning to pre-recession levels." So this is the irony of the situation. If you improve productivity, which we all like to see, this association is saying that productivity improvements accounts for the phenomenon, or at least that's one of the reasons.

Another reason given and I'm quoting here: "Moreover, a considerable number of manufacturing industries rely on demand from the other western provinces. Since economic growth in B.C. and Alberta is still sluggish, demand has been weak." So some of our markets in Western Canada have been rather sluggish, the demand from those parts of the country have been weak and of course, this has had a negative impact on our manufacturing industries.

So those are two key factors that are suggested and they sound to be rather reasonable to me.

MR. G. MERCIER: Mr. Chairman, the Minister attempted to refer the matter to the Minister of Industry

and Technology. The departmental report indicates that Research and Planning Department co-ordinates the department's lead role within the Provincial Government with respect to training strategy development, income security and labour market matters, so I would have thought that this department would have been involved in some in-depth analysis of the labour statistics.

If this department has not done any long-term forecasting of any kind, has not done any detailed analysis of the employment trends in Manitoba for the last year, or with respect to a specific occupation like manufacturing, I wonder if the Minister could tell us what the strategy of this department is with respect to improving employment conditions in Manitoba.

HON. L. EVANS: Excuse me, the honourable member's voice fell off toward the end and I didn't hear the last sentence.

MR. G. MERCIER: I wonder, could the Minister explain, inasmuch as his department is supposed to play a lead role in labour market matters, what is the Minister's recommendation to the government with respect to employment strategy for the Province of Manitoba?

HON. L. EVANS: Mr. Chairman, in large measure, we are putting our strategy in place; that is, we are putting a great deal of money into the private sector through our Manitoba Jobs in Training Program and through other programs, such as, Graduates in Business, and even the Careerstart Program. The attempt under the Manitoba Jobs in Training Program, of course, is to get permanent jobs, rather than subsidize temporary positions. But our strategy, therefore, is to do whatever we can in this way. Now we admit there are limitations to waive subsidy programs, but nevertheless, it is one technique that is accepted by many governments as a way of alleviating unemployment, as a way of providing employment opportunities, so we are very strong on that.

I think Manitoba probably is foremost among the Canadian provinces in terms of the various kinds of employment and training programs that we are offering. The Manitoba Jobs in Training Program, I might say, Mr. Chairman, does offer training on the job which is rather unique, where we are prepared to pay a subsidy of up to 30 weeks to a private employer who wishes to hire someone and train that person on the job. So that is part of our strategy and I would like to think that we will have to continue some of this for some time as long as we see the high levels of unemployment that we recognize exist. But, as I say, we are not peculiar in Manitoba in this respect, the entire country is regrettably suffering from high unemployment levels. At the same time, while we have among the lowest rates of unemployment, we are nevertheless very concerned with what we have to deal with.

The other strategy is to persuade the Federal Government to take a more aggressive role. We have had at least two meetings with the Federal Minister, the Honourable Flora MacDonald, and we have had meetings with our counterparts in the other provinces to work out a national training strategy and to deal with other matters that we hope could alleviate unemployment in Canada. This was a key factor, training

programs; a training thrust was a key factor at the First Ministers' Conference in Regina. Manitoba supports that type of effort, and we will continue to do that.

We do regret that the Federal Government is spending less money in Manitoba under its various wage programs at least for the young people. This summer, as you know, there is a reduction of \$2 million, roughly, in the amount of monies being spent by the Federal Government for youth job programs. That makes our role even more difficult.

I would say, therefore, our department will play its role along with the other departments that are focused under the Manitoba Jobs Fund, and the Economic Resources Investment Committee of Cabinet, to do its share in promoting employment opportunities and alleviating unemployment, but we are only one department of several that have a role to play.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman.

I just want to add one brief comment to what the Minister said earlier about the trend in employment in the various sectors and that is, looking at the statistics that were available in March, which is the most recent copy I have available, the trends in the various sectors, I think they speak for themselves. Of the sectors listed, six show an increase, two show the same level of unemployment, and only one dropped. The only sector that dropped in terms of employment was public administration.

One has to be careful in using these figures; in fact the figures state quite clearly that there is a margin of error involved with the use of these figures. However, if you look at the range of the error of the public administration sector and the figures that are there, I think it's clear that first of all, that the public administration sector of employment has dropped; and second of all, this is the largest reason for the drag on the growth of employment in Manitoba over the year that was surveyed. By public sector, that does not mean direct civil service employment; it means the public sector generally.

As the Minister pointed out, the public sector certainly has not decreased provincially, and I don't believe it's decreased substantially at the municipal level, which only leaves one other level of government. I think that ties in with some of the policy changes we have seen at that level.

So if one really is asking the question as to why there has been any slowdown in the growth of employment, which has been a very steady trend the last three years, I don't think it takes the Research Department any length of time, or anybody any length of time, to figure out what the problem is. These statistics speak for themselves. The real problem is in terms of the public administration and particularly at the federal level.

MR. G. MERCIER: Mr. Chairman, has the department done any study of the effects of the payroll tax on limiting employment opportunities in Manitoba?

HON. L. EVANS: I believe the member is referring to the health and education levy. The answer is no.

MR. CHAIRMAN: I think we have already sufficiently explored this area of discussion.

MR. G. MERCIER: We'll decide that. No, no, we'll decide that, Mr. Chairman. I had already decided that, but it's not for you to decide.

MR. CHAIRMAN: The committee has given leave to accommodate the Member for St. Norbert. We have passed the item. We return to an item that was passed, just for the sake of courtesy and now the member is now insisting on a right that he doesn't have.

Are there any more questions?

MR. G. MERCIER: No, I have no more questions but not because the chairman says.

HON. L. EVANS: Pass.

MR. CHAIRMAN: We have nothing to pass because I just returned to an item that was already passed. That was irregular but we allowed it for the sake of courtesy and order in our committee.

Item No. 2.(a)(1) Economic Security, Administration: Salaries; No.2.(a)(2) Other Expenditures; No. 2.(a)(3) Social Services Advisory Committee - the Member for Gladstone.

MRS. C. OLESON: The increase under the Salaries just reflects one staff increase. Is that correct?

HON. L. EVANS: This is a reflection of the normal annual merit increases.

MRS. C. OLESON: Making a total of 29 staff members?

HON. L. EVANS: Yes, plus the one staff year that the member observed, yes.

MRS. C. OLESON: And on Other Expenditures, there's a \$98,000 increase there. What would be included in Other Expenditures that would cause that raise?

HON. L. EVANS: The member refers to a \$698,000 increase I believe, that's what it is, that's what the Other Expenditure is. And that's pretty well all attributed to the automation project that we talked about earlier.

MRS. C. OLESON: That's to the computer, you're meaning?

HON. L. EVANS: Yes, as I refer to it as the Social Allowances Automation Project. That is correct.

MRS. C. OLESON: Under No.(3), Social Services Advisory Committee, does this committee still function as an appeal body for the problems with social assistance?

HON. L. EVANS: Yes, Mr. Chairman, it's very active under the law, under the arrangement with the Federal Government. We must provide a welfare appeal board, or panel, and I can report that it has been very active. In the year '84-'85 it heard 425 cases of primarily welfare appeal cases, or social allowance cases, and a few day care cases. They have the authority to hear matters relating to day-care subsidies; licensing of day care centres and also the licensing of residential care

facilities, so-called group homes. That's all included in the 420 cases that they dealt with last year.

MRS. C. OLESON: Is this still funded on the 50-50 government assistance program?

HON. L. EVANS: Yes, it is.

MRS. C. OLESON: Does that include any actual funds for social allowances, or is that just the appeal function and the administrative function?

HON. L. EVANS: That is correct.

MR. CHAIRMAN: Are there any other questions?

MRS. C. OLESON: I don't think I have any in that immediate area. No, unless you have. We can go on to (b).

MR. CHAIRMAN: 2.(a)(1) to 2.(a)(3) were each read and passed.

2.(b)(1) Social Allowances Programs, Social Allowances; 2.(b)(2) Health Services; 2.(b)(3) Municipal Assistance - the Member for Gladstone.

MRS. C. OLESON: Could the Minister give us numbers on the Social Assistance rolls to do with the City of Winnipeg and the provincial rolls and municipal, or does he have figures for the municipal rolls?

HON. L. EVANS: I'll give you the provincial figures. Our '84-85 average monthly Social Allowance caseload was \$22,250; then the average municipal monthly caseload in '84-85 was \$9,300.00.

MRS. C. OLESON: That's provincial?

HON. L. EVANS: That's municipal. The provincial was \$22,250.00.

MRS. C. OLESON: That's the average per month?

HON. L. EVANS: That is correct.

MRS. C. OLESON: Does the increase in funding in this department reflect a projected increase in a caseload?

HON. L. EVANS: Normally it reflects increases in caseload. One would hope that there wouldn't be an increase in caseload, but it also has to take into account possibilities of rate changes that do occur from time to time or adjustments that occur from time to time that cause us to spend more money.

MRS. C. OLESON: How often are there rate changes, just once a year to reflect the cost of living and the cost of food?

HON. L. EVANS: It's normally there once a year, normally they're effective January 1st of the year, that's the beginning of the calendar year. Although we can and do, my experience has been that from time to time adjustments are made. Recently we announced the

program for sole support fathers, effective June 1st; this has a certain cost implication. So from time to time there could be an adjustment in the program that would cause an additional increase in spending.

MRS. C. OLSEON: In the fall of 1984 the Winnipeg Free Press ran a series of articles called "Desperate Straits" on the subject of social assistance and in the first installment in December, I believe it was the 22nd, the writer of the article reports that the chairman of the 1983 Manitoba task force on social assistance made several statements condemning the government for lack of action on the report. The Minister's report has given the authors of the report no answer as to what he intends to do. Has the Minister in the meantime, given them some indication of what he intends to do with that report?

HON. L. EVANS: Yes, while we have stated publicly, the chairman of the task force was on a television program about this matter and I guess I was as well and I've indicated publicly that because of financial constraints, we weren't able to implement the majority of the recommendations of the report. However, we were prepared to move on the automation project which is quite a bit of money and very important, so that is going ahead. And of course we have moved on the issue of sole support fathers. That has now been put into effect and that of course was another recommendation.

But the general tenor of the Ryant Report was to virtually move towards some kind of an annual guaranteed income system. I know those terms may not have been used throughout the report, but there was some suggestion implicit that we move in this way. And frankly, no province on its own could put in, in my judgment at least, a guaranteed annual income system without breaking the bank. But more specifically, the recommendation was to eliminate a municipal welfare.

The fact is that 7 out of 10 provinces do not have municipal welfare; 7 out of 10 provinces administer social assistance strictly through the Provincial Governments. It's only Nova Scotia, Ontario and Manitoba that has a two-tier system.

While I personally believe, and our government believes, that it would be advisable at some point to move toward the one-tier system, at this stage it was deemed that it would be very costly and we didn't think we could move at this point, but we don't disagree with the recommendation. Hopefully, at some stage, the Government of Manitoba can move in this direction for various reasons, and these are stated in the report.

MRS. C. OLSEON: Why does the Minister say that it would be more costly? On what basis is he thinking that it would, what's the reason that it would be costlier than the present system?

HON. L. EVANS: There are a couple of reasons. Well one reason is that the rural municipalities, in particular, and some of the smaller towns and villages, pay lower rates than the province; they are not required to pay the same rates that we do. So if we implemented a universal rate I can't see us reducing it, we would be

more or less carrying on where we were, therefore, we would be substituting a lower rate with the higher provincial rate. Again, that varies all over the province, it varies from town to town, R.M. to town, etc. That's one reason.

The other factor, of course, the reality is that if we moved into the municipal welfare field, Mr. Chairman, we would have administration costs, perhaps real costs but, in many ways, the client wouldn't benefit that much more. They would benefit to the degree that the rate would be maybe a bit higher but, essentially, we would be taking over the costs that are now incurred by the Municipal Government. Admittedly we cost share, but we would be taking over 100 percent of the cost, rather than paying, let's say, 50 percent or some portion.

MRS. C. OLSEON: Does the Minister's department presently have no jurisdiction at all on how much municipalities pay in the line of social assistance?

HON. L. EVANS: The short answer is, no.

MRS. C. OLSEON: The Minister mentioned the sole support fathers, and I have been following some of the remarks in the paper that people were rather disappointed that part of the act hadn't been proclaimed when it was passed last year. I understand the Minister has recently had it proclaimed. What is the cost of implementing that?

HON. L. EVANS: Mr. Chairman, it is very difficult to ascertain that. The problem is we don't know how many sole support fathers there are out there. I suppose what we could do is look at experiences in other provinces, I suppose look at Saskatchewan and see how many sole support fathers they have. I think it's a matter of a few hundred, 400 or 500, so we could perhaps duplicate their experience. We will know in a year from now. We know it's not 10,000 or something like that, I mean, obviously we have some idea, but we think it's a matter of a few to several hundred.

MRS. C. OLSEON: Well did the Minister not, in introducing the legislation, or prior to introducing the legislation, undertake some survey or some measuring device to figure out how much it would cost, instead of putting it in the legislation, promising it and advertising it as done, and then not implementing it immediately? Did his department not do any study of what it would cost?

HON. L. EVANS: We have an idea of what it would cost, but that idea varies with the number of clients we'll be taking on, but one estimate is it might range, for this year's expenditures at least, between .5 million and .75 million.

MRS. C. OLSEON: In the interim between the passing of the legislation and the proclamation, were there many people that applied and were turned down?

HON. L. EVANS: Mr. Chairman, they wouldn't have applied necessarily, because - well I don't know, there may have been some applying to our field offices, but normally they wouldn't apply - because the word was

out that we don't cover father's allowances. But we did get many letters from people, particularly from organizations, including human rights groups, who felt that we were discriminating unfairly, and we have had correspondence with the Human Rights Commission of Manitoba which had a few cases pending where people were bringing cases of discrimination to that commission against us.

MRS. C. OLESON: Back in the article that I was referring to earlier, the article in the Free Press entitled, "Desperate straits," the Minister is reported to have told Legal Aid and the Manitoba Anti-Poverty Association in response to a brief from them, that he didn't intend to change the appeal process; that it wasn't critical in the light of the government's priority of economic development and that the Minister didn't feel that it was necessary to change the appeal process. But, obviously, these people in Legal Aid and the Manitoba Anti-Poverty Association thought that it was.

In the light of this criticism, has the Minister made any plans to change the appeal system?

HON. L. EVANS: From all the information I have, the appeal process that we have in place is working fairly well. I would want to resist a process whereby we get involved - I've got nothing against the law profession, but I think it would unduly delay decision making if we began to introduce legal counsel, which is what's being recommended by some groups. I really think government should resist this as long as the appeal process is fair. I think my information is that we have been fair, and the board has done a fairly good job and has done so for years, I think. But that's what I reject, the introduction of legal counsel so that you end up in something like a court of law.

There is always the appeal to the courts anyway. On the matter of law, if the client is dissatisfied with the Appeal Board's decision, and if there is a matter of law, of interpretation, etc., the client can go and, I guess, uses our legal aid system and go to the courts.

MRS. C. OLESON: Has the Minister contemplated any changes to the \$150 Special Need Allowance? That amount apparently was set years ago and obviously there have been great changes in costs in that time. I think some people find it very difficult to live within that Special Need Allowance; and also, what criteria does the department give to field staff as to what that is to be used for; are there set criteria or is it completely up to the discretion of the field workers?

HON. L. EVANS: Mr. Chairman, we do have a general criteria but we give a fair amount of latitude to the field staff in this respect.

I agree with the honourable member that 150 doesn't sound like much, it has been in place for a number of years. The only thing I would say is that where there is a very serious situation we can go, and do go, above the \$150.00. The problem is, whenever you adjust an item, even though it might sound like a fairly nominal amount, say from 150 to 175, it usually translates into hundreds of thousands of dollars once you multiply it by 22,000 cases or so. Having said that, I must admit there are some families who don't use any of the Special

Need money. There are some cases where they don't use the Special Need money.

MRS. C. OLESON: I would suppose that it would be people who are on social assistance for a short term who probably would not need it and it is the long-term people who probably make the most use of that.

Now, one of the articles that I was referring to quotes social assistance recipients as having very few kind words for the system and they claim that it takes away their confidence and forces dependency. I'm concerned, particularly, about the young people in this group. Could the Minister give us figures of how many people between the ages of 18 and 24 are on social assistance?

HON. L. EVANS: Mr. Chairman, I'm advised we don't have that statistic available, but the City of Winnipeg estimates that half of their caseload is under 25, this is for the Mother's Allowances, just in general. So it is probably similar in our case.

Of course, if you are dealing with the long-term category, like long-term disabled, the average age would be higher and, therefore, I would think the percentage of young people would be lower.

Mother's Allowance categories - well, we've had some people on Mother's Allowances for many a year; I just don't have that information. We can get it, but it would take a lot of work, maybe when we have the automated system in place.

MRS. C. OLESON: In 18 to 24 months, you'd be able to get it.

HON. L. EVANS: if it was necessary for policy reasons, we would get that information, but I mean you can dig up a lot of statistics that may never be needed, so why do the extra work.

MRS. C. OLESON: It occurred to me, and it caused me some concern, when you read that in the young people there are 18,000 between the ages of 15 and 24 who are unemployed. You know, there must be some of them that's the only way they have of support then if they can't possibly get a job.

Last winter, there also was in the Free Press, and probably to do with that same series of articles, there was a suggestion of operating a food bank. Also, there was an incident here where the Minister of Education and other members of the NDP Caucus mounted a campaign to provide winter clothing for inner city children, a rather unheard of activity for government members to take part in. Is this a reflection of inadequate social assistance? Were the people who they were helping, were many of them on social assistance? Have you any way of knowing that?

HON. L. EVANS: Mr. Chairman, it is very difficult to know that. I would say some were probably on social assistance, but I would think that some were not on social assistance; likewise, with those people who utilized so-called food banks. You have to look at family situations and, even though there were in some instances regrettably a major increase in the allowances, there are still going to be some families who are having difficulties managing because they have difficulties managing, period.

But, I would say this, that Winnipeg is not, and of course there are none outside of Winnipeg, we have maybe one or two facilities that provide a meal a day or so, one at least that I know that is run by a church group. Then I heard of a second group that was to be established, and the first group was saying, well, we don't really need another one because we've got lots of food, our problem is storage. This is what I remember reading in the paper.

Frankly, we don't have the food bank lineups and the food bank situation that you see in Vancouver or Toronto or wherever. I think it is a reflection of the fact that we have not cut back on our rates, in fact, we have increased the rates substantially, particularly our first year in office, we increased them by 16.5 percent, way above inflation because we were catching up with what we perceived to be a holdback in the late '70s.

But I think, by and large, the system that we have in place is relatively generous and if people manage their money properly they can live adequately on it. We have thousands of people who are living adequately, they know how to manage their money, they make rational decisions and so on.

Just on that, though, if there is free food someplace it may not necessarily even reflect on a system because, if you can get a free lunch, it is a rational way of supplementing your real income. You know, if there is some free food, why not go and get it and then you have money for something else.

So it's a rational thing to do if you happen to be in the area, I suppose. If you have to spend a lot of money to travel to that point, of course, that would outweigh the economic advantage. But, generally speaking, my impression is that people in Manitoba are treated fairly well, including the Mother's Allowances. And, frankly, I can tell you this, that there were a large number of articles written, a series, and I can't recall very much negative correspondence about our system; as a matter of fact, you get the reverse, you get many people in Manitoba who think we are perhaps too generous with the social allowance . . .

MRS. C. OLESON: That's about the size of it.

HON. L. EVANS: Yes.

MRS. C. OLESON: You can't win.

HON. L. EVANS: You can't win, that's for sure, I agree.

MRS. C. OLESON: One of the concerns I have is with people who are handicapped. For instance, in my constituency I have a young woman who I talked to many times about this problem. She is confined to a wheelchair; she was injured in an accident - I am not just sure what kind - but she gets a small compensation payment as a result of this accident. It, of course, is deducted from her social assistance cheque. I don't suppose that there is really any opportunity for her to ever get a job, so she will be a long-term social assistance case. She lives a few miles from town. She has, of course, an older car which is in constant need of repair. She has quite a difficulty convincing the field worker that she needs assistance in that regard. Her field worker tells her that, well, she could get a ride

with the neighbours and, of course, it's not very difficult to see that that would not always coincide with how her neighbours felt about the problem or what she wanted to do or needed to do.

She lives out in the country where probably the rent is considerably cheaper than it would be otherwise. But I am wondering if there is any way of treating this type of case, or is there presently any way that this type of case is treated any differently from a regular social assistance recipient?

HON. L. EVANS: I am not sure what the honourable member was referring to whether there would be a different rate for the individual, or whether there would be some additional support programs.

The rate is not different. Of course, there may be special circumstances that we will take into account, and we do. For handicapped people we may be purchasing equipment, supplying special services that are absolutely needed, various devices, etc. In this woman's case, I don't know the details, but we are making an effort to bring into the workforce people who are disabled. It is difficult, and particularly in rural Manitoba. We have to find employers who are willing to take on the people with handicaps. Under the Jobs in Training Program, we have 25 percent of the money earmarked for so-called special need categories which includes many people, but it includes disabled people, as well, and we do make a special effort, we bend over backwards to try to encourage employers, and we always give preference to the disabled wherever we can.

We do have, as the member knows, the Human Resource Opportunity Program. We have, under that program, not only on site, but in the last couple of years we have extended it to what's called the Work Experience Program, so that we go beyond the site and actually place people in ongoing actual job situations in the area.

In WestBran, just to use one example, previously it was an all-sheltered workshop in the City of Brandon. Today, it's gone beyond that and we are able to, with this expansion of the program, put people in Neepawa, Glenboro, Souris, Virden, etc., wherever there is some opportunity.

Now, particularly, we are making an effort to get Mother's Allowances, younger women who maybe have children who have grown up to a certain age where they can put them in a day care or maybe, if they are stable, to leave them in school during the day and they are old enough to look after themselves when they come home from school, perhaps. So there are middle-aged women nevertheless on Mother's Allowances and need a bit of a break to get back into the so-called labour market. So we have the VIA Program, Voluntary Incentive Allowance, where we provide \$40, in addition - and that's not \$1 an hour, it's a \$40 lump sum payment meant to pay for transportation costs, a little bit of extra money for clothing or whatever - and the mother would continue to draw the allowance and, at the same time, get the work experience. The idea being that once we have placed that woman, or helped her get into a regular work position, that the employer would eventually take her on. In fact, that has happened and we have lots of examples.

Now, this program could be made available, and maybe I would have to look into it, but I would like to see a program made available for disabled people whereby we can provide a little bit of an extra allowance to defray their costs so that they can get to their potential place of employment and so on.

But what you need is all these support programs through whatever it is - the Crippled Children and Adults Society and whatever, Handi-Transit and so on - so that people can lead a normal working life.

MRS. C. OLESON: I think probably one of the stumbling blocks with this particular case is that the person lives out in the country, and to take advantage of the things that you were talking about it would be much easier if you lived in the City of Brandon or the City of Winnipeg.

Does the field staff actively search for programs for people in that sort of situation?

HON. L. EVANS: Mr. Chairman, our staff per se, and our income security staff, economic security staff, are really there to ensure that adequate income is provided for food, clothing, shelter. We are not necessarily in the business of offering additional assistance, but we would refer people to the Department of Community Services, Department of Health, and so on, or various organizations, the Crippled Children and Adults Society, for assistance. But we would also look toward MLAs to tell us from time to time, which they do.

If you would like to pursue this you could write to me about this individual and we could look around to see if we can help her. If there is any way of helping we would certainly like to do that, but we would have to get a little bit of information.

MRS. C. OLESON: Yes, I have talked to her caseworker about it.

HON. L. EVANS: Oh, you have, okay.

MRS. C. OLESON: There is another problem that's come to my attention, and it may not be something widespread, but with the department's reclaiming of overpayments, I had a woman phone me who, for some reason or other, had been paid an overpayment - I think it was as far back as 1978 - and she was still being asked to pay for this. She had been employed for awhile but at minimum wage and was trying to pay a little bit of this off, but she is currently unemployed. Now how long does the department pursue this type of overpayment matter?

HON. L. EVANS: Well the answer is, that we pursue it until it's repaid.

MRS. C. OLESON: I know in this particular case it just adds to the burden of being chronically unemployed, and at a chronically low wage when she is employed. She feels it's almost a harassment in being asked to pay it. I don't know what the story is of the overpayment, how that happened, and I can see to some extent that the department has to pursue this. But when years and years go by, it really adds to her problems considerably. I just wonder what the value of it is because from the

sound of it, it may be a very very long procedure in ever reclaiming all of that. I think it's \$2,000.00.

HON. L. EVANS: Mr. Chairman, the problem is that we have, for whatever reason, many many cases where overpayments are made. It's usually because income is earned and it's not reported or it's reported subsequently. If, therefore, they have had an overpayment because they received a gift from somebody in whatever amount of money or there are other instances - and I won't go into all the detail - but where people get an extra amount of income, they either don't declare, then we find out and we make the correction, or they subsequently report it and we have to make the correction.

If we didn't do that, again because we're dealing with so many thousands of people, we would be into a lot of money. While \$2,000 sounds like a very small amount and very . . .

MRS. C. OLESON: It's horrendous to her.

HON. L. EVANS: If you multiply that, if we had a very loose policy in wiping it out, well it could run away on us.

We're always prepared to review cases and look at them, not that we would wipe it out, but that sometimes we can adjust the rate of repayment or something like that. But the law that we have and the regulations we have is that it must be repaid because it was an overpayment under the regulations. This is true of any government program.

MRS. C. OLESON: Another matter that I wanted to discuss was the matter of rent allowances. In the press release that the Minister put out announcing that the rates were going to increase in January, 1985, it says: "The increase will affect the fixed rates for food, clothing, personal needs, room and board, in addition to covering the actual cost of rent."

Now I wonder what criteria is used for paying rent. Is there an upper limit on the amount of rent that is allowed?

HON. L. EVANS: Yes, we pay actual rent up to a limit and the limit varies, of course. It has been increasing the last few years. I'll try to get that for you. It will depend, of course, on the size of the family and whether the family is in a situation where they can only rent a single-family house or whether they're in the city or the urban area and they're into an apartment, and whether it's one bedroom, two bedrooms, three bedrooms. In some cases, our recipients are in social housing so the housing costs a little less.

We'll get it for the honourable member. It will just take half-a-minute.

MRS. C. OLESON: In the meantime, maybe the Minister could tell us if there is a standard by which they judge accommodations in allowing suitable rent, or do they pay whatever the landlord asks. The reason I'm asking this is I have been told in discussions about this, that in some parts of the province some of the rental accommodations that people on social assistance live in is, well to say the least, substandard. Rent is being

paid either to the recipient and they pay the landlord, or it is paid direct. I think both circumstances occur.

But I wonder, could the Minister comment on what the department does to decide if this accommodation should be rented at all, and what pressure, if any, they put on a landlord to improve the conditions of the living accommodations.

HON. L. EVANS: That is a problem that I have been concerned with over the years. I don't like to see anybody live in slum housing, but that sometimes happens in the city areas because of shortage of housing in some instances. We normally take a laissez-faire approach if you will, or a hands-off approach. We try to treat people as individuals and give them all the dignity that we can and the opportunity and we, therefore, ideally pay money to the recipient. The recipient, the client is supposed to look for her or his or their own dwelling. We prefer to take a hands-off approach, and let that individual go out and find suitable accommodation. If it's within the guidelines, we pay it. But we don't take a paternalistic view and say well, you've got to go into that apartment or this house. We don't do that.

Likewise with the payment of rent, we prefer them to pay the rent themselves. We give them the cash to pay the rent because this way they have a better relation with the landlord. But if there is a case where the client fails to pay two or three times, well then of course we're prepared to pay directly to the landlord. Or sometimes, the client might ask us to pay directly to the landlord, they don't want to be bothered with it. But preferably, the money should go to the client who in turn makes the decision.

MRS. C. OLESON: There is nothing from the department to some of these landlords to say look, we would pay you a little more rent even if you would upgrade your facilities so these people have a decent place to live.

HON. L. EVANS: We expect the client himself or herself to say that, because they've got the cash. They're paying the rent and they don't have to stay there. It's easy to say you don't have to stay there. If there isn't any other space, sometimes it's difficult. But normally, if there are alternative accommodations, that person should move out.

There are other support services, child and family services. There are various agencies who do advise their clients and try to help them, but we don't get involved with that.

MRS. C. OLESON: Does the department pay any moving costs if a family could get no help from their landlord and was pretty well forced to move into a different accommodation? Would they be given assistance to actually physically move them, their family?

HON. L. EVANS: If we think the move is justified, yes, we will.

MRS. C. OLESON: In the press release of the 26th of April, 1985, the Minister discussed, or put out the

information, that he had talked to the other provincial governments and the Federal Government at a conference suggesting that an employment fund be urged for welfare recipients. What sort of a response did he get from the other provinces and from the Federal Government on that?

HON. L. EVANS: We got a mixed response. The Provinces of B.C. and Alberta were relatively cool to the idea. On the other hand, the Maritime Provinces' representatives were quite supportive. I recall New Brunswick, for instance, in particular, thought that was something that was worthy of exploration and there were other views of course expressed, but generally the idea is being pursued. The Province of Quebec was supporting it very firmly and we are pursuing the idea of an employment fund. It is now being discussed at the officials level. It was left that there would be an examination by the officials of the different provinces and the Federal Government.

Everybody agreed that we should provide employment opportunities for welfare recipients, but the question remained, should that be strictly done by an employment department, like Canada Employment and Immigration, or should it be done under Health and Welfare Canada Assistance Program? It was argued by some that it shouldn't be done under the Canada Assistance Program, otherwise referred to as CAP, it should be left to private employment.

We pointed out at the conference that one of the reasons we brought our social allowance program money together with our employment money was for that very reason and that is to do our darnedest to identify opportunities so people could get off of welfare in a very meaningful, productive way. I think we have demonstrated through our Jobs in Training Program that we are making special efforts to identify people who could be taken off of social allowance rolls and put into jobs. Similarly, through our Human Resource Opportunity Program, we are doing that. But Quebec supported us readily too because they also have the same setup as we have; they have their employment programs and their welfare programs together in one department. At any rate, it is being explored and there is to be a report made to Ministers in September. There is to be another conference of the Federal and Provincial Ministers.

MRS. C. OLESON: This would be over and above the present system of Canada Assistance?

HON. L. EVANS: We argued that ideally it would come out of Canada's Assistance Program. Initially, there may have to be a somewhat higher expenditure, but in the long run we wouldn't be spending more money. We could even be spending less money if we were getting the long-term recipients off of the welfare rolls into useful employment and that was one of the objectives.

MRS. C. OLESON: On October 5 of 1984, there is a press release stating that the anti-poverty group was receiving a grant of \$32,300 and it says, "In addition to the province's contribution, it also receives financial assistance from other sources." What other sources does that group receive funds from?

HON. L. EVANS: There are three areas: Canada Works money, Core Area Initiatives and I think recently some United Appeal money.

Just while the member is noting that information, I can give her the information on the rental limit. It varies, of course, by the family size. If you talk about a situation where you include fuel and other utilities, this is the current rate that is in effect: for one person it is \$227, that's all inclusive, that's rent plus utilities, \$227; two persons, the upper limit is \$309; three persons, \$343; four persons, \$375; five persons, \$389; and six persons, \$409.00. Now, that is the rental ceiling. In the guidelines, the district directors can allow payment in excess of these suggested rent ceilings where individual circumstances warrant. That is a decision made by the district director.

MRS. C. OLESON: I was going to ask just one more question about the anti-poverty group. I know this isn't directly under this Minister's department, but could he tell me what does this group do in the way of assisting the poor?

HON. L. EVANS: Mr. Chairman, I am advised that apart from advocating on behalf of poor people and recipients and so on, they do engage in some educational programs, trying to teach some of their members how to manage their money and how to cope generally with their poverty situation. So there is a variety of programs that they undertake, as I understand it.

Also, they help clients with the appeal process. In other words, in the City of Winnipeg at least, there is some evidence that they are actually helping clients who might go to them, social allowance clients who complain about their situation. They will do a little bit of research and maybe go with them to the Welfare Appeal Board and that sort of thing.

MRS. C. OLESON: Probably provide a support from the line of language and other reasons, too, in the field.

HON. L. EVANS: Possibly, yes.

MRS. C. OLESON: Does this department, other than its function in paying for people who are on social assistance, help in any way with funds to the women's crisis centres, such as Osborne House?

HON. L. EVANS: Yes, in an indirect way. If the woman who comes in is penniless and, of course, in some instances women who come from fairly well-off family situations where the income is pretty good may not have any funds in the crisis situation, so we are prepared and we do provide social allowance assistance.

There is a nuance here so we support the clients, but we do it by paying a per diem to the centre. While the person is there, we'll pay a per diem to that centre. But the core money is from the Department of Community Services, so our funding is supportive.

Okay, another piece of information, Mr. Chairman, the provincial caseload that appears in these places are relatively minor compared with the municipal. In other words, most of them would be eligible for municipal assistance. Like the short-term assistance would be municipal. So the majority, I understand, are municipal cases.

MRS. C. OLESON: One of the problems that was cited to me in talking with people who are involved in Osborne House, and I'm sure others, is the problem of the people arriving without funds, of course, and I'm told that the ones who are on social assistance, you know it's paid for on their behalf. But I wasn't aware that this department paid for others, because I was led to believe that this was one of the problems that a woman maybe from a family with, as you say, lots of funds but has to come to the Crisis Centre a that can be another bone of contention with the spouse who was doing the beating, that there was another bill to pay, and look, you've incurred this by going to this centre. You've caused me some more problems. So I wasn't aware that this department was helping in that way.

HON. L. EVANS: I'm not sure what all the municipal governments do. As I say, the bulk of them are municipal welfare. Our category is relatively small, I understand. I'm not sure what the municipality does, whether they then go after the husband and try to collect some money. I'm not sure what they do. But we haven't collected any money.

MRS. C. OLESON: I think this is one of the major problems with the Crisis Centre is their lack of stability of funds. They never know from one year to another just what funding is available. Although I realize it isn't in this department, it still falls into this one in some cases. I think that's one problem with those centres is the ad hoc way in which they've been funded. That was one problem that was drawn to my attention, was the fact that in some cases the husband, for instance, had to be billed for the two or three-night stay. Even if it was another municipal body, they in turn would bill them, so then you're going to be into another problem there.

HON. L. EVANS: There are a number of developments. It's still a relatively new phenomenon in our society, and I agree. Generally speaking, some of them are having funding problems because, in some cases, they've had short-term money out of Ottawa which ended after three years, for example. I think that happened in The Pas and in Dauphin, for instance.

But we are lobbying Ottawa. The Minister of Community Services has approached Ottawa to cost-share the non-needs tested funding, in other words, to provide it by way of grant rather than saying when you come in, do you really need this assistance? Do you not have a lot of money in your pocket, your wallet or whatever, your purse, and pay for this, as I understand it? So in fact this approach was made at the conference we had with Mr. Jake Epp and the other provincial Ministers where we talked about the Jobs Fund or employment fund, it was the same conference. But I believe Mrs. Smith has written as well.

The Manitoba Housing Department also provides assistance. I know the shelter in Brandon, the cost of construction and the upkeep of it and the maintenance of, like the utilities and that, are paid for by the Department of Housing. Some core money is coming from Community Services, and then the city or the municipalities and the province will pay these per diems as the case may be. But that is something that has to be worked on, I agree with the member.

MRS. C. OLESON: In the Health Services Department of this - that's 2.(b)(2), it mentions a dental, drug and optical for welfare recipients. Now is this municipal welfare cases as well? Do they qualify for this assistance, or is this strictly provincial?

HON. L. EVANS: Strictly provincial, Mr. Chairman.

MRS. C. OLESON: That excludes the City of Winnipeg. They are considered municipal, are they?

HON. L. EVANS: Yes.

MRS. C. OLESON: Then we go on to Municipal Assistance. There are, as the Minister was indicating before, different standards and maybe I asked this before. Does the Minister's department give any criteria to the municipalities as to how much assistance they pay?

HON. L. EVANS: No.

MRS. C. OLESON: One of the problems is, with the municipalities, the variations in assistance from the municipal corporations, as the Minister said. Now some of the larger centres find themselves in a position of receiving cases from outside their own jurisdiction, from the surrounding municipalities. In some cases I'm led to believe the municipalities even send them. Things are better in the city sort of an attitude. I think centres like, for instance, Dauphin . . .

HON. L. EVANS: We have the Clappers.

MRS. C. OLESON: Yes. I think cases like Dauphin, Portage, Brandon and Winnipeg find this. Now a larger centre, for instance, such as Dauphin, I'm told, has considerable difficulty with this because, as one of their counsellors put it, we hire our staff specifically for their accounting and clerical abilities, not for their ability as field staff or social assistance. But they find that not only are there city residents in need, but also some from the surrounding areas and I'm sure they're not alone. I'm sure that other centres get the same thing happening. But as I say they hire their staff for their accounting and clerical ability and not for their ability to deliver programs with regard to social assistance, so a lot of problems occurred. I think, and particularly in small towns, small municipalities as well, a misunderstanding of how the system works even with the staff that are trying to deliver it, there are often cases where there are so very few of these cases in a municipality that they're not really equipped to deal with it when it does happen and I think it's causing some concern.

I think from the point of view of the people who need the assistance, they're not getting the type of assistance, the type of understanding that they perhaps should be getting, especially if they're told to go to another area, that it would be better. And I know it's happening. It's not a good situation. Is there anything that the Minister is contemplating in the way of helping? Is there any assistance given to the staff of the larger centres, the small cities of the province in the way of advice or suggestions as to how they can deal with this problem,

because I think in the last few years with the economy the it's been, with unemployment at the height that it is, there's a lot more pressure being put on the centres to provide this kind of assistance.

HON. L. EVANS: If a municipality has full-time administrative employees in welfare, we'll pay half of the administration costs and I'm not sure whether Dauphin, I think Brandon does and I'm not sure Thompson, maybe Portage la Prairie and so on.

We do give advice if they come to us and the field staff are available certainly to the rural secretary-treasurers and so on and municipal officials. I agree with the member in her observations about the unfairness and about the problems that the municipal governments have because they're really not equipped to deal with this. That partly explains this famous or infamous Clapper case at Rivers. A lot had to do with forgetting how they were there and it was a very difficult thing. It wasn't black and white by any means, but part of the problem was that the municipality wasn't really prepared to cope with problems like that. You know I would suggest that there are probably hundreds of Clappers maybe in the City of Winnipeg, but we never hear about them.

But the solution ultimately in my mind, Mr. Chairman, is for the province to move into the municipal field and I would like to see us do that, I really would and I would hope as soon as we can financially, particularly - I don't know what the member's feelings are on this - but particularly, if we could at least start with the rural municipalities and then work up to the bigger towns, and then the bigger centres.

Most of the municipal welfare, I guess 80 percent, is in the City of Winnipeg and they've got full-time staff and so on. I guess it would be interesting to know whether the member would support us if we moved into that area and wanted to take over the municipal welfare.

Some municipalities would be opposed to that because they feel they should have the right to do that and make these determinations; then others might not. So I had considered at one time, a voluntary system, if you want to come in, we'll take it off your expenditure. I mean you won't have that as an expenditure or as the cost any more, so that it would be an incentive system. So if they wanted to keep the welfare responsibility, they could. But then, they'd have to pay for it as they are now. But I would welcome the member's ideas on this if she has any specific views.

MRS. C. OLESON: I talked to quite a number of councillors on this subject and some of them think it would be a wonderful idea. Mostly it's the clerks, the people who are in the offices of the council think it would be wonderful, because they have a feeling of inadequacy when they're trying to deal with it. They deal with it so infrequently, so many of them that they just don't feel comfortable with it. They don't really know what they're required to do and a lot of the councillors feel that they would be losing some autonomy through a one-tier system. Some I've talked to feel it would be more expensive. So, of course, I'd want to see how much more it would cost before I would express an opinion on it, too. I know that there

is very mixed feelings, there's no cut and dried feeling amongst the councillors that I've talked to and the UMM officials that I've talked to on it.

But as I say, most of the clerks in the offices feel it would be something out of their hands that they feel would be better dealt with other ways. They feel inadequate I think dealing with it. They know they're not doing a good job and everybody likes of course to do their job well.

Is there any directives sent to municipalities on how they should deal with it because I see some of them giving their clients cash to pay their bills. I see some of them giving vouchers and say you go to such and such a store, you charge your groceries and then we will pay for them. I see the receipts asking for gas money to go to another town to buy their groceries because they can get them cheaper and naturally, that town says no if you're getting the welfare here, you buy here and of course that sort of restricts their flexibility of living. We all like to do things where we want to do them. This is one thing that concerns me is the great deal of difference in how the payments are made. And is there any directives sent out from the department in that line?

HON. L. EVANS: There are no directives sent. They have a free hand.

MRS. C. OLESON: They do it any way they wish. Okay. If we go on to 2.(c). That's all I think I have on that.

MR. CHAIRMAN: Are there any other questions?

2.(b)(1) to 2.(b)(3) were each read and passed.

2.(c)(1) Manitoba Supplement for Pensioners: Salaries; 2.(c)(2) Other Expenditures; 2.(c)(3) Financial Assistance - the Member for Gladstone.

MRS. C. OLESON: How does a person qualify for the supplement?

HON. L. EVANS: There are two components, the 65 years of age and over, that's one component. If you're an old age security pensioner and you are in receipt of a certain level of Guaranteed Income Supplement, referred to as the GIS, you qualify and we would put you on the rolls pretty well automatically because we have an arrangement with the Federal Government to get that information. So once we find an old-age pensioner who's getting GIS, we tell them about the supplement and then make arrangements.

The other category is the 55-and-over and anybody who is in receipt of a pension, 55 years of age or over, and who is not in receipt of an old age security pension, but whose income falls within a certain specified range and is derived at least 50 percent from pension sources, that's the second category.

Now the second category is one that's very difficult to deal with. These people have to find out about it in some cases, although we do look for information about people who are in receipt of different kinds of pensions - the CPP, Canada Pension Plan recipients, and so on. But we have in the present year '84-85 - or last year rather - 18,350 individuals in the 65 years-plus category and only 1,550 in the 55-and-over category. So it's very much geared to those who are over 65.

We have been adjusting the income eligibility levels with the rising costs of living so that they are indexed quarterly. Therefore, as the cost of living goes up, so does the - well, what we do is adjust the eligibility level, not the actual pay out. If you didn't adjust the eligibility level, you would have people who would be disqualified because their income would be above a certain minimum. So it gets to be a bit complicated, but that's in brief how the program operates.

MRS. C. OLESON: Did I hear the Minister correctly that the 55 age bracket and over, I guess it is, have to be already on some form of pension?

HON. L. EVANS: Yes, 50 percent of their income must be from a pension source.

MRS. C. OLESON: So how much would this be, or does it vary with the individual?

HON. L. EVANS: We have a pamphlet that gives you the categories and the scale, but the maximum annual benefit that is available is \$187.68 for a single pensioner at this point in time, and \$202.32 for each member of a married couple. That's the maximum. This is laid out in a pamphlet that's available to people who want to apply; like it's a scale.

MRS. C. OLESON: In Item 3, Financial Assistance, it gives a figure of over \$3 million. Does that reflect the actual pay out to recipients?

HON. L. EVANS: Yes, that is the money given directly to the recipients.

MRS. C. OLESON: That's all I have on this.

MR. CHAIRMAN: Are there other questions?

2.(c)(1)—pass; 2.(c)(2)—pass; 2.(c)(3)—pass.

2.(d)(1) Child Related Income Support Program: Salaries; 2.(d)(2) Other Expenditures; 2.(d)(3) Financial Assistance - the Member for Gladstone.

MRS. C. OLESON: How many staff administer that?

HON. L. EVANS: There are 16 staff who administer this program; 16 staff years, to be technical about it.

MR. DEPUTY CHAIRMAN, D. Malinowski: The Member for Gladstone.

MRS. C. OLESON: Yes. In last year's Estimates, the Minister stated that there was a cut in funding because the program was overfunded, and I believe he mentioned that. There was a newspaper article that reflected that statement in March of this year that it was overbudgeted for the last few years.

Subsequent to last year's Estimates - I believe it was in July - he changed the criteria for the program which, of course, in changing the criteria he effectively cut down on the number of recipients of the fund. To my understanding, he set the asset limit of \$50,000 for a family. Now, I don't think the Minister can have given much thought to how this would affect the farm community. It would be a strange farm that had assets

of under \$50,000.00. So, in effect, what he did was cut out a great number of farm families from the support program.

I wonder, could the Minister comment on that.

HON. L. EVANS: First of all, the asset test has had probably the largest effect on the farm category, but certainly it isn't geared to farm families, it's anybody.

I want to remind the honourable member that it's net assets. It's not gross assets; it's the net asset value if it exceeds \$50,000.00. I know a lot of farmers too that have hundreds of thousands of dollars worth of equipment and buildings, etc., but then they have a lot of debts as well. So we are talking about people who have net assets; that's all the gross assets minus liabilities. So we are talking about net assets. Also we are excluding the family home and the furnishings; that's not counted in the equation; nor is the family auto accounted. So it has caused a reduction in the pay out.

The purpose, of course, is because we don't have the funds that we would like to have, we have been looking for ways and means to limit our expenditures. We have, therefore, been able to estimate a saving I think of about \$750,000 in a fiscal year. In '84-'85, we estimated the saving would be \$530,000, and I guess the saving turned out to be \$750,000; so it was a couple hundred thousand more than we anticipated.

But the point is that we have hopefully money to target to those people who need the greatest assistance, those who are in greatest need, and we are making these monies available to farm families and others who meet the criteria.

In some ways you could argue that this is a form of supplementary welfare and our Social Allowance Program certainly does have the asset test, in other words, we don't hand out welfare money if you have assets that can provide you with an income of any kind or that can sustain you. So we certainly look at your assets and if you have money in the bank, or if you have certain property that is of some value, we're not going to pay out welfare. Similarly, you could argue, why should you pay out supplementary money like this without looking at assets, as well? So what we've done is moved partially toward looking at assets, as well as income, and we felt that if we are only talking about 50,000 net assets that we should be talking about people who would need assistance if they are below that level.

MR. CHAIRMAN, C. Santos: The Member for Gladstone.

MRS. C. OLESON: Well, I'm sure the Minister is aware, and if he is not, he should be, that a lot of the assets on a farm don't automatically generate income, and the last two or three years in the farming community it has not been great for a great many of them. Their incomes are very very limited in many cases, and I think that when he redesigned the criteria, I think, he may have needed to change the criteria for assets in some cases, but in doing so in this way with the farm community, it virtually eliminated them from qualifying. I think that it was a mistake on the Minister's part and I hope that he will reconsider it.

Could the Minister tell me how many families qualify, how many in total for this program in Manitoba?

HON. L. EVANS: Our estimated total in this current year is 8,900 families or cases.

I just wanted to point out, in answer to the member's concerns about farm families, that we still have nearly 500 farm families who qualify in Manitoba.

MRS. C. OLESON: How many?

HON. L. EVANS: There are nearly 500 farm families who qualify in Manitoba.

I also point out that Saskatchewan has a similar program called a Family Income Plan and they exclude families whose gross assets exceed \$150,000, but that's gross assets. We think they are being more restrictive in Saskatchewan than we are here because, when you take the liabilities into account, you are probably going to get net assets much less than . . . I would think in Saskatchewan just about every farmer would be excluded because just about every farmer, I think the member would agree, in Saskatchewan, the land of big farms, would have gross assets of 150,000 or more. Well, even in Manitoba, what farm doesn't have 150,000 gross assets? In Saskatchewan you wouldn't qualify.

MRS. C. OLESON: The figure in (d)(3) Financial Assistance, does that reflect the actual payout of the program?

HON. L. EVANS: Yes, Mr. Chairman.

MRS. C. OLESON: And that is partially funded by the Federal Government?

HON. L. EVANS: There are some cases of social allowance recipients and, of course, if they are included in the program we recover half of that expenditure; but, if the farm family receives no social assistance, then it is 100 percent paid for by the Province of Manitoba.

MRS. C. OLESON: Or any other family, not just farm families.

HON. L. EVANS: Or any other family. It is a provincially-funded program, 100 percent, with the exception where the social allowance family is involved.

MRS. C. OLESON: Okay.

MR. CHAIRMAN: 2.(d)(1)—pass; 2.(d)(2)—pass; 2.(d)(3)—pass.

2.(e)(1) Economic Security Field Operations, Salaries; 2.(e)(2) Other Expenditures - the Member for Gladstone.

MRS. C. OLESON: Thank you, Mr. Chairman.

Could the Minister explain the increase in funding in this department? Does it reflect an increase in staff or an increase in service?

HON. L. EVANS: Mr. Chairman, it reflects an increase in 4.4 staff years. Because of the increasing caseload that has been necessary to increase the staff. There

had been cases where people are getting burnt out, where they have had to put in a lot of overtime and so on, and we felt it necessary to increase the staff complement. So that has been done and that, essentially, reflects that increased salary for 4.4 staff years, plus there are increments. In fact, most of the money I guess is increments - the annual incremental merit increase.

MRS. C. OLESON: Can the Minister tell me how many cases, on the average, a caseworker could handle? For instance, I imagine it would be easier in the city situation, but what about the rural? Is there any criteria for setting up a program of casework for a fieldworker?

HON. L. EVANS: Yes, it does vary, as the member suggests, Mr. Chairman, between urban and rural areas, but I am advised that in rural Manitoba the caseload could range between 250 and 300 per worker - 250 to 300 cases per worker. It depends on the how widespread the population is, the transportation time that is required and so on. In the city area, it is more likely to be 350 to 400 cases per worker; in other words, they do handle more cases.

MRS. C. OLESON: Because of the mobility. Also this area is partially funded by the Federal Government under the same agreement as the social assistance.

I don't think I have any more questions in this area, Mr. Chairman, except I would ask, on behalf of Mrs. Hammond, that leave be given for her to ask some questions in this area. She wasn't able to be here tonight and she has some particular questions on social assistance that she wishes to ask the Minister. I wonder, could the committee leave the door open, shall we say, for her to ask her questions tomorrow or whenever we meet next.

MR. CHAIRMAN: The Minister is agreeable that she can ask the question anyway under the Minister's Salary.

HON. L. EVANS: Under the Salary, you could ask anything. I'll certainly provide the answers, but that might be the place.

MR. CHAIRMAN: You won't have the other staff person.

HON. L. EVANS: Yes. I just might add to that. I know of her particular concern about one case. A reply has gone out, it was delayed on my account because I was wanting to look into a few other factors, but a reply has gone out about this one case.

MRS. C. OLESON: Yes, I know the . . .

HON. L. EVANS: The famous, or infamous case.

MRS. C. OLESON: I think that's probably the only area that she wishes to discuss.

HON. L. EVANS: Well, she'll get the letter tomorrow, I think.

MRS. C. OLESON: Yes, and maybe that will help her. She may have most of the questions answered, I'm not

sure, but she asked me before we rose at 4:30 to beg the indulgence of being able to ask these questions. I don't know whether it is necessary for staff to be here at the time or not, she didn't tell me what she was going to ask.

HON. L. EVANS: I just say, Mr. Chairman, this is the one case where the Ombudsman has been involved, because of certain allegations made and so on. Also, my Deputy Minister has personally looked into this and has met with the lady some time ago now. The department is quite aware of the case. The individual has been around for a long time, I believe.

MR. CHAIRMAN: 2.(e)(1)—pass; 2.(e)(2)—pass.

Resolution 56: Resolved that there be granted to Her Majesty a sum not exceeding \$168,650,800 for Employment Services and Economic Security, Economic Security, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 3.(a)(1) Employment Services, Administration: Salaries, 3.(a)(2) Other Expenditures - the Member for Gladstone.

MRS. C. OLESON: Could the Minister explain the decrease in expenditures budgeted for this area; for instance, in Salaries a decrease, and also in the Other Expenditures?

HON. L. EVANS: In this case the reduction is for Salaries, I don't think it's Other Expenditures. There is an increase in Other Expenditures. There's a decrease in the requested funding under the Salary item. This is because of an individual who is available to us from the Federal Government. The Federal Government pays the individual's salary, we reimburse the Federal Government, and that's taken out of operating expenses as part of a pay back to the Federal Government. So it's a technical matter really.

MRS. C. OLESON: We can go on to Item (b).

MR. CHAIRMAN: 3.(a)(1)—pass; 3.(a)(2)—pass.

3.(b)(1) Employment Development and Youth Services: Salaries, 3.(b)(2) Other Expenditures, 3.(b)(3) Employment Programs - the Member for Gladstone.

MRS. C. OLESON: Just before we commence with some of these program, Mr. Chairman, I wonder could the Minister indicate if this is the heading under which we discuss Youth Year, or where else would we find it?

HON. L. EVANS: Mr. Chairman, the entire Youth Year budget is in the Manitoba Jobs Fund so we could discuss it under the Manitoba Jobs Fund, because all the expenditure is covered there.

However, I am prepared to answer questions under this category if you like, if you have questions about the administration, because the staff are related to our department. So I am quite prepared to answer questions on IYY administration and programming under this category. We can do it right at the beginning or wherever you wish.

MRS. C. OLESON: We'll proceed and see how we get along. I have them separate, so it wouldn't matter in which area we discuss it.

But in this section, we do other programs like MEAP and Volunteers in Public Service, NEED and Manitoba Jobs in Training, right?

HON. L. EVANS: MEAP is no longer in existence, that's the Manitoba Employment Action Program. MEAP has been substituted - well it's terminated, it's expired. We've got new programs like the Jobs in Training Program, Careerstart and so on. So those are the areas. NEED, National Economic and Employment Development, is a federal-provincial program, and that is in a different category, it's under federal-provincial programs.

MRS. C. OLESON: It's under federal and provincial?

HON. L. EVANS: Program, yes.

MRS. C. OLESON: Okay, the Manitoba Employment Action Program has changed its stripes into the Jobs in Training, you said?

HON. L. EVANS: More or less, yes.

MRS. C. OLESON: Is Jobs in Training under this category, or is it also in the Jobs Fund?

HON. L. EVANS: Just as with IYY, the administration is here. Well the administration is here, but the monies available for the employees, the trainees is out of the Jobs Fund. We are prepared to discuss it here, but we are also prepared to discuss it under the Jobs Fund, if you like. We have the administrative responsibility, and that administrative cost is shown in these Estimates.

MRS. C. OLESON: The Manitoba Jobs in Training Program then, how much does it cost to administer the program?

HON. L. EVANS: The salaries related to the administration are \$485,100, that's it. Mr. Chairman, the problem, of course, in estimating this is that some staff do various tasks. So it's sometimes difficult to say this is the total administrative cost of the Manitoba Jobs in Training Program, because you have a director of the entire division who has responsibility for this program and has other programs and so on. We haven't tried to allocate X-number of dollars from that director, for instance, to this program but, generally speaking, that's a fair estimate of the administrative costs.

MRS. C. OLESON: This program just got under way in - when was it? - early in this year, no, last September, you said. How many people have been placed in training jobs to date?

HON. L. EVANS: It started in October, 1984 and, as of May 21, 1985, the cumulative total is 2,921 positions.

MRS. C. OLESON: What type of positions are these? Does the employer initiate the request to the department, or do the employees? Could the Minister just give us a little resume of how the program operates?

HON. L. EVANS: The initiative is usually taken by the employer who learns of the program through the

advertising done and will phone in or write in for application and explanatory material. I guess we should have had copies of the forms here. They can easily be made available, but the employer could be in any category: manufacturing, service sector and so on. It is quite a wide variety of occupations and industries.

There are two components to the program: one is the direct employment component which is up to 20 weeks of subsidy by the government and we are prepared to cost-share on a 50-50 basis up to a \$4 subsidy. In other words, if the employer put in \$4, we would match the \$4, or if he wished to pay \$6, we would pay 50 percent of that which is \$3, plus CPP and UIC benefits. So it is 20 weeks for direct employment and it is 30 weeks for the training component. If you are prepared to train somebody on the job, then we are prepared to go up to another 10 weeks. The occupations are very very widely scattered. A great number of them are in the service sector, as can be expected, but there are many in fabrication. There are some in construction - this under the direct employment - some in the social sciences, teaching, medicine, performing arts, a lot of clerical positions. Under the training component, we have again people in a variety of occupations, fields, in medicine, sports, recreation, teaching, social sciences, various managerial positions.

MRS. C. OLESON: You said that you subsidized for up to 20 weeks. Does the employer have to agree to hire the person for longer than that or can the employment terminate at the 20 weeks? How does this become an initiative for long-term jobs?

HON. L. EVANS: The private employer is expected to indicate on the form that he or she will agree that this person will be kept on after the subsidy period is ended and so it is a matter of them - and we do check it, we have a field staff that go around and check this - and they are expected to be offering employment on an indefinite basis. In other words, it is not meant to be subsidizing employment that terminates the moment our money terminates. Now that is the ideal and this is what we are trying to achieve. It cannot be achieved 100 percent, obviously, but we are trying to achieve it particularly in the private sector. We have a little problem in the non-profit sector, but it is a little different category.

MRS. C. OLESON: Are there many of these jobs in the non-profit sector?

HON. L. EVANS: I'm sorry.

MR. CHAIRMAN: Are there jobs in the non-profit sector?

MRS. C. OLESON: Are many of the people who qualified for the jobs in the non-profit sector?

HON. L. EVANS: It is about 40 percent in the non-profit sector.

I'm just going to point out some experience we had with the MEAP Program that the honourable member spoke of earlier. It is rather interesting that quite a number did maintain - this was not a requirement of

the subsidy under that program - but quite a percentage were retained. In the overall program, 57 percent of the employees were retained on the job which we discovered in a survey six months after the program ended. In other words, six months after the subsidy terminated, we did a survey and we found that 56.7 percent were still retained.

In the business sector - I'll just round these off - was 64 percent retained, and in the non-profit sector 43 percent. So, even there, there was a fair amount of retention.

MRS. C. OLESON: Is this program primarily aimed at unemployed and do you work through Manpower or is there any criteria for who the people hire? Is it geared towards people who have, for instance, been on unemployment insurance and it has run out or is that one of the criteria?

HON. L. EVANS: No, the person simply has to be unemployed. There is no tie-in with UIC. However, of course, Canada Employment and Immigration will have applicants and they may refer them to employers who may take advantage of this program. But we're simply talking about people who are unemployed and we are prepared to assist them.

In the documents, there are application forms, and the application forms set out the criteria that we have been discussing, including this one where every attempt has to be made to ensure that a full-time permanent job results upon termination of the wage assistance being provided.

MRS. C. OLESON: Also under this is the Volunteers in Public Service Program, what is the cost of that program and how many people does it take to administer it?

HON. L. EVANS: The cost to administer the program is \$68,900; salaries and other expenditures are approximately \$79,000.00.

MRS. C. OLESON: The number of volunteers recruited, what would that figure be and give me an idea of what sort of fields these volunteers work in, if you would, please?

HON. L. EVANS: We anticipate 300 volunteers this year and I guess they are pretty widely scattered in where they are working.

There are volunteers for immigrant programs, volunteers for various youth programs and then there are other specific programs in the North that they are involved in. Specifically, they're in the Manitoba Youth Volunteers in Government - that's an area - the Norman region of Culture, Heritage and Recreation, and the Immigration and Settlement Services Branch. That's where the co-ordinators are. Then they go out from there. There are all kinds of voluntary services that are getting involved.

MRS. C. OLESON: They're all to do with government-run projects, though?

HON. L. EVANS: Yes. It is in the public service field.

MRS. C. OLESON: Yes. I maybe missed it, but did the Minister say how many people administer this?

HON. L. EVANS: Three.

MRS. C. OLESON: Three.

HON. L. EVANS: There are three co-ordinators, plus one part-time person.

MRS. C. OLESON: We could rise if you like.

MR. CHAIRMAN: Can we pass this item first? Are we ready to pass this item so we can start afresh?

MRS. C. OLESON: No, there are a lot of other programs that we haven't discussed yet. I know that some of my colleagues would like to discuss some of them as well.

HON. L. EVANS: I think, you see what we're doing, Mr. Chairman, we're sort of jumping all over the place in some of these programs, but as long as we get over the territory, however.

MRS. C. OLESON: I guess I'm going by the Oleson category where they would be, not by where the departmental category is.

HON. L. EVANS: We passed (a). So do we pass (b), or did you want to . . .

MRS. C. OLESON: No, I would rather you didn't, because there are some others - Careerstart and a lot of other youth programs and others come under this. At least, that's where I'm looking at.

HON. L. EVANS: So we can adjourn then.

MR. CHAIRMAN: What is the pleasure of the committee?

A MEMBER: Committee rise.

MR. CHAIRMAN: Committee rise. Agreed.

SUPPLY - AGRICULTURE

MR. CHAIRMAN, P. EYLER: Committee, come to order. We are considering the Estimates of the Department of Agriculture, Item 6.(d), Manitoba Natural Products Marketing Council.

The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I have a couple of questions dealing with the marketing policies of the Manitoba Beef Commission, and I want to, at this time, disclose my interest that I do operate a marketing facility in the province. However, I do not make any particular case on its behalf; in fact, none, because it has not been traditionally a heavy marketer of slaughter cattle.

But there have been numerous questions come forward from the livestock industry as to why the marketing of slaughter cattle is totally controlled by the Manitoba Beef Commission. I would ask the Minister if he has any intentions of changing it to allow the

traditional marketing system to market the stabilized cattle in the province, or is it his policy to continue the sole marketing option of slaughter cattle through the Beef Commission?

MR. CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, before I answer the specific question of the Honourable Member for Arthur on the Beef Commission, I would like to table for the Honourable Member for Turtle Mountain his request on the disposition of properties which reverted to MACC. There are some 44 numbered properties which the honourable member will see, the information is basically set out in two areas: the appraised value of the property, the bids received, whether the property was sold and, if it was not sold, the various tenders that were submitted for the five-year lease, and marked which lease was accepted, Mr. Chairman.

Mr. Chairman, as well, the Honourable Member for Arthur raised questions with respect to PFRA pasture rates. Mr. Chairman, the 1984 grazing season cattle rate is 23 cents per head per day, plus 2 cents per head per day municipal tax levy; \$8.50 per head per season for calves; and \$27 breeding fee per animal.

The 1985 grazing season fee in PFRA pastures for cattle, effective April 1, 1985, is 24 cents per head per day, plus the 2 cents per head per day municipal tax levy; \$9 per head per season for calves; and a \$28 breeding fee per animal.

The 1985 grazing season fee for horses is 29 cents per head per day, plus 2 cents per head per day municipal tax levy; and colts, \$10 per head per season for colts of the current year with a dam.

Mr. Chairman, I note from my notes here that there does not appear to be any rule stating that horses can, or cannot, be placed in a community pasture, although priority is given to cattle. We are aware of horses in the Portage, McCreary and Mulvihill community pastures. The decisions regarding pasture utilization rest with the local pasture committees based on existing commitments and new requests.

Well, Mr. Chairman, the Member for Morris raised questions in terms of statistics of numbers of beef cows on farms and I'll provide him with the statistics of the years 1981 to 1985.

Mr. Chairman, for Manitoba the years beginning with 1981, 370,000; '82, 366,000; '83, 348,000; '84, 340,000; and '85, 325,000, for a decline of 12.2 percent. Mr. Chairman, in terms of the prairies, the total prairies decreased more than Manitoba did. It started with 2,690,000 in '81; 2,667,000 in '82; 2,513,000 in '83; 2,460,000 in '84; 2,320,000, that's all of them 2,320,000 and the numbers correspondingly, for a net decrease of 13.8 percent.

For Canada as a whole, the reductions are just under 12 percent and the American reduction is just under 9 percent in terms of these cow numbers as compared to Manitoba and the other provinces.

Mr. Chairman, the member raised the question as to whether or not there is consideration being given to change the marketing system that the Beef Commission has put into place over the last number of years. Mr. Chairman, I want to tell the honourable member that there are a number of producers who are

not within the plan, who have opted to use the marketing services of the commission and noting that the commission over the last number of years, has been able to gain a slight advantage in terms of the price received for cattle that were marketed.

Mr. Chairman, the honourable member shakes his head. I imagine that he may be, and I will second-guess him, may be referring to a document or a cursory analysis done by the Cattle Producers' Association. That document was in fact dealt with and there were lengthy discussions between MCPA representatives and our marketing manager to point out to them the benefits of the marketing and what impact the commission has made on net returns to the producers, and that's really the bottom line as to what producers really receive.

In fact, the Honourable Member for Portage should recall some commentary made by Mr. Gregory who reports from the Union Stockyards on CFRY, I believe, out of Portage radio, who at one time was quite critical of the operations in the setting up of the Beef Commission indicated in a statement about a year ago, I believe it was, that he could certainly see the merits of the corporation and there were no great difficulties that he could point to. In fact, he put out the challenge to producers to phone his radio station to find out what were the beefs against the Beef Commission and in fact, Mr. Chairman, I think it was days later he came on the radio and indicated that it looks like the farmers of Manitoba and the cattle producers of Manitoba are very satisfied. He did not receive one call complaining about the operations of the Beef Commission.

That, Mr. Chairman, clearly can indicate the kind of acceptance of the operations of a truly producer program, with the co-operation of governments through a consultative process that we set up. Mr. Chairman, I think all members of this House can be proud of the system that is in place in Manitoba.

In fact, it was advocated by the Province of Ontario. The Minister of Ontario did advocate such a system; although I guess some of his opponents for the leadership race played a role in it, and I guess the system didn't go too far when he lost the leadership race in the Province of Ontario.

MR. J. DOWNEY: I have a brief comment to make, Mr. Chairman, and I will do it at this point, dealing with the cattle numbers. I am extremely disappointed that we have seen the reduction in our cow herd numbers as we have seen. After spending the amounts of money that were put in place by the taxpayers, that this Minister has so often prided himself in, really, we still have not been able to maintain our beef herd. It is an extremely difficult situation. I know a lot of farmers have faced feed shortages and difficult times. I make one brief comment on that.

But I do want to deal specifically with the marketing of livestock and the Beef Commission because, Mr. Chairman, the producers would not say anything unkind about the commission because the commission really doesn't have to compete. The commission has to assemble the cattle, phone the packinghouses, the packinghouses offer a bid for the cattle, and what they don't pay, it's picked up by the taxpayers under the subsidization program. So really what I am saying is there is no real incentive to go out and compete in the marketing field, that is taken away.

The system we have today, the Beef Commission, does not have to, Mr. Chairman, go out and compete in the marketing field. They assemble the cattle, they sell them to the packer that makes them an offer and if it's one packer bidding on livestock, which I have information that there have been many cases when only one packing firm has bid on the cattle, then the packer pays, whether it be \$1.35 for the livestock, and then the taxpayers, through the subsidization program, pick up the difference. So the commission really doesn't have to compete in any field to accomplish a higher price.

The concern I have in this regard, Mr. Chairman, and I want the Minister to be well aware of this, that Manitoba Pool Elevators' livestock marketing yard in Brandon is on the verge of not being able to carry on because of the elimination of the marketing of that cattle at that centre.

What I am saying is, Mr. Chairman, I don't know, I'm not sure how the Beef Commission really establish what the price they are supposed to be selling at because, in fact, they are the only ones that basically are handling the majority of slaughter cattle.

What I am saying is, if the Minister says the public are allowed to use the commission of their own voluntary choice, even though they are not in the support program, why isn't it working the other way around; that those individuals who are in the program, why are they not allowed to use another marketing system? That's the question.

I make the case about Brandon because I'm sure, if the Minister were to take the time to call the management of Pool Elevators at Brandon, their livestock yards, would find that they're in a very serious situation as far as numbers are concerned. The annual report is open annually to them, and they have truly lost. It is not a private individual, it's the Manitoba Pool Elevators, Livestock Division. They have closed their Winnipeg operation, which is a serious blow to the open-market system here in Winnipeg. They have, as well, moved to take a majority of the business away from the Brandon plant and, I think, that the Minister should be somewhat concerned about the trend that is taking place.

As well, Mr. Chairman, I want to make reference to a letter that came from Art Child, who is the head of Burns Foods, and I want to read this into the record. Again, it has to do with the marketing in Brandon and the diversion of cattle from that area through the Beef Commission to a particular plant in Winnipeg. Mr. Chairman, it says it's to the Mayor of the City of Brandon, which the Minister has a copy.

It says: "Dear Ken: After we initially announced the closure of our Brandon plant and, during the strike at Brandon, we were told by provincial and civic officials, and by livestock representatives, that the cattlemen in southwest Manitoba would support the plant by directing sufficient cattle our way. This is just not happening. The plant, as we have stressed, needs 1,700 cattle a week to be viable. Would you believe that we are obtaining only 800 cattle a week from Manitoba. Total slaughter is running at 1,500 head per week, so we are buying 700 expensive cattle per week from Saskatchewan and Alberta. This means that the plant is still losing money.

"I strongly urge you and the provincial officials to get the message across to the cattlemen that they are

not supporting the Brandon plant. We intend to publicize this fact because the viability of the plant is at stake, and we want the employees and the public to know it. We do not want any expression of surprise in the future if something happens.

"Manitoba cattlemen need the plant at Brandon; the plant needs their cattle."

Well, Mr. Chairman, I am pointing out the problem that was brought forward to the Minister, and this was on the 25th of January. He was copied a letter — (Interjection) — Yes, Mr. Chairman, and we're still seeing a reduction in numbers of livestock. We are still seeing the diversion of many numbers of cattle coming from the Brandon area through the commission to the Winnipeg plants.

I can point out some specific criticisms of the way in which the cattle are assembled. They are assembled in such ways in which there are very few plants that can bid on the livestock that are presented. Really there is no competition in the bidding system for slaughter cattle. There really is no competition in the bidding for the slaughter cattle. In a lot of cases, the cattle are assembled in such a manner in which only one packing plant can use the livestock.

Mr. Chairman, what I am asking the Minister is why would he not allow the marketing of those slaughter cattle open to the public market system, to the union stockyards and to the Brandon plant and to Virden? Remember what happened last year when we saw a strike in the packing sector, I believe it was? We saw the open marketing of the livestock, and we saw an increase in prices. We saw Virden allowed to market cattle for the Beef Commission. We saw the Brandon yards marketing cattle for the Beef Commission, and we saw the open markets in Winnipeg.

The bigger question is why do the commissioners within the Beef Commission not want to see some competition? Are they afraid of losing control of the system? They still have control of the system, Mr. Chairman, because they are under regulations to handle it — (Interjection) — because I have an interest. I'm not speaking about that because we have traditionally not handled fat cattle in any major way; I've never professed to have a major slaughter market. It has been basically Winnipeg and Brandon that have been the major handlers of them.

But what the policy of this government is doing is jeopardizing the Manitoba Pool livestock yards in Brandon because of the livestock that have been taken away. As well, the future of the packing plant is not secured in Brandon by reference to the letter that I have just read into the record.

I ask the Minister a straightforward question, is he considering, or would he consider, or entertain, changing the policies or does he believe that it's in the best interest of the livestock industry to maintain total complete marketing control of the slaughter cattle by the Beef Commission?

He makes reference to the fact that non-participating producers in the stabilization plan feel that they sometimes want to use the commission, that's fine. But why is it not the other way around? Why are supported cattle not able to go to the open system for a trial basis? You have to be able to test the ability of the commission against something, Mr. Chairman, there has to be some test and some competition and I guess

I can almost guess what the Minister's answer will be, is that he would like to see all the marketing go through the Beef Commission and then, goodness knows, where we would be at.

I guess I have to say as far as Ontario is concerned is, thank goodness they didn't go to that total concept or we would have no idea as to what the true market of the slaughter cattle are in this country. So I think it's certainly a philosophical one, but not a philosophical one that has been able to stand up on its own and prove to me, and I'm sure to many cattle producers, that a single marketing system is the only system.

I hope the Minister is going to respond in a way in which is positive, particularly those people who are interested in Manitoba Pool Elevators and the viability of the operations at Brandon and other interests that they have in that field.

That is basically it, Mr. Chairman, in this regard as far as the beef cattle marketing is concerned.

HON. B. URUSKI: Mr. Chairman, I want to advise the honourable member that the Burns plant in Brandon has never had more slaughter cattle going through that plant than it has in the last year.

Oh, Mr. Chairman, if the honourable member wants me to bring the statistics, I will go from memory and he can check me if I'm wrong, but I believe the maximum amount of cattle that ever went through the Brandon plant in the last number of years was something like 1,300 head a week. I'm giving them the benefit, my staff tell me not more than 1,200 a week, Mr. Chairman, since the expansion of the plant after the closure because the plant has expanded. Notwithstanding the allegations of honourable members opposite, the plant has processed now up to 1,700 head of slaughter cattle a week.

It is true that cattle numbers are down throughout Western Canada and we are no exception. We are less, but we are still down, Mr. Chairman. There is no doubt about it. The drought certainly has played an impact on a further decline, but notwithstanding I will give no excuses. Our numbers are down; there's no doubt about it. They are not down as much as the rest of Western Canada, which is down about 2 percent more, even though they've had a stabilization program in Saskatchewan for a couple of years longer than we did here in the province.

Mr. Chairman, but what the honourable member is advocating in terms of allowing some freedom, what the central selling feature of marketing was designed to do was to exactly give farmers some clout in the marketplace, especially for those farmers who were attempting to ship fewer than truckloads of animals, a few animals at a time. The system that is designed is to try and give them some power in the marketplace; the very same way, Mr. Chairman, as the Hog Commission has been operating which their honourable members set up. They didn't set up a board, they set up a commission initially and the Honourable Member for Lakeside knows very well what I speak of. They knew that farmers needed some strength in the marketplace and the only way that farmers could have some strength in the marketplace was through the central selling mechanism in an attempt to gain greater competition from the packers.

Mr. Chairman, the chairman of Burns Meats and actually the chairman of Burns Foods, Mr. Child, complained about the numbers of animals. Mr. Chairman, the Burns plant in Brandon does have an advantage of roughly a penny-and-a-half a pound over the Winnipeg market. What the difficulty was during a portion of the time was that their company was not prepared to pay at least to that differential that they had over the Winnipeg market, because they were saving a cent-and-a-half a pound because of the freight differential. That's a differential that it saved them over shipping live cattle over processed cattle to the Winnipeg plant.

So, Mr. Chairman, they weren't prepared to compete with that advantage and as a result, there were times - I want to tell the honourable member that the commission did in fact ship cattle to Winnipeg and declined the offers of the Brandon plant notwithstanding their price differential in the marketplace, because they did not want to compete for the market. And this was one way of putting the Burns operation, which has a sole control of the Brandon market, because there is no competition there, Mr. Chairman. — (Interjection) — The honourable member says, come on. There is no competition for fat cattle in Brandon. There is one plant, Mr. Chairman, in terms of that. Mr. Chairman, so those cattle were in fact diverted to Winnipeg because the marketplace differential warranted the commission to allow those cattle to be shipped to Brandon. But I acknowledge, Mr. Chairman, that herd numbers are down; slaughter numbers are up. The commission is slaughtering about 30 percent more cattle; 30 percent more slaughter cattle are going through the commission this year over last year, so that the number of animals being slaughtered through the commission has increased substantially one year over the previous year. But that still doesn't take away from the member's criticism and I find it valid from the standpoint that cow numbers are down. But certainly, Mr. Chairman, Manitoba has not fared any worse, in fact, has done better in her retention in this province.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: You know, the Minister needs a little bit of a lesson. There is in fact more than just one bidder at the Brandon market as far as the packing plant industry is concerned. There's the U.S. market which has been traditionally open to the slaughter-cattle industry; there's the Toronto market which has been traditionally open to them; the rail service and the truck service out of Brandon; the Winnipeg packing plants have traditionally had orders on those markets. So there is, in fact, more than one competitor for the livestock. That's the concern we have now with the commission, that we have not got the kind of bidding competition for the cattle that are being put in on offer. The commission are not exposing the cattle to the kinds of packing house support that has traditionally taken place in this country. It is very limited, very restrictive in who those cattle are offered to, Mr. Chairman, so I don't think we have the best.

The other comment that was made in this letter is that, in fact, they are having to buy more expensive cattle out of Saskatchewan and Alberta, so that tells

us that the market, in the open, freer system is, in fact, somewhat better than it was in Manitoba by the words of the packing house industry in Brandon. So I am not satisfied that the maximum returns are being accomplished by the Beef Commission.

Mr. Chairman, I have another question dealing with this, and the Minister made reference to the Hog Marketing Commission which was established under a former government. As well, the Hog Marketing Commission has the opportunity to elect their commissioners. Does the Minister have any intentions to allow the beef producers of the Province of Manitoba to elect the commissioners to the Beef Commission, or is he going to continue to have government-appointed people in those positions?

Most other marketing systems, most other government-sheltered organizations in the marketing have their own producer-elected commissioners. Is it the Minister's intention, or will he move to allow the producers to elect their commissioners?

HON. B. URUSKI: Mr. Chairman, I just want to comment on the member's statement about Burns having to buy more expensive cattle . . .

MR. J. DOWNEY: That's what this letter says.

HON. B. URUSKI: Mr. Chairman — (Interjection) — the Honourable Member for Ste. Rose took the words out of my mouth. If, in fact, they are prepared to pay more money for out-of-province cattle, why wouldn't they have paid that amount of money for Manitoba cattle? Obviously had they been prepared to pay that they would have got the cattle. I mean, the cattle would have been there, Mr. Chairman. There is no magic to the system.

Precisely, when the honourable member says that there are other order takers in Brandon and, had Burns been prepared to pay the price of other order takers, they would have had all the other cattle they wanted. Mr. Chairman, that's the competition that the honourable member has been pushing for, that there should be competition in the marketplace. Obviously, they weren't prepared to pay the price, there is some competition. Because the commission attempts to lever the buyers by central marketing, as the Hog Commission does, Mr. Chairman, more power to them and more power to the producers in terms of getting better returns.

Mr. Chairman, the honourable member raises an interesting question about whether or not the commissioners will be elected. Mr. Chairman, I venture to say that in the next number of years that will be a reality in the beef system. I would think, Mr. Chairman, there may have to be, as we have in the hog program, a separation of the operations. As the honourable member knows, the marketing arm of the Hog Marketing Board is elected. However, the running of the stabilization program is an appointed board. There is a difference in the operations of the two.

I think that's worthy of consideration, Mr. Chairman, that there likely will come a time that we will consider separating the functions of the stabilization plan from the marketing arm and, in fact, run the stabilization plan as an appointed board and an elected board for

the producers. I would say, Mr. Chairman, it will take some time to mature. The commission is new, it's been in place for three years. I would see the system evolving somewhere in the neighbourhood of what probably the Hog Board evolved. What did it take? Something like eight years before they went to elections? More than eight years? It really depends on the industry and depends on how the process evolves. That is certainly a consideration that I have not ruled out and we, as a government, have not ruled out. We haven't made any definitive commitments that there will be an elected board, but certainly we have not ruled that out.

I would see some number of years of maturing, but I see a difference in terms of the separation of the activities, stabilization versus the marketing arm, not unlike the system we have in the Hog Board. Our stabilization plan is appointed, because they are directly accountable to the government in terms of the operations of the plan, and the marketing arm directly accountable to the producers in how they market the cattle.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I was just entering the Chamber when I believe the Minister was giving some figures with respect to the status of the beef herd in Manitoba. If I got the figures right from my colleague from Arthur, in the year 1981, that number was some 370,000. Intervening years to now, 1985, we're at 325,000 if that's correct. Does the Minister have available to him, either from memory or with the availability of staff support, what was the kind of all-time high of that beef herd at any period of time in the history of the Province of Manitoba? What year?

HON. B. URUSKI: Mr. Chairman, I will guess on that, and I think it was in around the mid-70s. I think we were in the neighbourhood of 450, somewhere in that range. It may have been somewhat higher. It was in that 450,000 beef cow herd, but we'll try and see if we can dig up some statistics. We don't have the cow number separated in terms of statistics.

But it seems to me that I recall that our beef herd was over 400,000 at the high point, I think, around 1975. I think that was the high. I may be out a year or two, and I may be out a few thousand in terms of tens of thousands out, but I am going from memory. The member, once he checks his statistics, may say look, you were out. I'm just going from memory.

MR. H. ENNS: Mr. Chairman, I don't quibble about what the actual figure was. I'm sensitive to the fact that, when governments take any particular action to stimulate a particular section of growth, they're often open to criticism. Certainly the government in the mid-60s, particularly during the time that the Minister is familiar with when we signed substantial development agreements like the ARDA, FRED agreement in the Interlake that called for the expenditure of some \$85 million, a substantial portion of it which, of course, went to such infrastructural improvements as roads, education, better health care and so forth.

But there was also a substantial component involved in that program to clear land, to make greater use of

the marginal land that the Interlake has a great deal of, and in the West Lake area as well, to improve our capacity to raise beef cattle. My recollection concurs with the Minister's that there was indeed a time that agreement was signed - I had the privilege of signing it in 1967 with Premier Roblin, the Federal Ministers, Tellier and Sauvé from the Federal Government - that in fact I wasn't privileged to be around to see the fruition of some of those agreements. My government was defeated in 1969, but nonetheless I think that aided and abetted in the overall population of our beef herd to rise to that 440 to 450, but in that level.

What disturbs me - and I am the first one to acknowledge - that this government, this Minister, has in a very substantial way provided a great deal of substantial support by way of the public treasury, to do what? To enhance, to increase, beef production in the Province of Manitoba. But that's the question, Mr. Chairman.

I am prepared to acknowledge that this Minister has done more in terms of calling on the public purse and the public treasury, but it seems that the more money this Minister and this government throws at the problem, the bigger the problem becomes. We have now reduced our cattle herd from some 450,000 to 325,000. There is something about Murphy's law or Peter's law or Billy's law that is not working, Mr. Chairman. I'm not just making the case.

The case is a substantial one because thousands of jobs are at stake in our packing industry, not just the particular plant that the Member for Arthur rightfully is concerned about in Brandon, but right here in Winnipeg, St. Boniface. The truth of the matter is, we have seen a very substantial reduction in our beef herd. — (Interjection) — Well, Mr. Chairman, I am simply asking and I take it that this is the form in which we try to address the problems of agriculture, and despite the Beef Stabilization Programs, despite the Beef Commission, despite the substantial call on the public purse, the end result is fewer beef cattle on our farms.

Now I don't know what the particular answer is. I started out by saying, the answer isn't simply throwing money at the problem. I recall when another NDP administration said, we will provide relatively interest-free loans for anybody who wants to purchase up to X-number of beef cows and what that meant is the delayed going to market of many cows that had passed their productive years and should have gone to market, but no, because of the lure of interest-free money a lot of young stock growers, a lot of would-be beef growers, were lured into that kind of a proposition. That was in the mid-'70s under another New Democratic Party administration, Mr. Chairman. I don't know precisely what the program is.

Mr. Chairman, if I as Minister of Agriculture in the privacy of Cabinet, had to try to defend my call on the public treasury, if I had the kind of chairman of treasury board that I once had and had to call on yet some further monies for a program that I said was going to work, but how is it working, Mr. Chairman? It's working in reverse.

All I'm saying is I look for the Minister to give us some indication of how we can reverse this situation. I would say, Mr. Chairman, that we had to be approaching an all-time low in beef cattle production in the Province of Manitoba and that is despite the

fact that we are at an all-time high of public subsidy. Never has there been more public money spent to encourage beef production in the Province of Manitoba and never had we had fewer beef cattle in the Province of Manitoba.

Mr. Chairman, all I'm saying is, if I am wrong in stating that then I wish the Minister to correct me.

HON. B. URUSKI: Mr. Chairman, I recognize that the Member for Lakeside can play to different crowds at different times.

MR. H. ENNS: There are no crowds here. I'm just speaking to the Minister and his staff.

HON. B. URUSKI: Mr. Chairman, the honourable member can play to whichever crowd he wants. On the one hand, he can play to the crowd that says government deficits are too high and that government spending is burgeoning and this program is in fact costing taxpayers of Manitoba a lot of money.

Mr. Chairman, they can't have it both ways. They can't say that there were great difficulties in the agricultural sector. Farmers are losing their farms. Mr. Chairman, can you imagine what the beef industry would have looked like without the support that we've had? Mr. Chairman, can we see a scenario of what happened in the Province of Alberta with their packing houses in the last couple of years? Burns closed, Mr. Chairman, one in Lethbridge closed and one in Edmonton closed - about close to 2,000 employees out of the packing house industry. That is the kind of rationalization that is going on.

Mr. Chairman, let us also acknowledge that consumer tastes over the last number of years are changing. Let us also acknowledge that the free and open marketplace that those honourable members on the opposite side profess to, has not been working.

Mr. Chairman, why do we have to bring in stabilization programs? Because, Mr. Chairman, we have to acknowledge whether we like it or not, that the open-market system is not working. That if producers are to survive, they need support. The honourable members don't want to admit that the marketplace has not worked, Mr. Chairman, precisely that. The Honourable Member for Lakeside knows that.

Can you imagine, Mr. Chairman, and I say to the honourable member, what the beef industry would have looked like without the assistance that has been provided?

Mr. Chairman, obviously the member, if he is not trying to lead me into making a statement, one could accuse the honourable member of saying, we are going to get rid of the subsidies that are there — (Interjection) — now the honourable member says, come on.

Mr. Chairman, we haven't heard anything from the honourable members talking about the federal budget as to what they are going to do with dairy policy in this country, about tailoring dairy policy into a market-oriented system, basically saying, we're going to cut the subsidies. That's basically the line that they're on. Mr. Chairman, if that is not the line that they're heading with dairy policy, any other subsidization programs including sugar beets would have taken the profile of having the provinces, the producers and the Federal

Government involved in tripartite stabilization. There will be offloading of federal programming unto provinces, the likes of which you haven't seen.

In fact, Mr. Chairman, I want to tell the honourable members, when they criticized us on the sugar beet policy, and it's very clear from all the statements from the Federal Government that we were into tripartite stabilization in sugar beets had we not hung out for changes in their proposals. For the honourable members now to say we failed on the sugar beet policy, Mr. Chairman, the honourable members should be totally embarrassed because they tried to commit us into spending money and not holding out for the interest of Manitoba workers and the Manitoba producers when the Alberta producers are not growing this year. And the Alberta Government put money up front long before we did any negotiating — (Interjection) — with the Federal Government. So, Mr. Chairman, the honourable member, well, he can argue and say our programs have failed.

Mr. Chairman, what would the industry have looked like without the assistance we had provided? That's really the question. Mr. Chairman, the rest of the western provinces dropped far more than we did. — (Interjection) — Well, 2 percent; that is correct. That is correct, Mr. Chairman, a 2 percent greater decline in cow numbers in Western Canada than there is in the Province of Manitoba. But the question is: what would the industry have looked like without the assistance?

MR. H. ENNS: Mr. Chairman, the Minister challenges: what would the industry have looked like without these in place? My simple question was the industry is going to hell in a hand basket with the policies that he has in place. You know, from 370,000, and I remind him, initially, that was the year after a very severe drought in 1980 where we had a very substantial sell off of herds, and from the Minister's own recollection of memory, from a high of perhaps 460,000 to 470,000, basic beef herd in Manitoba.

All I can tell the Minister is that another Minister of Agriculture back in the mid-'60s, in addressing himself with the same problem that the Minister is trying to address himself, they tried to improve the number of beef cattle in the Province of Manitoba. They did it in different ways. We did it by offering a program that to some extent is still in effect, a land-clearing program, a forage program, a bull improvement program, the total sum of which didn't come anywhere near the call on the public purse that we are now calling upon to support the industry.

Yet, I suggest, if the stats were there, if you checked back the stats of what was our cow herd in 1958, 1959, 1960, and what it was in 1970, a decade later, you would have seen an exact reversal of these figures. — (Interjection) — I don't know the figures from memory; I would suggest that there would be an exact reversal.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please.

MR. H. ENNS: We had a herd of 300,000 or 290,000 in 1960; by the end of the decade, 10 years of

Conservative Government, you had a herd of 450,000 or 425,000 without the call of the . . .

All I am saying, Mr. Chairman, is that despite a considerably generous program of support for the beef industry, the program is not going in the direction that one would expect the program to go. One wants to produce results from a program.

Mr. Chairman, the Minister can say all he wants about the marketplace; quite the contrary in fact is happening in the hog industry. The hog industry, despite its current setbacks, has steadily risen to a point we are now producing the kind of hog numbers that we ought to be producing.

HON. B. URUSKI: Mr. Chairman, the assertions that the honourable member made are not accurate. Now, I don't have the cow numbers, Mr. Chairman, but I have the "all livestock on farms." Mr. Chairman, 1965, the year that the honourable member quoted, the total cattle herd in the province was 1.184 million; the last year that they were in office, 1.162 million. What kind of an increase in cattle numbers were there when they were in office, Mr. Chairman?

All that I am saying, Sir, is there are many factors. The honourable member is being overly simplistic in his analysis, and he knows that. I know that he likes to play little games, and he knows that I guess I can get riled up and he can have a good chuckle at my expense of saying, "There, I got him going and he got riled up on this issue."

Mr. Chairman, there are a number of factors. First of all, Mr. Chairman, in the mid-'70s, where were incomes? Disposable incomes were rising; the per capita consumption of beef in this country was on the upswing. — (Interjection) — Mr. Chairman, I won't ask the honourable member to sidetrack me on this very issue; I will deal with what has been going on. Consumption of beef has been declining and has been dropping steadily from an all-time high of, I think it's about 113 pounds per capita, and we are down to somewhere in the neighbourhood of 84 or 85 pounds per capita today. Consumption has gone down and so has disposable incomes.

Yes, Mr. Chairman, in 1976 the all-time per capita consumption was 113.2 pounds of beef in this country and down to a present low of 85.3 pounds per capita, a massive decline in consumption. As well, incomes have been declining, but that's not to say, Mr. Chairman, that the need to stabilize farm incomes - there was program in place, they let it drop.

Obviously, the honourable member is putting hints on the record to say that, you know, we had better raise those concerns as our federal counterparts have raised that these programs are expensive. Mr. Chairman, the provinces should not have been and, I admit, in stabilization programs ourselves. Mr. Chairman, just to show you, the national ASA program for 1984 is set at \$67.27 per cwt. and the market price averaged \$75.61, no pay out.

Mr. Chairman, go to any beef producer and let them tell you whether they have money in the last year. That is the reason that provinces went into stabilization programs, because the national plan has not worked. And I remember the Member for Arthur saying that there should be national programs, the damn Liberal

Government was not prepared to go into national tripartite stabilization plans; that's what was necessary, Mr. Chairman. Well, if ever there was fed bashing, Mr. Chairman, boy I think I take a back seat to my honourable friend, the Agricultural critic, to that one. I tell you that for certain.

But, Mr. Chairman, that is the reason the provinces went into stabilization because of the absence of national policies in Agriculture. There really never should have been individual programs by provinces, but only that provinces were put in a position that we had to, we wanted to save an industry. Mr. Chairman, I am assuming that the now administration, the new administration, will go back to the principles set down by the Honourable John Diefenbaker, in terms of agricultural stabilization. I see the honourable members are clapping and pounding their desks in support of that statement. Mr. Chairman, I venture to say that the soul of John Diefenbaker would turn over in his grave had he seen the budget that has come into place in terms of agriculture programs in this country.

MR. J. DOWNEY: Mr. Chairman, I want to just further discuss a little bit the points that were made by my colleague from Lakeside and the fact that this government has failed in its efforts to maintain a beef herd. And I don't want the record to show, Mr. Chairman, that this NDP government was the only government that put money in to continue the maintenance of our livestock herd.

In 1980, Mr. Chairman, in one year we laid \$40 million on the table to sustain the beef herd in Manitoba - one year, \$40 million for a green feed program to maintain the beef herd in Manitoba. And don't let him say that he is the generous one to support the farm community. Mr. Chairman, I want it clearly on the record that the Progressive Conservative — (Interjection) — Mr. Chairman, yes, the draw on it was some \$13 million the Minister makes reference to. But the fact is, we laid \$40 million out there and didn't put any stipulations on it, other than they had to produce feed or move feed in from Ontario. In fact that was added to our deficit, Mr. Chairman.

Mr. Chairman, the point that I'm making is that we did offer a \$40 million program of which they didn't draw fully on. We didn't put boundaries in place, Mr. Chairman; we didn't put marketing stipulations in place; we offered that fund to support the farm community. So I don't want the record to show, and the Minister to show, that he is so generous to the farm community in Manitoba and we weren't, because we were in one year, Mr. Chairman. As well, to further point out — (Interjection) — I don't really see the humour in the plight of the farm community. We had a severe drought situation and we were prepared to put in \$40 million to sustain the beef herd in Manitoba, that's really what we're talking about.

So I don't want the record to show that the Minister is the complete saviour of the beef herd. In fact, it was pointed out by my colleague from Lakeside, the government has failed. The packing house industry in Brandon, again, not getting enough livestock; the provincial taxpayer having to support an industry that's continuing to go down in numbers with the objective

of maintaining numbers. So we have to ask the question, what are we really accomplishing with the policies that we have in place? And I'm not going to say, and the Minister would like for us to say, that we're going to remove the support for the beef industry. That's not the case at all, but I think there is some area for changes within the marketing of the livestock, and a review of how the commission offered the livestock for sale. He said it's early in the days of its inception, and I think there has to be a review done of whether it's achieving the maximum price for the livestock producers.

Mr. Chairman, I'm, as well, pleased that the Minister has indicated that he's prepared to, although he won't be here at that particular time as Minister, or he won't be here as government, that in fact the day wouldn't come when the board became elected, or the commission become elected, because there'll be another administration in place at that particular time, if it takes that long.

Mr. Chairman, I, as well, want to deal a little bit more with the stabilization in the beef industry when we get to the Income Stabilization Fund and at this point am prepared to pass the Natural Products Marketing Council.

MR. DEPUTY CHAIRMAN, D. Scott: 6.(d)—pass; 6.(d)(2)—pass.

Milk Prices Review Commission - The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, I'd just like to place a couple of questions with the Minister here for clarification on the material that he provided me earlier and see if he can tell me how this was set up.

Where it shows total lease fee offered for five years, can one assume that that is approximately five equal payments? All right, that's one question. Whether that's a general assumption that would apply, and how were the taxes handled? The tax is part of the lease, or is the government paying the tax?

HON. B. URUSKI: Mr. Chairman, the question about the taxes, I will have to check that out. We didn't raise that and I'm sorry I can't give the information. I'll get the information for the honourable member.

Mr. Chairman, the lease amounts may not have been generally in five equal installments. It would really depend on the condition of the land that the individual was, in fact, bidding on at the time that he bid over the five years. There were instances, I believe, that the first year may have been a lower figure but, in subsequent years, there were much higher figures to give the total aggregate figure for the years. So it would really depend on the condition of the land that the person was in fact tendering on.

MR. B. RANSOM: So to assume five equal payments and attribute an interest return on those payments would be to err on the side of being conservative, rather than overestimating the amount of money that the government would get. The Minister's telling me that some of them in the latter years had larger payments, so I would be safe, it would err on the conservative side here, rather than the other way.

HON. B. URUSKI: Mr. Chairman, using those terms that the honourable member puts forward, he could

average them out and get the average annual payment. But, as I've stated, in some instances the initial year bid would have been lower than the average of the latter years, yes.

MR. DEPUTY CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, the Minister, as well, in reading out some information on community pasture rates, would he give us that document so that we have it available to us.

HON. B. URUSKI: Yes, Mr. Chairman, we'll pass it on.

MR. B. RANSOM: Thank you.

MR. J. DOWNEY: Mr. Chairman, dealing with the Milk Prices Review Commission, I just want the Minister to recall his party's strong opposition in 1979 or 1980, the passing of the Milk Price Review Commission and the removal of the Milk Control Board. Apparently the Minister now has seen the error of his ways and he is now supportive of it because he's had three-and-a-half, four years to change it back to the old system. So apparently he has now changed his attitude towards it and is supportive of it.

The one concern and it ties directly with the concern that we're having, Mr. Chairman, the concern that we have with the continued reduction in the amount of quota that Manitoba has for the dairy industry, the fact that less consumption means less quota, means less production opportunities. The Minister and the commission have not, in my mind, justified to the public or to the opposition as to why they would implement a minimum price for milk.

Now I appreciate the fact, Mr. Chairman, that we have some rural and Northern communities that need the protection as far as milk price is concerned. We had in place a maximum price, but I guess the concern that I have, Mr. Chairman, is what we have really seen happen, and if I'm incorrect in my assumption, by putting a minimum in place we have done a couple of things; we have reduced the opportunity for people to purchase milk at less price so that they are restricted from getting what is considered to be probably one of the best foods available. People who wanted to go to Safeway or to the - and I shouldn't use any particular name - but any large store where they could buy competitively, Mr. Chairman, and in fact were buying for reduced prices.

The argument comes forward that the small corner store is not able to do the same thing. Well I have to question whether the majority of milk is purchased at the small corner store shops, the mother and father type stores, that in fact the majority of milk purchases comes from the larger stores.

By introducing a minimum price, really what he has done or what they have done is lock in a guaranteed profit for the large retail outlets of milk. That's really what he has accomplished, Mr. Chairman. People when they go to the convenience stores, I think they are prepared to pay a little bit more money than what they, in fact, had or what they would at a larger daytime operating store.

The other concern was some of the difficulties in rural Manitoba. I have maintained that there is no reason

why a policy couldn't be struck, taking the average sale price of milk in Winnipeg, adding a fair transportation cost to it, and applying it to rural or Northern Manitoba. There were other ways of doing it, Mr. Chairman, but by what has happened we have seen less people being able to buy milk or fewer people being able to buy milk, cutting back on the total consumption, having an implication as far as family health is concerned, but as well the reduction in the opportunities for production in the dairy industry in Manitoba. By introducing a minimum price has caused, in fact, less production opportunities and restricted a lot of people or more people from drinking a lot more milk.

I don't believe it's in our best interest. I don't believe, Mr. Chairman, that it is in our interest to lock in guaranteed profits for large retail outlets. It's not in the interests of the consuming public.

The Minister says, what do I have to back it up? Mr. Chairman, at this particular point, I don't have any specific details. Just I think probably one would have to use a little common sense when it comes to what would basically happen. Now if I'm wrong in using common sense that if you were to lower the price of milk to the consumers, that they're going to drink more of it. They're going to use more of it, Mr. Chairman.

What else you're doing, Mr. Chairman, is putting some competition between the retail outlets. You're locking in a guaranteed cost of production return for the producers through a formula pricing. The consumers are getting the price on a competitive basis with the maximum at the retail level - there is a maximum price - and forces the retailers to compete within the system.

So I would say, Mr. Chairman, under our policy, that the public had the best of both worlds. The producers had a guaranteed cost of production through formula pricing. The consumers had a maximum price on the retail milk of which they purchased. The competition within the retailers and the distributors had to take place for them to compete.

So we've ended up with this government implementing — (Interjection) — that's right. My colleague from Lakeside said exactly what it is. It's social tinkering. They have moved to implement a minimum price which has restricted the consumption of milk, and it has restricted the output opportunities for our producers. I would ask the Minister as to why he would allow that to happen. Is he satisfied that this is the best opportunity for maximizing production and consumption by our producers and our consumers? Why would he not have left it the way in which it was?

I know the Minister will come back with the argument that you've got problems in Northern and rural Manitoba that they're not able to compete. You've got your small corner stores that aren't able to compete. I have suggested ways in which he could have got around that but, by putting a minimum price in place, he has really ended up costing the producers production opportunities; he has cost the consumers the opportunity to get increased supplies of milk at less money, and competition in the retail sector, which I think it's important to have.

Mr. Chairman, I think this Minister's record is extremely questionable in this whole area. One thing I have to give him a compliment for is that he hasn't removed the Milk Prices Review Commission and reverted back to the old Milk Control Board.

So I would ask the Minister if he is prepared to make a policy change and remove the minimum price of milk so as we could accomplish increased consumption and increased production opportunities.

HON. B. URUSKI: Mr. Chairman, I wish the honourable member would have been able to back up some of his assertions that he has made, but obviously again he is talking through his hat in terms of the statements that he is making with respect . . .

MR. J. DOWNEY: No, I'm not. Can you prove that I'm wrong?

HON. B. URUSKI: I will prove that you're wrong. I will give you the actual numbers, Mr. Chairman. I'll get into it and I'll tell you exactly.

Mr. Chairman, he again puts an assertion on the table that we supported their legislation to decontrol.

MR. J. DOWNEY: You didn't support it.

HON. B. URUSKI: That's right, we didn't support it, Mr. Chairman. What we did support, and we said so and Hansard will bear it out if you go back to the debates, we did support the removal of the producers from going every year to the Milk Control Board . . .

MR. J. DOWNEY: No, you didn't. No, you didn't.

HON. B. URUSKI: Mr. Chairman, the honourable member, if he wants me to go back to Hansard and get him the records of my speeches and speeches of my colleagues, we have no difficulty in supporting and we did not have any difficulty in supporting the change in process of the producers going to the Milk Control Board once a year, rather than setting up a formula as was done. We had no difficulty with that in terms of accepting it.

What we had great difficulty with, Mr. Chairman, was the whole area of decontrolling prices in fluid milk sales in this province. That is true, Mr. Chairman, we did. In fact, we have had to move away from controls. It lasted for about a year-and-a-half, Mr. Chairman, following the change in legislation and then the whole system fell apart. The good will that was supposed to come in the system fell apart and, Mr. Chairman, clearly, I want to show the honourable members what controls have done in terms of price stability to the consumers of this province. I want to tell him what the stability to consumers in this province has done.

Mr. Chairman, milk consumption in this country has been on the decline. That is well-known. That is why the milk producers are on a cutback. The Canadian per capita consumption of milk has dropped from 100.7 million litres in 1981 to 104.3 million litres or a drop of 3 percent in Canada. Mr. Chairman, the consumption of milk has dropped 3 percent in this country, in Manitoba, and I know the comparison is not clear because 5 percent of our fluid milk sales are cream, our drop was less than the Canadian average. It still dropped 2.2 percent.

However, Mr. Chairman, what is noteworthy is that during the period of controls there has been no change in the amount of consumption of milk in this province.

There has been no change. No drop since controls came back in. Since we instituted controls there has been no change. But, Mr. Chairman, in comparison, Ontario where there are no controls and there is sale of quota in Ontario, the per capita consumption has dropped 3.6 percent over the same period, far beyond the drop in the rest of the country.

But, Mr. Chairman, let us look at the reason of what the sale of quota brings to consumers, what kind of costs. Let's take an average price of milk in Ontario, two litre, 2 percent. Is that a fair comparison, Mr. Chairman? The low price in Ontario with no controls is \$2.10 for a two-litre container and the high price in Ontario is \$2.34 for a two-litre container. Mr. Chairman, in Manitoba the minimum price is \$1.66 for a two-litre container and the high price, the maximum price because of the regional differential is \$1.88 - a difference of 44 cents. Forty-four cents on the minimum price for two litres and 46 cents at the maximum price.

Now don't let the honourable members attempt to buffalo the people of this province into believing some myth that the control of milk prices has not led to stability for consumers in this province. It has - and the figures that I have, and I can go through it, Mr. Chairman. Again, let's go on the one litre. The price differential is even greater. I use an average. Mr. Chairman, if we go on the one litre of 2 percent, the low in Ontario is \$1.05 a litre and the high is \$1.25 a litre. The low in Manitoba is 84 cents a litre and the high in Manitoba is 95 cents a litre, a saving of 21 cents at the low end and 30 cents a litre at the high end, if you buy it in one-litre containers. I used an average, Mr. Chairman, because it didn't even show the greater spread.

So, Mr. Chairman, any assertion that the honourable members opposite make, we had to circumvent their legislation by putting in a Milk Prices Review Marketing Commission to deal with the question of instability in the marketplace and instability for consumers. The member doesn't want to recall the massive increase of 14 cents a litre in some parts of his province when the producers of this province received 4 cents a litre. That is how they jacked up the price of milk, Mr. Chairman, with decontrols under their legislation. Why did we have to move? We're changing the system, Mr. Chairman. That is what happened - 4 cents for the producer, 14 cents additional costs to the consumers. Who could have justified that kind of increase? We haven't, Mr. Chairman, by virtue of controls, we have not even come close. We have not even come close to what the increase was over a year ago to today's prices. The increase that was implemented by the dairies precontrols, Mr. Chairman; it was higher than it even is today. It has saved consumers of this province millions of dollars in terms of additional savings on milk, on milk prices to the consumers. Just figure that out, Mr. Chairman.

Maybe I am out in my figures, but if we look at a consumption in Manitoba of 100 million litres at about a year, and this has been more than a year of controls. Let's say 120 million litres at about 4 cents a litre in terms of differential in cost - (Interjection) - \$4 million at a differential of 4 cents a litre. Because we have not yet reached the price today of the increase that was implemented by the industry by virtue of coming back to controls.

Mr. Chairman, the consumers of this province have saved anywhere up to \$4 million in the price of milk by virtue of controls coming into this province, precontrolled. — (Interjection) — The Honourable Member for Arthur says, it's our policy. Mr. Chairman, he really doesn't know what he's talking about. We had to circumvent their legislation to set up a separate agency to market milk to be able to control prices because it got out of hand in this province. I will check those figures that I have not exaggerated the amount, but, Mr. Chairman, if we look at 4 cents a litre and 100 million litres in terms of \$4 million a year. It may be less.

Let's cut that a quarter, Mr. Chairman. Let's take it to \$1 million a year. Mr. Chairman, that means \$1 million of savings to the consumers of this province in milk. Let's cut it by a quarter and take my assertion in half and half it again; we still have \$1 million saving. Mr. Chairman, where can you get a saving like that in terms of controls?

MR. J. DOWNEY: Mr. Chairman, never before have I had such an endorsement of a Milk Prices Review Commission in which this Minister voted against when we changed the act from the Milk Control Board to the Milk Prices Review where we put a cap on the price of milk and we are thankful that the Conservative policy saved the people of Manitoba a lot of money. It's proof that our policies were right. But the bigger question is, we could have had more savings; the consumers could have had more savings. We could have had the best of both worlds.

But, Mr. Chairman, this Minister moved to implement a minimum price which, in fact, has cost the consumers more. So the savings could have been even still greater if he had allowed it to operate in the way in which it was operating.

Yes, Mr. Chairman, the producers could have had more production opportunities, we wouldn't have seen the reduction in our consumption, and we would have seen an increase in our consumption and we would have saved more money because the minimum price wouldn't have been there, the maximum price.

So, therefore, in view of the fact that under Conservative policies, we would have had cheaper milk for consumers and more production opportunities, and this government has failed to leave the minimum price alone and let it float, Mr. Chairman, I move, seconded by the Member for Morris, that because the minimum prices have been reinstated, that Appropriation 6.(e) be reduced from \$45,600 to \$44,600.00.

MR. DEPUTY CHAIRMAN: Okay, the motion before the House, moved by the Member for Arthur, seconded by the Member for Morris, that because minimum prices have been reinstated, that Appropriation 6.(e) be reduced from \$45,600 to \$44,600.00.

The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, if ever I heard a group scrambling to justify their position . . .

MR. C. MANNES: Excuse me, a point of order.

MR. DEPUTY CHAIRMAN: On a point of order, the Member for Morris.

MR. C. MANNES: Mr. Chairman, could you refer me to the rule which gives the Minister a privilege to speak on this motion?

MR. DEPUTY CHAIRMAN: On any motion, on a motion before the Legislature, any member of the Legislature can speak to it.

HON. B. URUSKI: The motion that is put is debatable; if it is a closure motion, then it is not debatable, Mr. Chairman. I rise on a point of order, Mr. Chairman. The honourable member . . .

MR. C. MANNES: Would you give me the rule, please?

HON. B. URUSKI: Mr. Chairman, I can't quote the rule. If the honourable member wants me to sit down and start looking for a rule book, that's fine, I will do that. The only debate that is not allowed is on a motion to put the question. On a motion that is put to reduce one portion of the Estimates by \$1,000, Mr. Chairman, obviously, it is open for debate and I wish to speak to the motion.

Mr. Chairman, while you are looking up the rule, I want to deal with the motion; I want to deal with the question. I want to put on the record, Mr. Chairman, because the milk industry, the processing industry, maybe not all the processing industry but some segments of the processing industry have been supportive of the actions of the government.

I want to quote from the Manitoba Dairy Co-operative Annual Report of 1984, Mr. Chairman, when we in fact brought in controls in this province, and I want to quote from that report, on Page 18, the second government-initiated event was at the provincial level where finally on June 7, 1984, legislation came into effect regulating the selling price and rebate levels of fluid milk. Mr. Chairman, there was no legislation; it was a move by Order-in-Council establishing a milk marketing commission to be able to regulate the price of milk.

And I quote: "This brought sanity back to the marketplace following many months of increasingly higher rebates. It also allowed a modest 2 cents per litre increase to the processors." That's what one of the processors said, Mr. Chairman; it did in fact allow some sanity to come into place in the marketplace.

And for members on the Conservative benches to now move a reduction of \$1,000 in the budget of the Milk Prices Review Commission, it is tantamount to telling the consumers of this province they don't deserve the benefits that they have received of the last year of controls. They are saying we don't want you to get the \$4 million that you got; we want that 14 cent increase that was imposed on you last year that we rolled back, that the government rolled back. That's what they want.

Who are they supporting, Mr. Chairman, by that motion? Obviously, they are not supporting the consumers. When you look at the price of milk in Manitoba versus Ontario, obviously, Mr. Chairman, who are they in fact supporting by that motion? They certainly are not supporting the producers because we had to change the formula that they put in by legislation to make it work because the formula was not working; it didn't trigger. In fact, it probably, and I venture to say that by now there may have been an increase in

the formula of producer prices, but, Sir, without the changes in the formula, until the formula was changed, there would have been no increase; in fact, it was calling for a reduction the way the formula was set up.

The Honourable Member for Emerson should take that to his producers and tell them how their formula worked. No one understood the formula of producer pricing in terms of producer costs of production. We had to change it so it would be understandable, Mr. Chairman. It worked well.

Mr. Chairman, the honourable member doesn't recall that there was extreme lobbying and the producers were right, the formula wasn't working. It hadn't triggered an increase for about a year-and-a-half in the formula and it wouldn't have triggered an increase, Mr. Chairman, had we not changed the formula. We had to make it more sensible because it was totally incomprehensible. Whoever they got to set up that formula, Mr. Chairman, really put the squeeze on producers.

So, Mr. Chairman, the motion is tantamount to rejection of the benefits to consumers of this province. That's what he is saying, it's tantamount to saying let's have predator pricing in milk and let's go back to the dog-eat-dog situation of their legislation. That's why, you know, when they say we have now supported their legislation, how in the world can they rise in their place and say now we are reducing this legislation because you have followed our policies?

Does that make any sense, Mr. Chairman, because obviously that's what that motion is saying. On one hand, the Member for Arthur says you are following our policies and you have kept our policies and it's our policies that are working. On the other hand, Mr. Chairman, how can they now move a motion for a \$1,000 reduction in the Milk Prices Review Commission when in fact - you know, it's just incomprehensible, Mr. Chairman.

MR. CHAIRMAN, P. EYLER: Are you ready for the question? Do you wish the motion read?

I move, seconded by the Member for Morris, that because minimum prices have been reinstated, that Appropriation No. 6.(e) be reduced from \$45,600 to \$44,600.00.

All those in favour, please say aye; all those opposed, please say nay. In my opinion, the nays have it.

MR. J. DOWNEY: Counted vote, Mr. Chairman.

MR. CHAIRMAN: All those in favour of the motion, please rise.

HON. A. ANSTETT: Point of order, Mr. Chairman. A request for a formal vote requires a ringing of the division bells.

MR. CHAIRMAN: The request was for a counted vote.

HON. A. ANSTETT: The member asked for a counted vote. That's a formal vote.

MR. CHAIRMAN: Counted vote? I believe the procedure is a voice vote, followed by a counted vote in committee, followed by an appeal to the whole committee. Counted vote. All in favour, please rise.

HON. A. ANSTETT: Point of order, Mr. Chairman.

MR. CHAIRMAN: Order please.

The Honourable Government House Leader on a point of order.

HON. A. ANSTETT: Mr. Chairman, our rules provide that, on a request for a formal vote, a counted vote in committee, the Chairman rings the division bells, and the two sections come together. That's the procedure we follow. We discussed this extensively in the Rules Committee, Sir.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please. On the point of order which was raised by the Government House Leader, the Blue Book rules have not been precise in the past. There is a Committee Chairman's Manual which states specifically, which is based on the traditions of the House I would assume.

HON. A. ANSTETT: On the same point of order.

MR. CHAIRMAN: Order please.

The Government House Leader on a point of order.

HON. A. ANSTETT: Mr. Chairman, in the other section of this committee, approximately a year and a bit ago, that manual was referenced. At that point, it was pointed out that it had no status whatsoever in this Chamber or in the committee. There is no precedent for the suggestion there should be a count out in either section of the committee.

Our practice in this Chamber since 1976 has been, when there's a formal count out requested in a section of the committee, the bells ring. The other section recesses, and the vote is taken of all members if it's before 10:00 o'clock. That has been our practice. We have not conducted separate section votes. The reason that rule was placed there, the reason it was confirmed by members opposite when they were government was so that numbers could not be bounced from one section to the other for purposes of section votes. That's our practice. A manual has no status against our practice or our rules.

Mr. Chairman, if I may as well, that manual was repudiated by the Rules Committee at its meetings last year. In fact, a specific recommendation to establish a rule to conform with the practice of this Chamber is in the Rules Committee Report which is now stalled in this Chamber.

MR. H. GRAHAM: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please.

The Member for Virden to the same point of order.

MR. H. GRAHAM: On a point of order, I don't think that the Rules Committee ever repudiated the rules of this Chamber.

MR. CHAIRMAN: The Honourable Government House Leader to the same point of order.

HON. A. ANSTETT: Mr. Chairman, to the same point, I didn't suggest the Rules Committee repudiated it. The

Rules Committee repudiated a manual which purported to suggest that sections could have independent votes without calling in all the members. That had no status, Sir, and no precedents to back it up.

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

MR. B. RANSOM: On the point of order, Mr. Chairman, it seems to me that you have made a ruling as to how the vote should proceed. The Government House Leader has two options: to challenge the ruling of the Chair; or to allow the vote to proceed as the Chair has outlined, which gives the government or the opposition the opportunity for a further recorded vote at that point, and to have the bells ring and call the members in.

MR. CHAIRMAN: Order please.

The report of the Rules Committee which deals with this has not been received by the House at this particular point in time. It has not been accepted. I am informed by the Clerk that, in the past, there have been voice votes followed by counted votes in the section, followed by appeals to the Committee of the Whole.

My ruling is, therefore, that we will follow the procedure which has been established. That is a voice vote followed by a counted vote in this Chamber, followed by an appeal, if necessary, to the whole committee.

The voice vote having been held, all those in favour of the motion, please rise.

MR. H. GRAHAM: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please.

The Member for Virden.

MR. H. GRAHAM: Mr. Chairman, on a point of order, since you have called for the vote, there have been two members walk into this Chamber, three members have walked in since you called the vote. I ask that they . . .

HON. A. ANSTETT: On the same point of order.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please, order please.

The Government House Leader to the same point.

HON. A. ANSTETT: Mr. Chairman, the suggestion by the Member for Virden when this committee is sitting in two sections would deny members the right which was established in 1976 when the section system was set up to move from one section to the other at will. Is the member suggesting that the doors for a vote in one section are barred?

If he is, Sir, then I don't think we should proceed with a vote in one part of the committee or a section. If he is insisting, Sir, that the doors be barred for a division in a section, then I, Sir, would then insist that both sections vote together.

MR. CHAIRMAN: Order please. All those in favour of the motion, please rise. The Clerk would count the vote.

MR. CLERK'S ASSISTANT, G. Mackintosh: 11.

MR. CHAIRMAN: All those opposed, please rise.

MR. CLERK'S ASSISTANT: 13.

MR. CHAIRMAN: I declare the motion lost.

Item 6.(e) Milk Prices Review Commission—pass.

Item 6.(f) Manitoba Farmlands Ownership Board, (1) Salaries - the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, just let the record clearly state that the government voted not to remove the minimum price of milk to give both the consumers of this province a break in milk prices, and to give the producers an opportunity for increased production opportunities.

Mr. Chairman, I have some major issues to discuss with the Farmlands Ownership Board.

Mr. Chairman, I guess my first concern is that this government have followed a pattern of hiring former politically appointed people. The new executive director, or the most recent hiring of the executive director again was a blatant political move by this government to implement a politically appointed person. The former appointed chairman of the Farmlands Ownership Act is now the executive director of the Farmlands Ownership Act. A former well-known NDP supporter in this province, appointed by this government as the chairman of the board and now has a civil service job and I would ask the Minister again, how did the hiring process takes place? How many applications did he have for the job, and how was it, that the one political person, the one known political person supportive of this government got the job as the executive director of that job?

Mr. Chairman, talk about pork barreling is right. We see it in the Communications Branch, Mr. Chairman. Now we see it even more blatantly, Mr. Chairman, in the Farmlands Ownership hiring of a civil servant. Yes, Mr. Chairman, we have again the Minister of Agriculture hiring a political person directly into the civil service.

MR. CHAIRMAN: Order please.

The Minister of Agriculture on a point of order.

HON. B. URUSKI: Mr. Chairman, I rise on a point of order.

The honourable member has again made allegations. If he has any allegations that he wishes to place on the record towards the committee that sat from the civil service, from my department, who sat on the interview, Mr. Chairman, I'll answer the specific questions. But let him put his specific allegations towards the Civil Service Commission and my staff and the department who were on the bulletin committee, if he has any allegations. Mr. Chairman, this a line function in the department, and the honourable member should withdraw his statement, if he has no firm allegations to put on the record.

MR. J. DOWNEY: Well, Mr. Chairman, I'm not going to back down one little bit. Because one Richard Loeb, who is the former political appointee, as chairman of the Farmlands Ownership Act, well-known New

Democrat — (Interjection) — well, that's right, the member for The Pas claps and hits his desk, substantiating exactly what I've said; well-known NDP supporter, strong in his belief in the left wing, has now got the job; went through the Civil Service hiring process and lo and behold, he ends up with a job as executive director. I ask the Minister, what were the other applicants? — (Interjection) — The Minister says, sleaze, Mr. Chairman. That's not sleaze; it's political pork barreling by this Minister. It's influence by this Minister and this government in the hiring of people to the Civil Service. That's what it is and it's blatant, Mr. Chairman, and I don't need any more evidence than what I presented to this Assembly.

MR. CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the honourable member made an allegation about a former staff person whom I seconded into my office; was hired as a term position in Communications and I hired her to my office and I used her as a special assistant, Mr. Chairman. She was seconded to my office. We were accused of pork-barreling, Mr. Chairman, in that instance. It was a position that was bulletined, in terms of the position that she applied for, it was bulletined, handled through the Civil Service Commission in a normal way. Mr. Chairman, in this instance the position was bulletined; was advertised; there were 28 applications received for the position. Seven persons were interviewed, Mr. Chairman. Four persons from within the department, when I say from within the department, the department and its agencies, and three persons from outside the department were interviewed.

Mr. Chairman, the committee . . .

MR. CHAIRMAN: Order please.

HON. B. URUSKI: Mr. Chairman, the selection board was made up of the Director of Personnel, the Civil Service Commission, and two staff members from my department, the Deputy Minister and the Director of Program Evaluation.

MR. J. DOWNEY: Mr. Chairman, you know we have some interesting things starting to be disclosed by this Minister in what's happening in this operation of government.

We have 27 people apply for a job. There are 7 on the finals to go before the Selection Committee and lo and behold, we have the former chairman. In fact, Mr. Chairman, one has to ask the question and I'll have to check back the Orders-in-Council, but I'm not sure as to whether or not the person had resigned at the point at which he was still the chairman of the board, when in fact he was hired as the executive director.

I'm not sure about whether or not the individual was still the chairman of the board when he accepted the job. If, Mr. Chairman, he wasn't, it happened about the same time. So it is extremely questionable what has gone on within the Department of Agriculture. Yes, it is extremely questionable.

And I would ask the Minister if the same individuals were on the Selection Committee in this particular case as were on the case of the hiring of the Assistant

Director. I would ask who the names of the people on the Selection Committee were in this particular case?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that the gentleman in question had resigned when he made his intention to apply for the position, as chair of the commission. The resignation, there's a letter I believe on file indicating his resignation as chair of the Farmlands Protection Board. — (Interjection) — Whenever the job was bulletined, Mr. Chairman.

With respect to the members of the committee, the Selection Committee in both instances were different members of the committee. Mr. Chairman, the honourable member holds his nose. I will repeat to him, that for the Conservatives if you happen to be a known New Democrat and apply for a position in the Civil Service, you can't get hired. But if one happens to be a Conservative, a relative of a Conservative candidate in this province and competes for a job and get's hired, it's okay, Mr. Chairman. That's the kind of double standard that members opposite . . .

MR. CHAIRMAN: Order please.

HON. B. URUSKI: Mr. Chairman, I want honourable members to find one quote from me where I accused those members opposite of hiring someone through the Civil Service Commission, where I accused them, Mr. Chairman. I will tell you what I raised during the '70's when I was in opposition. I accused them of firing, not calling to meetings, one of the Civil Service commissioners who was appointed and can only be removed by two-thirds vote of this Legislature and totally freezing him out. That's what they did of a Civil Service commissioner; they would not call him to meetings. That's how they got rid of the commission members. They wouldn't call him. But, Mr. Chairman, I have not during my term in office challenged anyone in terms of a regular bulleting of a position and putting on the record the work of the members of the Civil Service Commission, the Personnel Branch and the like in terms of the selecting of candidates. Mr. Chairman, that kind of sleazy allegation really gets to the - you know, if one has to look at the whole situation, they really must be scraping the bottom of the barrel in terms of any issues that they want to deal with.

Mr. Chairman, it really depends - the commission members, the selection board, differs from position to position. If there is a director's position, there will be a different number and a different makeup of the selection board. If it is a lower position, assistant director or lower, there are other people sitting on the board. The makeup of the members of any selection board are different, Mr. Chairman.

So, Mr. Chairman, I don't intend to place into the record the names of the people on the Civil Service Selection Board. I don't intend to do that. I told him in general the type of the individuals who were there. I don't intend to jeopardize the position of the civil servants who were involved, who have been long-time career civil servants in this province under their administration, as well as others - and they are the ones who sat on the board. If he has any allegations to make against those members, he must know more

than I do, Mr. Chairman. Let him put those allegations on the record.

MR. J. DOWNEY: Mr. Chairman, it is the Minister who has got himself into the hot water, not us. The Minister has carried out or performed what I would call a very serious irregularity. That's right. The irregularity is, Mr. Chairman, that this is the second time that we have seen him hire a former politically-appointed person to a Civil Service job.

Let us talk about the Farmlands Protection Board. Let us talk about the hiring of a director, highly political, high profile political person of the New Democratic Party, well-known, Mr. Chairman, well-known for what he believed, surfaced out of 27 people, selected above 7 other people, now is the executive director. Mr. Chairman, I don't need to answer the questions any further than the Minister has to, but I ask the Minister to provide for this committee the dates of which the member resigned as the chairman of the board, the dates that he resigned and the dates that he went before the committee. I want to know whether, in fact, he was still the chairman of the board when, in fact, the hiring was taking place. I want all the dates, Mr. Chairman, of his resignation as board chairman, when the job was bulletined, when the hearing was held by the Civil Service Commission and when he was hired. Those are all the dates, Mr. Chairman, that we want, and I would expect the Minister to provide that information.

HON. B. URUSKI: Mr. Chairman, I have no difficulty in providing the dates of the resignation and the information as to when the job was bulletined and when the position was filled for the director. But, Mr. Chairman, what the honourable member is attempting to do, we have in this province - and I want to tell you that the member who was hired, the honourable member, or anyone, would be proud of having the present director of the Farmlands Board on their staff. Mr. Chairman, he won the competition fair and square over all those who have applied. Let the honourable members get out of the gutter; let them get out of the gutter in terms of making those kinds of allegations towards the selection board and the members of his staff because all those members who sat on the board from the Department of Agriculture, with the exception of the Deputy Minister, were his staff while he was Minister. He is now saying that they no longer count, Mr. Chairman. They no longer count. Mr. Chairman, the Civil Service person was on staff, I'm not positive, when they were in government.

Mr. Chairman, the members opposite find that it is fine to attack someone who wins a competition, who happens to have been a New Democrat. That's what you call freedom of political expression Tory style, when in fact, I guess, because of the muck that the Federal Tories got themselves into, they want to try and spill some of that muck in a different sense onto members of this side. Mr. Chairman, the Federal Tories wouldn't have gotten themselves into the difficulty they got had they not raised the political hassle of saying that patronage in the federal sense, there was something bad about it. Mr. Chairman, they now will not live it down. The Federal Tories will not live it down over the next four years because, Mr. Chairman, every time that

the Federal Tories will make a political appointment they won't live it down.

Mr. Chairman, members opposite are getting themselves into that very same kind of gutter because it is okay to be hired through a Civil Service Commission bulletin, if you happen to be a relative of a Conservative, no one says, boo. But, Mr. Chairman, if you happen to be a New Democrat and you get hired in the same process, it is politicization of the Civil Service. That is bunk. That is sleaziness of the worst degree, Mr. Chairman.

MR. J. DOWNEY: Mr. Chairman, the Minister can use all the unparliamentary comments and try to degrade what we are doing here tonight all he wants, but the truth of the matter is that this is his second offence as a Minister in a hiring practice within his department. Very blatant, how more blatant could you be, Mr. Chairman, than to put the former chairman of The Farmlands Ownership Act, who was a highly political appointee and now has the job of executive director, replacing . . .

SOME HONOURABLE MEMBERS: Oh, oh!

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

I would like to remind the members of Beauchesne 316.(e) which states "that a Member, while speaking, must not: impute bad motives or motives different from those acknowledged to a Member."

The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, if I was imputing motives I guess probably it was in the best interests of the taxpayers and I did not want to be unparliamentary in my comments and would, in fact, not want to do that. But I want to . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. CHAIRMAN: Order please. Are the members ready to proceed?

The Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Chairman. I want it clearly understood that there has to be a lot of information brought forward. I have asked the Minister for that information. I would hope that he would willingly produce it. I am as well interested in what the job description, what the background or the educational qualifications were for the job in that regard, what really were the specifications that were outlined and designated as needed for the job?

That's important information I think, Mr. Chairman, particularly in light of the fact that the previous executive director, a long-term civil servant, Frank Muirhead, who carried out his role in this job very aggressively, very professional in his activities — (Interjection) — well, the Minister says take it easy on that one. Well he's a very credible individual, proven that he carried out that job as far as I'm concerned in a reasonable manner. Now if the Minister has other knowledge that I'm not aware of, then he should place it on the record.

But the point I'm trying to make is that the position has, I think, traditionally been held by long-term civil

servant-type people, career civil servants. Now the Minister has again deviated from practice. It's dangerous. I warn the Minister, it's dangerous to pursue that path. It's dangerous for the long-term credibility of the position and the operations of it. I'll be very interested tomorrow when the Minister provides us with the information. I'm sure that it wouldn't take that long. In fact, I would have hoped he would have been able to provide it later on this evening.

Mr. Chairman, the operations of The Farmlands Ownership Act, it took him some time to get the bill proclaimed. I guess there are a lot of questions in the farm community as to why the government proceeded with it. Really what was the reason? Was it a philosophical approach? Was it something that they felt there were very few election promises they lived up to, but that was one of the few? Was that one of the reasons for it? It certainly isn't because it is considered to be constitutional, Mr. Chairman. There are many questions of whether or not it will stand up in the federal court and any challenge that may be brought forward as the Charter of Rights.

I make a specific reference to a question that has been brought to my attention, and I put it on the record. This is it. The problem is that these provisions - I'll read the first part of the section.

"Section 2(a) of the act specifies that there are to be no restrictions on the ownership of farmland by a resident. Resident is defined as a natural person, bona fide resident of Manitoba. The problem is that these provisions conflict with the Charter of Rights. I realize this had been raised when the legislation was proposed, but given the recent development with the Charter, it has become even clearer that there is a conflict with the federal legislation.

"The Charter is quite clear in Section 6 that every citizen of Canada and every permanent resident of Canada shall not be discriminated against primarily on the basis of province of present or previous residence."

So there is a constitutional question, Mr. Chairman. As a Canadian, as residents of Canada, there is in the minds of many people a constitutional matter. But the larger question again, Mr. Chairman, is: why does the Minister want to restrict other residents in Canada from owning property in Manitoba, farmland in Manitoba? They have never been a major threat, Mr. Chairman, to the farm base in Manitoba. Yes, we've had some offshore investment that has caused some difficulties in certain regions of the province, but as a total of the farming community, Mr. Chairman, it really hasn't been a problem.

Mr. Chairman, let there be no mistake about what our policy was. We changed the act when we were elected in 1977. We amended it to try to make sure that there wasn't any unfair competition from offshore. Yes, Mr. Chairman, we amended it. We allowed Canadians to buy farmland in Manitoba, Manitobans to buy farmland whether they used a corporate family farm structure. So I want the record to be clear that we believe that Canadians should have the right to own farmland in Manitoba. No question as to whether they should or they shouldn't, we believe firmly that they should.

I would expect the Minister to respond to the questions on the Charter if, in fact, he doesn't feel it's non-constitutional, because I think probably it is, Mr.

Chairman. I think there has never probably been a challenge to this point, but I would expect that there would be. It has, in fact, I think caused some concern, because there are a number of producers over the past few years who may have wanted to sell to family members who are living outside of the province, or there were people outside of the province wanting to invest back in Manitoba farmland. They have been restricted from doing so, Mr. Chairman.

I ask the Minister if he has any intentions of changing the act to allow other Canadians to own land in Manitoba, because I'll place firmly on the record, Mr. Chairman, that the Progressive Conservative Party are not going to leave this legislation in place, but will revert back to what it was prior to the election of the New Democratic Party. We believe that Canadians should have the right and the opportunity to buy land in Manitoba. I have no problem with stating that policy. I think it's important that the people know what we think should happen — (Interjection) — well, Mr. Chairman, the Member for Inkster comes forward as their backbench expert, I would say I have to put the definition of expert on the record too. The further you get from home, the more professional he becomes. He's not very far away from watching us very closely. So that, therefore, places him in the category of not being very professional.

Mr. Chairman, I want the Minister to provide that information. I would hope that he would do so tonight. If not, we are quite prepared to carry this over to debate tomorrow. I would hope that he would state what his policy is in regard to opening it up for other Canadian purchasers, as well family farm corporations that may want to use the instrument of incorporation to maintain ownership. I know there were some changes, but I think it's still fairly restrictive.

I guess the other question is: has there been a big demand on the board for entry into Manitoba from other provinces? What has their workload been? Has he got a record of the work activity carried on by the Farmlands Ownership Board?

HON. B. URUSKI: Mr. Chairman, it appears that the honourable member wants to relive the debate of when we brought in the legislation, and wants to again place into jeopardy family farm operators in various parts of the province. I think when we brought in the legislation, there was ample evidence of the type of speculation that went on in the flipping of land between a number of Manitoba companies and investors from outside the province for the sake of land speculation, Mr. Chairman.

There is no doubt that, with the downturn in the agricultural economy, the impact of speculation is far less, because there is a lot less investment into farmland. But certainly, Mr. Chairman, during the '70s and '80s, investments into farmland were, in fact, the very nature of people from either foreign countries just for the sake of investment or outside interests.

Mr. Chairman, the amount of speculation that has occurred in certain municipalities - the records are there - has in fact placed many farm families in financial difficulty. If the honourable member wishes to take the system back to the so-called good old days, that's fine, we will debate that on the hustings, that he is prepared to put Manitoba farmers in competition with speculators.

That is basically going to be the issue, whether Manitoba farmers should compete with speculators in farmland because that is precisely what will be the issue on the hustings and I look forward to that debate.

Mr. Chairman, in terms of the board activities, I want to indicate that the act was proclaimed last September and the board has granted exemptions to 83 individuals or corporations for purchases of 17,543 acres of land. It has denied an exemption to seven applicants who propose to acquire 1,708 acres. The number of individuals in corporations seeking exemptions from this so-called draconian piece of legislation is very small.

In fact, to date, the board has received applications from ineligible persons to acquire less than 20,000 acres of land in Manitoba and it might be noted that 30 applicants who secured 7,900 acres of land by way of exemption held an ownership interest in their property prior to the date of proclamation of the act. In other words, a number of persons had made an offer to purchase land prior to September 26, 1984. Applications by these persons were automatically approved by the board.

During the past debates, Mr. Chairman, it has been observed that many farm families would no longer be able to buy land since they made their purchases through holding companies. In practice, the board does grant an exemption to farm families who chose for tax purposes to acquire the land through holding companies. In effect, these family farms receive treatment similar to that accorded to Hutterite colonies.

Mr. Chairman, the data show that a grand total of six applications have been made by farm families who wished to purchase their land through holding companies. The board allowed these corporations to acquire 2,200 acres of land and has approved routinely 15 applications from Hutterite colonies.

Mr. Chairman, the board, as well, approved 12 applications by non-residents who have made a commitment to take up residence in a province within a reasonable period of time. Most applicants have committed themselves to reside here within three years. One person indicated that it would take seven years to become a resident of Manitoba and was granted an exemption. In fact, of the 90 applications that there have been for exemptions, 83 have been approved.

MR. J. DOWNEY: So what are we really accomplishing, Mr. Chairman? We've got 90 people who have made an application, 83 of them have been approved by some NDP goddess who is out there, or the board, that says, you can come to Manitoba and buy land. There are seven who couldn't come. Why couldn't the seven come? What were they going to do? Were they not going to come and live in Manitoba? Was their investment not welcome? You know, really what are we trying to accomplish? Were they offshore investors that were restricted, or were they other Canadians? Where is this land of freedom that we thought we lived in, this land of mobility? The Minister always runs for that old NDP ground of the speculators . . .

A MEMBER: The root of all evil.

MR. J. DOWNEY: Yes, that's the root of all evil in the land business.

Well, Mr. Chairman, I don't know too many land speculators who have made much money over the last few years in this province or in any country. The price of farmland has been decreasing. The price of farmland was decreasing when he introduced this legislation. The prices of land have been going down, not up. I'm not sorry to see that happen because there are more people probably being able to buy, and I think it's good. I think it is good to be able to own a piece of your country, not necessarily a piece of this particular province.

Yes, Mr. Chairman, legislation has nothing to do with it. The big case when they introduced this legislation was the fact that it was going to stop land prices from going up. Well, that was really the case. — (Interjection) — Mr. Chairman, the Minister says it was. I have to say that if that is the case then, that's right, the legislation really drove it down. He takes every argument so much out of context. He doesn't want to deal with the situation as it is.

The situation as it is, Mr. Chairman, I'm free to sell land as anyone else is free to sell land and I think one in this country should be free to sell land to any other Canadian if they are desirous of owning a piece of Manitoba, as he should have the opportunity to buy land in Ontario or Quebec or British Columbia or Alberta or Saskatchewan. Yes, it means something to him. — (Interjection) — The Member for The Pas does have an idea of what farmland ownership means. It means that he has got his investment. It has been a long-term feeling by farm people and it is important to have a piece of this country.

Mr. Chairman, the whole point is that we have staff. We've got a bureaucracy hired, to do what? To prohibit seven people from coming to this country. That is really what we have. We've got 83 permitted and seven who haven't been permitted. Well, we could get into detail with those seven people who have been prohibited. I don't know what harm they were going to cause the province. I don't know whether they were going to put the price of land up. I'm not sure what difficulties the board has. The whole question is, it's scrutiny. It's the kind of scrutiny that each and every one has to go through.

A year ago, I believe it was, when the legislation was being introduced, my colleague dealt with leasing of farmland - the board had control of leasing land to or from a non-farm corporation. Have there been any difficulties in the allocation of leases from non-farm corporations or from individuals who wanted to use the instrument of the non-farm corporation to operate their farm? I know that was a question that was brought forward at that time. I wonder if there have been any lease questions put before the Provincial Farm Lands Ownership Board.

HON. B. URUSKI: Mr. Chairman, I didn't comment for the honourable member the constitutional question and I'm sure there are many pieces of legislation that will ultimately be tested in the Supreme Court as to their constitutionality, whether they are in fact ultra vires or whether they will stand up. It's possible that sometime in the future this legislation will be put to the test. I just want to indicate to the honourable member that it will not only be in Manitoba that legislation will be

tested, it will be in the Province of Saskatchewan's legislation, the Province of Quebec's legislation and the Province of Prince Edward Island's legislation which will be tested in terms of the constitutionality on the provisions of whether or not the province has the right to restrict ownership to citizens of that province, or in this case to citizens of Manitoba or those potentially having residency in Manitoba.

Mr. Chairman, with respect to applications for the leasing of land, and I am assuming that he is making reference to financial institutions, I have had brief discussions with financial institutions; in fact, I just had some recent correspondence with one of the financial institutions outlining their desire to look at the question of exemptions beyond the three year limit. There are still, I guess, two and a half years before the limit is up, the banks.

Mr. Chairman, I have indicated to them that the Province of Saskatchewan does have a two year limitation of disposal, not a three year as we in the Province of Manitoba. In speaking with Saskatchewan officials, they have found no difficulty in dealing with financial institutions in terms of disposition of the land.

I would indicate to the honourable member that I would see the board granting extensions on an individual case basis to financial institutions where in fact, as I have indicated, that the market price may in fact, or the bids that they have received, be so far below the appraised value of the property that it would be imprudent to put that land on the marketplace. I would foresee, for example, financial institutions being granted exemptions to hold on to land in a lease with an option to purchase basis where they may want to give a farmer an opportunity to restart into farming, someone who they have repossessed and want to have the individual start up farming. I could see those kinds of examples.

Those are the kinds of provisions that I would see the board dealing with, the kind of exemptions the board provided, but as far as I am aware, Mr. Chairman, up to this time we have not had one application for exemption under the act from any financial institutions other than the discussions that I've mentioned.

MR. J. DOWNEY: Well, I know there have been concerns expressed publicly by financial institutions and banks that they were concerned that they would be forced to put large pieces of property on the market and would, in fact, erode to some degree the established current market value which would impact on communities. It could have a major impact on some communities, and would in fact be a snowball effect. You would see substantial price reductions and it would further erode some of the securities that neighbouring farmers may have. Substantiating loans, which the bank holds for security, would in fact be reduced and it would cause more security or more collateral and it would further cause hardship to the farm community.

So, as I understand what the Minister said, there is going to be some flexibility as far as the Farmlands Ownership Board is concerned dealing with banks or financial institutes which would normally be forced to dispose of their land after the three year period. He is saying, if I understand him correctly, that there is going to be some flexibility.

Has the Minister communicated that to those organizations, to the banks, credit unions and anyone else who are involved in farm lending? Has he indicated that to them in a direct communication? Because I know the question has been raised publicly in newspapers. In some private discussions, I know, it has been brought to my attention.

HON. B. URUSKI: Mr. Chairman, I have directly corresponded with one institution who has raised that with me. I may as well tell him - the Royal Bank. My correspondence was directly and in direct discussions with the Royal Bank. I believe that the board will be inviting all institutions to discuss this matter with them and to hear representations from them on the matter and to see what further steps will have to be taken.

But, Mr. Chairman, I have outlined briefly in terms of what I could see as exemptions that the board would deal with and we will be continuing on our discussions over the next while.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: I would like to ask the Minister, Mr. Chairman, why would a bank or a credit union be obliged to sell land for less than the appraised value when the government itself chooses not to sell its land for less than the appraised value?

HON. B. URUSKI: Mr. Chairman, we have not indicated that the institution would have to sell land below the appraised value. I have not indicated that; the honourable member has made that assertion.

MR. B. RANSOM: Well, Mr. Chairman, does the law not read that they will have to dispose of the land within three years?

HON. B. URUSKI: Mr. Chairman, that is what the law reads, but it is not implied that the land prices will in fact be, three years hence, below the appraised value of that bank.

MR. B. RANSOM: Mr. Chairman, the Minister tabled information in the House for me tonight which shows that of 44 parcels of land that MACC put up for sale by tender, only two were sold; only two out of 44 received bids that were higher than the appraised value. So for 42 of those parcels, they either received no bids or they received bids that were below the appraised value.

Now what the Minister is telling me is that he is simply hoping that two and a half years from now that the general going price of land will be higher than the appraised value, but MACC is not selling land below the appraised value.

Now why should any other institution be required to sell land below the appraised value if the government itself doesn't sell land below the appraised value?

HON. B. URUSKI: Mr. Chairman, the appraised value is the going price. I have not said that institutions will be obliged to sell land below the going price at that period of time. It was never suggested that they should.

MR. B. RANSOM: Well, Mr. Chairman, the appraised value is not the going price because the Minister just

put 44 pieces of land up for sale, and 42 of them were below what he called the going price, so he didn't sell them.

Now if the government is able to appraise the value of land at a certain level that's done by professional appraisers, the banks can appraise theirs the same way.

HON. B. URUSKI: Based on what?

MR. B. RANSOM: Based on a number of factors, but the important factor, the most recent factor relative to all of those pieces of land is that they were put on the market for sale and that they did not get a bid. Now surely when you put 44 pieces of land on the market and only two of them are sold because only two meet the appraised value of the land - and I believe one of those two was dead-on the appraised value and only one actually exceeded the appraised value on 44 pieces of land - that has to tell you something. That has to tell you that the system of appraisal is out of whack, for one thing, that hasn't caught up with the value of land.

Is the Minister going to require a credit union, for instance, if it had 44 pieces of land and the three years are up and they put them up for tender and only two of them come in with bids over the appraised value, is the Minister going to say you've got to sell them or is he going to consider bringing in an amendment to the act that says you only sell them if you can get the appraised value or greater? Or is he going to say that MACC will live by the same standards that the banks and the credit unions will live by?

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that I have indicated some of the possible options for exemption under the legislation. There is room for exemption.

Mr. Chairman, they should be examined on a case-by-case basis in terms of the institution. The honourable member tries to make the case that somehow it is a great difficulty in institutions. We don't know that at this point in time, and it is pure speculation.

Mr. Chairman, the Province of Saskatchewan has had this type of legislation in place a number of years longer than Manitoba, and they have a two-year time frame in which institutions shall dispose of land. In our discussions with that province, we have been advised that there have been no difficulties posed on financial institutions in how they operate under their legislation.

MR. B. RANSOM: Mr. Chairman, the Minister hasn't made any attempt at all to provide the information on this section that we asked for a little bit earlier. I would like to have the information tonight while we're still on this section. If we can't get the information, we'll probably have to hold it until tomorrow.

HON. B. URUSKI: Mr. Chairman, I can tell the honourable member that we have to get that information from the personnel office. There is no one here from the Personnel Branch here in this committee. That's where all that documentation is. If we can get it together tomorrow, we will get it.

Mr. Chairman, that whole matter certainly is open for debate. We won't be finished the Estimates, and

the member will have ample time to debate it on my salary. We'll get it as soon as we can. If we can get it all together tomorrow, we'll have all that information for him tomorrow.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, if I understood, he said there were seven rejections on the applications made - 90 applications to the board, 83 accepted and seven rejected. Were those seven rejected offshore or were they other Canadian purchasers?

HON. B. URUSKI: Mr. Chairman, I don't have the details of the specific seven rejections. If the honourable member wishes, we will get the general information on those applications so I can describe to the honourable member on what basis those rejections were made, whether in fact they were offshore or what they were.

MR. J. DOWNEY: Mr. Chairman, that information would be helpful. Before passing this, I just want to point out again that the Minister's activities in this area are, I would say, extremely questionable, in the hiring practice with the executive director with the very need for the legislation that is now in place with restricting other Canadians from buying land.

As we've indicated, it is not our belief that other Canadians should be restricted. In fact, it's very questionable as far as the Constitution is concerned, and I would expect the information to be provided tomorrow so we would have the opportunity to further debate some of the questions that have been forwarded.

With that, Mr. Chairman, I am prepared to allow this section to pass, and then have committee rise.

HON. B. URUSKI: Mr. Chairman, I want to tell the honourable member that, in fact, the administrative costs of running this system are less than those under his administration. When we reclassified the position and bulletined it, we saved the government about \$15,000 on a reclassified staff position — (Interjection) — no, no, I just want to indicate to the honourable member that that's, in fact, what happened.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Mr. Chairman, can the Minister tell me whether there were any leases registered as such since the act has been proclaimed that would require the leaseholders to make a declaration as to whether they were eligible under the act to have control of land by way of a lease?

HON. B. URUSKI: Mr. Chairman, I will have to check. I'm not even sure legally - and I will check that because I'm not positive of the honourable member's question, because I'm not sure that is even possible for the board to have that information because I don't think that's part of the information on an ownership document. If something like that is filed — (Interjection) — that's what I'm talking about, the lease. If something like that is filed through the Land Titles Office in terms of declarations, they may get that information, but I'm not even sure that we would be privy to that kind of information. But I'll check that out, Mr. Chairman.

MR. B. RANSOM: Mr. Chairman, as I understand it, it would be illegal for a non-farming corporation to lease a piece of land in Manitoba. How else is the Minister going to find out whether a corporation has leased a piece of land or not? The screen that he was using was that, if a lease is registered - that may not be the correct legal terminology - that a person or a corporation would have to make a declaration.

I want to know whether there have been any such declarations made, and whether the government has followed up on them. If not, what does that indicate to the Minister - that there haven't been any non-farming corporations lease land? Or does it mean that they're just leases that are done with a handshake? Is his act really working in that respect or not?

HON. B. URUSKI: Mr. Chairman, I'll check that out.

MR. CHAIRMAN: 6.(f)(1)—pass; 6.(f)(2)—pass.
The Minister of Agriculture. Committee rise?

HON. B. URUSKI: Committee rise.

MR. CHAIRMAN: Committee rise.
Call in the Speaker.

IN SESSION

MR. DEPUTY SPEAKER, P. EYLER: The Government House Leader.

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

I beg to move, seconded by the Minister of Business Development and Tourism, that the House do now adjourn.

MOTION presented and carried. and the House accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow (Wednesday).