

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 6 April, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Mr. Speaker, I beg to present the First Report on the Standing Committee on Public Accounts.

MR. CLERK, Jack Reeves: The Standing Committee on Public Accounts begs leave to present the following Committee report:

Your Committee met on Tuesday, April 6, 1982 and appointed Mr. Blake as Chairman.

Your Committee agreed that a quorum for all future meetings of the Committee should consist of six (6) members.

Your Committee has examined the Provincial Auditor's Report and the Public Accounts of the province for the fiscal year ended March 31, 1981 and finds that the receipts and expenditures of the monies have been carefully set forth and all monies properly accounted for.

Your Committee received, or has been assured that it will receive, all information desired by any member from the Minister, Heads of Departments and members of the Provincial Auditor's staff with respect to receipts, expenditures and other matters pertaining to the business of the province. The fullest opportunity was accorded to all members of the Committee to examine vouchers or any documents called for and no restriction was placed upon the line of examination.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, I move, seconded by the Honourable Member for Swan River, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Flin Flon.

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

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

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General.

HON. ROLAND PENNER (Fort Rouge): Mr. Speaker, I beg leave to table the report pursuant to Section 29.1 of The Fatality Inquiries Act concerning persons who died in 1981 while in a correctional institute, jails and prisons.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. My question is for the Minister of Finance. Can the Minister indicate if regulations are required to proceed with payments to farmers, homeowners, and businessmen who have qualified for interest rate relief?

MR. SPEAKER: The Honourable Minister of Finance.

HON. VIC SCHROEDER (Rossmere): Yes, Mr. Speaker.

MR. ORCHARD: Mr. Speaker, a supplementary. When will those regulations be gazetted?

MR. SCHROEDER: They're currently being drafted, Mr. Speaker.

MR. ORCHARD: In the absence of those regulations, does one assume that no one can be paid interest rate relief even though they have qualified under the program as laid out by the government?

MR. SCHROEDER: That's correct.

MR. ORCHARD: Mr. Speaker, a final supplementary. When would the Minister believe that the regulations will be drafted, passed and gazetted, so that those people who have now qualified, or will have qualified for interest rate relief, might expect payment of that relief?

MR. SCHROEDER: Yes, Mr. Speaker. We do hope to have the regulations completed and passed by the end of the month.

MR. SPEAKER: The Honourable Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Speaker, in view of the answers by the Honourable Minister of Finance, could the Minister of Agriculture indicate to the House how many farmers have gone bankrupt in the past three months because of the high interest rates and high operating costs?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, there are farmers who have been in difficulty for a number of years. I don't have the specific answers that the member is speaking about, but certainly the farm community has had difficulties over a number of years. In the hog industry, which took two years to develop, in other areas, in the beef areas, Mr. Speaker, those farmers who are in difficulty are making application. In fact there are approximately 200 who have applied and have been recommended for assistance.

MR. DOWNEY: In view of the fact, Mr. Speaker, that it was an election promise and that it was an emergency program, could the Minister not indicate to this House how many people have in fact gone out of business because they were unable to cope with the current economic conditions?

MR. URUSKI: Mr. Speaker, there will be, I'm sure, people who will go out of business as a result of a whole host of factors. Those people that are in business and are facing the hardships of interest rates are applying and are being dealt with under the program.

MR. DOWNEY: In other words, Mr. Speaker, the election promise of the Premier of this province is not going to be kept and there are people who are going out of business.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): My question is to the Minister of Economic Development and Tourism and I would like to ask the Minister if she or anybody in her department had contact with Wolch Ltd., the clothing company that's been in operation for 60 years in this province before they went into receivership?

MR. SPEAKER: The Honourable Minister for Economic Development.

HON. MURIEL SMITH (Osborne): Mr. Speaker, I would like to take that question as notice.

MR. JOHNSTON: Mr. Speaker, my question again, is the Minister — she would maybe want to take this question as notice. Sun Valley Pools, owned by Edwin Zacharias and three other businesses that he owned; Creative Fibre Glass Ltd.; The Water Closet and Keystone Distributors Ltd. also went into receivership, I wonder if the Minister's staff has had any opportunity to have any conversation or dealings with them before or since the unfortunate happenings to these companies.

MRS. SMITH: Mr. Speaker, I will take that question on notice too. The staff normally are aware of receiverships as they come along and there is an orderly process that is honoured. They don't usually intervene in any more active way unless there is a program that we have in place to assist them but I certainly will

get further information for the honourable member opposite.

MR. JOHNSTON: A supplementary, Mr. Speaker, I would ask the Minister why they hadn't done some investigating in the clothing retail business when Brownstone's had gone into receivership or broke in January? The indication then was that the industry was in trouble and there are other people in trouble. I would ask the Minister also, Mr. Speaker, that the Premier's statement, we can provide interest rate relief and economic climate to ensure that all small businesses stay in business — I wonder, Mr. Speaker, if the Minister could answer if that promise is going to be kept in the future?

MRS. SMITH: Mr. Speaker, the member opposite must know that the department has not had in place active programs for dealing with retail business. I also, however will undertake to get further information about this particular business. I'd like to add though, that I don't recall the leader or anyone else on this side saying that we could save all businesses immediately. We said —(Interjection)— We said, Mr. Speaker, and I'm sure that everyone on this side of the house will agree with me, that we could not promise quick and easy solutions. We could put in place —(Interjection)— we could — if you will be so polite, Sir — we will put in place emergency programs to deal with the most difficult cases and we will then attempt to do the longer-range planning which will build a more secure economy. We do not, Mr. Speaker, as the members opposite well know, control the interest rate policy of this country which is the prime reason, Mr. Speaker, for the difficulty that Manitoba businesses are now finding themselves in.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING LYON (Charleswood): Mr. Speaker, I have a question for the Minister of Agriculture. Has the Minister of Agriculture received from the Manitoba Cattle Producers Association a letter and attachments of March 24, 1982, wherein the report of that Producers Association with respect to their ideas in beef cattle marketing are put forward for the edification of all members of the House?

MR. URUSKI: Yes, Mr. Speaker.

MR. LYON: In view of the fact, Mr. Speaker, that the Manitoba Cattle Producers Association represents approximately 15,000 producers in Manitoba, can the Minister confirm to the House that the beef stabilization plan which he announced the other day was worked out in close concert with the Manitoba Cattle Producers Association and in accordance with the recommendations that they made as part of their study of beef marketing?

MR. URUSKI: Mr. Speaker, the program that was developed was made in consultation with them and with other farm groups in the industry across the Province of Manitoba. Mr. Speaker, there were several consultations made, but the program wasn't developed to be

specific along the lines that the association recommended.

MR. LYON: Mr. Speaker, could the Honourable Minister advise the House and the people of Manitoba what other farm groups or individuals he consulted, whose advice he would take over that of the Manitoba Cattle Producers Association which represents about 98 percent of the producers in Manitoba?

MR. URUSKI: Mr. Speaker, it seems that the Leader of the Opposition whose group imposed the piece of legislation on the farmers of Manitoba, a compulsory group and a compulsory check out now wants to tell the farmers of Manitoba that they are the ones that are representing them. That's just not the case, Mr. Speaker. There are many producer groups in the beef industry who I have consulted with and have spoken to. —(Interjection)— Mr. Speaker, if members would care to read Hansard there was a long discussion and debate in this Chamber about who we consulted with. If the honourable members don't want to read that's their prerogative, Mr. Speaker.

MR. LYON: Mr. Speaker, could the Minister of Agriculture then advise the House and the cattle producers of Manitoba why it is that the principles which appear to underlie his stabilization plan are at 180 degree variance, or would appear to be at 180 degree variance, from the recommendations made by the report of the Alternative Marketing Committee of the Manitoba Cattle Producers Association, if in fact, as he says, he had meaningful consultations with that group?

MR. URUSKI: Mr. Speaker, if the Honourable Leader of the Opposition agrees with that report then I presume he doesn't agree with the cash advances that we are proposing to the cattle industry? —(Interjection)— Maybe the honourable members on the opposite side don't like the answers after they raised the questions. Mr. Speaker, the principles of income stabilization and insurance we have used in the plan that we have proposed, while it varies in terms of the specifics as to which part of the industries shall be covered, nevertheless, the principles were accepted by us and by MCPA in their proposals to us.

What is at variance, Mr. Speaker, is the way that the premium structure that was proposed by his group, that was set up by his group, which indicates in their proposals that, for example, the cow-calf industry could insure themselves at a premium of somewhere around 16 percent of the sale price of the cattle. We could not accept that and the members opposite who have said that 2 percent is too high, a premium that farmers should pay, his own association said that those same farmers should pay at least 16 percent of the sale price of their cattle.

MR. LYON: Mr. Speaker, could I ask the Minister of Agriculture this question? A simple yes or no will suffice. Mr. Speaker, in the report of the Alternative Marketing Committee of the Manitoba Cattle Producers Association which the Minister says he has received, would he advise the House and the cattle producers and the citizens of Manitoba, if he is aware

of this paragraph in that report, and I'm quoting from page 7 of their report, "Another concern expressed by the committee is that the Provincial Government not implement a marketing or stabilization plan which would restrict producers' freedoms in the marketplace. Upon study of the Saskatchewan Beef Stabilization Board's central selling concept, the loss of this freedom is evident." Mr. Speaker, that's a quote. Would the Minister tell us whether or not his plan is in accordance with that direct warning by the Beef Cattle Producers Association of Manitoba?

MR. URUSKI: Mr. Speaker, very obviously the proposal I've made is not in accordance with that submission. —(Interjection)— Absolutely, Mr. Speaker, and one way that we have used the program to be able to ensure that the payments that we do make are paid out on the basis of the slaughter cattle that are marketed and the only way to do that is through a central selling agency and we have proposed that, Mr. Speaker. That is the reason that is being proposed so that several ways of payments are not being paid out and that producers can and will be able to bring about some further competition in the marketplace for the cattle that they sell together, not unlike, Mr. Speaker, what was proposed and was done by — I presume he was in government in the early '60s when they set up the Hog Marketing Commission.

MR. LYON: Then, Mr. Speaker, could the Honourable Minister of Agriculture confirm to the House that on the basis of the sketchy outline that we've had thus far of his stabilization and marketing plan that he is in fact bringing in a plan that is contrary to the recommendations of about 90 percent of the beef producers in Manitoba?

MR. URUSKI: Mr. Speaker, I have consulted with many more people than the Association of the MCPA and I believe that we will have an opportunity to see how many people support that organization on a voluntary basis and obviously we will see how many people support that I believe that there are many more farmers in the cattle industry in this province that should have been consulted and were consulted by our group and this program was developed as a result of those consultations.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I wonder if the Minister of Agriculture can indicate whether or not he and his government intends to, as they develop this plan, either purchase or lease feedlot facilities in the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, there will be a producers group established to discuss ramifications of areas which have been historically cow-calf producing areas and if there is a need in terms of discussion with those producers that there may need to be facilities established on a co-operative basis in those areas

certainly we would want to encourage that to happen.

MR. ENNS: Mr. Speaker, I take it then it would be correct to assume that as the plan is envisaged by the Minister it is possible that the government will be purchasing directly large feedlots in the Province of Manitoba. I must remind the Honourable Minister that feedlot capacity is available right now. The cattle feeders have had a tough time and you can probably get a bargain.

MR. URUSKI: Mr. Speaker, no, it's not our intention to go out and purchase feedlots. It is our intention to encourage the cow-calf industry to move their industry into not only providing the calf crop for the Province of Manitoba, but also moving along and finishing that calf crop. If there is a desire on behalf of producers in their area on a co-operative basis to develop finishing facilities, certainly we would want to look at that and encourage that to happen.

MR. ENNS: One final question, Mr. Speaker, how does the Minister intend to set it up? Will it be run as a Crown Corporation with civil servants that normally work from 8:30 a.m. to 4:30 p.m. to look after a couple of thousand head of cattle that have to be fed every day, Sunday, Saturdays, including Christmas? If so, can he indicate an office to which applications for jobs can be sent?

MR. URUSKI: Mr. Speaker, it appears that the honourable member wishes to catch the good lens of the camera. He can certainly have, and his colleagues have, an ample opportunity to discuss all their aspects of this program under my Estimates which are before the House now.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is to the Acting Minister of Energy and Mines. I wonder if the Acting Minister could confirm whether or not work is proceeding on the clearing of a Hydro right-of-way from Koostatak to Jackhead and at the same time perhaps the Acting Minister could answer the question of how the contract for that clearing was awarded and when the work is expected to be completed?

MR. SPEAKER: The Honourable Minister of Finance.

MR. SCHROEDER: Thank you, Mr. Speaker. Those are two good questions. I'll take them as notice.

MR. RANSOM: Mr. Speaker, my question is for the Minister of Finance. Over the recent weeks, there have been a number of different figures put forward by the Minister of Finance as to the net impact upon Manitoba's revenues of the new financing arrangements with the Federal Government. I believe the Minister had provided me with a letter a couple of weeks ago for which I express my thanks clearing up a statement that he had made previously about a \$38 million cutback and saying that it would be \$21 million. I now see in the presentation which the Minister

made to the Committee of Parliament in Ottawa that it would appear that the loss to the province might be \$21 million instead of \$31 million. Could he advise whether that's because it's an average or whether that's a figure that applies to 1982-83?

MR. SCHROEDER: Thank you, Mr. Speaker. Yes, I had referred at one stage to 38 million because I hadn't taken into account another \$7 million offset which brought it down to 31 million. The 31 million was the loss for the year 1982-83 on Established Program Financing and Equalization put together. Equalization gives us a loss from where we would have been under the old program of 21 million and EPF loses us an additional ten. The material that the honourable member refers to is material in which I discuss only the Equalization portion, the reason for that being that when I went to Ottawa I wasn't discussing EPF, because Manitoba is being treated in a fashion similar to all other provinces with respect to that. It was only the equalization portion I was referring to.

MR. RANSOM: I thank the Minister for that answer, Mr. Speaker. Some days ago, perhaps two weeks ago, I asked the Honourable Minister of Finance if he could provide an estimate of what percentage of post-secondary education costs would be covered by the Federal Government under the new cost sharing arrangements. I wonder if the Minister could advise the House as to what that figure would be?

MR. SCHROEDER: I'm sorry, I still don't have that number but I'll try to have it to the member before the end of the week.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable Minister of Health. I would like to ask him if he can confirm that Children's Hospital will remain as is and where it is, that is as a separate facility and a separate identity on the Health Sciences Centre campus?

MR. SPEAKER: The Honourable Minister of Health.

TABLING OF DOCUMENTS

HON. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, there has been no change as I explained yesterday. This was at the staff level and nothing has been approved or even placed in front of the board of the hospital or the commission.

Mr. Speaker, I would like to table also at this time, if I may, a letter from the President of the Health Sciences Centre to the Editor of the Winnipeg Sun asking him to retract remarks that were made in the newspaper this morning. I don't think there's any need to read it. There's also a letter to myself from the President and a press release that the Health Sciences Centre made this morning and if I may — do I have to read the press release? That will give the best answer. I'll table the whole thing.

"Contrary to what has appeared in recent stories in the Winnipeg Free Press and subsequently carried by

other media, the Children's Hospital is alive and well at the Health Sciences Centre.

Construction of the five-storey \$11 million building at Sherbrook and William is progressing on schedule with an anticipated completion date in December of 1983.

Simultaneously, discussions are under way with the clinical department heads and senior management at the Health Sciences Centre on the planning of the H.A. building, the major component of the Centre's redevelopment program. These groups are reviewing various program alternatives and options for H.A. and the balance of their redevelopment program and were asked to express to the Planning Department any concerns or suggestions they may have on the concepts being developed. This was intended to be an internal review for the development of a final plan for consideration by the HSC Board and the Manitoba Health Services Commission. Unfortunately, wide distribution of a memo prepared by the Head of the Department of Child Health led to a totally erroneous front page story in the Winnipeg Free Press regarding the status of the Children's Hospital within the Health Sciences Centre.

The plan for the Children's Hospital building now under way, as approved by the HSC Board and the Government of Manitoba, have not been changed. This building is presently under construction and will house 130 pediatric in-patient beds as well as children's clinics. Steel girders for this building will soon be evident, as is obvious as the activity within the construction site has been since September of last year when the sod-turning for the H.C. and H.S. building were celebrated."

So, I'll table the whole package.

ORAL QUESTION Cont'd

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I thank the Honourable Minister for that information, but in view of the anxieties and the shaken morale that has resulted as a consequence of the reports in the past few days and in view of the fact that there still are considerable rumours swirling about the Health Sciences Centre and particularly the Children's Hospital and I'm sure that the Minister is aware of them and I can assure him that I am personally aware of them. Would he consider making a statement confirming that it is the intention of this government, as it was of the previous government, that Children's Hospital be maintained as a separate identity in a separate facility, and that integrity will not be compromised?

MR. DESJARDINS: Mr. Speaker, I think for the moment the statement made by the Health Sciences Centre and the statement that I made in this House today and yesterday will suffice. I would like to tell the honourable member that we certainly will review the whole situation. This caught me by surprise yesterday and I intend to, if at possible, if ready and I hope I'll be ready, to have a five-year program for construction. That will be reviewed during the Estimates and I would gladly want to discuss this with my honourable

friend and any other members of the House at that time.

MR. SHERMAN: One final supplementary, Mr. Speaker, I wonder if the Minister would confirm that first phase redevelopment of the Health Sciences Centre is set and that the kinds of delays and frustrations that were created by wrangling and revision for many years — I lay the blame at no one's doorstep, two governments lived through it — that kind of delay and frustration will not be permitted to resurrect itself; that if there is to be wrangling and revision, it should be with the second phase redevelopment, but the first stage redevelopment is set and will go ahead as scheduled.

MR. DESJARDINS: Mr. Speaker, I'm sure if my honourable friend had been asked that question a few years ago he would have said absolutely not, and we see what happened through no fault of my honourable friend. Now, I'm not going to make a statement that I'm not sure what is going to happen, I'm saying that we haven't changed anything, that I'm reviewing it. I would want to look at the whole situation and if it takes too much time we will speed it on. We will do something and I have requested the information — the money that is being spent so far on planning at the Health Sciences Centre — and I want to give this information to share with the members of this House during the Estimate review. But as far as the intent of my honourable friend's question, I have no difficulty with that at all, but as my honourable friend knows, you can't really control everything at all times, so I can't make the statement that will not happen.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, I have a question for the First Minister. I wonder if he could advise the House as to whether or not he has received from the Manitoba Cattle Producers Association a request to have a meeting with himself and with the members of his Cabinet in order that the Manitoba Cattle Producers Association, as they say in their letter, can familiarize themselves with the provincial Cabinet, their goals and objectives.

MR. SPEAKER: The Honourable First Minister.

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, I would have to take that question as notice, I have not received it personally. There may be one that has arrived. I know that the Minister of Agriculture has already met with the Manitoba Cattle Producers Association twice, three times, so that indeed there has been considerable representation that has been made.

MR. LYON: Mr. Speaker, I can well appreciate what the Honourable First Minister is saying. Perhaps it would be helpful for him if I laid on the table of the House for his benefit and for the record the communication which I take it all members of the House have received, dated the 24th of March, explaining the make-up of the association and explaining the mar-

keting recommendations of that association about which I was questioning the Minister of Agriculture just a few moments ago. So, I should like to lay that on the table of the House; it might be helpful to the First Minister.

MR. SPEAKER: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Mr. Speaker, my question is for the Premier. I wonder if he could tell us if his office is still responsible for the Information Services Branch.

MR. PAWLEY: Yes, Mr. Speaker.

MR. FILMON: Mr. Speaker, I wonder if the First Minister could indicate who in his office is responsible for final approval of the news releases which emanate from the branch.

MR. PAWLEY: Mr. Speaker, in connection with news releases, individual Cabinet Ministers assume responsibility for particular news releases that are issued in their individual names.

MR. FILMON: Mr. Speaker, in view of the fact that the news releases that were released last Friday have a number of photographs, some of which are captioned as follows, there's one here that says: "The legislative representative, shown left, include the mover of the Address for the Speech from the Throne, Dauphin MLA John Plohman, second from right." If I'm not mistaken, although I do realize that they look a bit alike, it is the Member for The Pas who did in fact move the Speech from the Throne. Perhaps the Premier might like to get the two of them together and decide which should shave off his moustache so that we can avoid the confusion in the future.

As well, there is another photograph, Sir, which includes you and it indicates that it's a presentation of a Red River cart to the retiring Ombudsman, and it identifies the people in the photograph as yourself and Mr. Maltby and it says: "Mrs. Maltby is shown with her husband and the Speaker" and there only appears to be two people in the photograph. My question, Mr. Speaker, is this any indication of the efficiency and the accuracy that we can expect from the Information Services Branch now that it's under his personal control?

MR. PAWLEY: Mr. Speaker, the Honourable Member for Dauphin and the Honourable Member for The Pas are both good-looking gentlemen. I might mention, Mr. Speaker, that they both, because of their good looks, tend to resemble one another and therefore I'm not particularly surprised that somebody might have misunderstood one for the other under the circumstances. Mr. Speaker, on the other hand, I'm not about to try to explain why the second picture the honourable member referred to suggested my presence when, indeed, I wasn't there except maybe because I've tried to cover too much of the field and just happened to be not there at that particular moment.

MR. SPEAKER: The Honourable Member for Pembina.

MR. ORCHARD: Thank you, Mr. Speaker, my question is for the Minister of Agriculture. Did Bill Janssen, the former Deputy Minister of Agriculture, who is now on contract with this government at \$5,000 per month plus expenses have any part in the drafting of the Beef Support Program?

MR. URUSKI: Mr. Chairman, he along with other people within the department did take part in developing this program.

MR. ORCHARD: Thank you, Mr. Speaker. So, now we have confirmation from the Minister of Agriculture, who at least one of these unnamed advisory sources so knowledgeable on the beef community in Manitoba are, and I would ask the Minister of Agriculture if he believes that Mr. Janssen now enjoys the same 76 percent of nonsupport among the beef producers of the province today that he enjoyed in 1977?

MR. SPEAKER: The Honourable Member for Inkster.

MR. DON SCOTT (Inkster): Thank you, Mr. Speaker. I have a question for the Minister of Environment. Yesterday, we had questions regarding the atmosphere of this House being rather pungent at the time. I note now that it is quite clean. I'm wondering if the Minister has taken any action or if all the members have taken a shower this morning.

MR. SPEAKER: The Honourable Minister of North-eastern Affairs.

HON. JAY COWAN (Churchill): As the members can tell arising from the question from the Honourable Member for Swan River yesterday and the questions from members on this side previous to that in private, I had requested the Workplace Safety and Health Division to investigate the odours which were being experienced in the Chambers.

They found that a coal-tar pot and asphalt operation, as part of the roofing operation which was ongoing on the building, was put close to one of the vents, and they have had the vent turned off, and therefore, the smell which was emanating yesterday is not with us today. However, there is a reduced air flow in the Chambers and I must warn the members opposite that may have some impact and influence on their thought process, but the fact is that we have removed the source and the method by which the fumes were entering the Chamber — we have not removed the source, and I'm to understand it will be six weeks before the operation is complete. During that time, the Workplace Safety and Health Division will be monitoring the air in the Chambers to ensure that we do not have an occurrence such as we had the other day. If, in fact, that does happen, I can assure you that we will take quick and prompt action as the Workplace Safety and Health Division did in response to this very serious concern. So I wish to publicly commend them for their quick action and on behalf of all the members in the Chamber, thank them for their decisive action.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, a number of questions have been placed to the Minister of Transportation concerning the return of abandoned rights-of-way to surrounding landowners. The Minister had indicated some days ago that he would treat individual requests on an emergency basis and he further indicated that he had not received any such requests. I would ask the Minister if he can now advise the House whether or not he has received individual requests because I have here copies of some seven letters which have been directed, I believe six of them, to the Minister of Transportation and one to the Minister of Agriculture. Can the Minister advise whether or not he has received these letters and if he will be treating them on an emergency basis?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. SAMUEL USKIW (Lac du Bonnet): Mr. Speaker, the letters in question I have not seen, but it's logical that is so in the sense that the letters are funnelled directly to the responding agency, and the responding agency at the moment is not in a position to respond because of a policy review which I indicated to the member on two or three occasions. When that review is completed, that response will be made unless, indeed, there are circumstances which require immediate attention in which case I'm prepared to look at those, Mr. Speaker.

MR. RANSOM: Mr. Speaker, that places the citizens of the province that have an interest in this matter in a very difficult set of circumstances because I have here one letter that is dated the 15th of March and is directed to the Honourable Minister of Transportation. How does one get to have contact with the Honourable Minister of Transportation if he doesn't read his mail? This is dated the 15th of March and the Minister has advised the House, I believe on two separate occasions, that he will treat requests of this nature on an emergency basis. My question is, Mr. Speaker, will the Minister of Transportation read his mail?

MR. USKIW: Mr. Speaker, the letter being dated March 15th, of course, is not a dated piece of information.

MR. RANSOM: Mr. Speaker, will the Minister give the House an undertaking that he will ask his staff to provide him with letters that have come in dealing with the question of abandoned rights-of-way and that he will then treat those letters in the manner that he has advised the House they would be treated, and that is, on an emergency basis and dealt with so that these farmers are able to plan their operations for the upcoming year?

MR. SPEAKER: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Speaker. I asked the Minister of Transportation a question yesterday regarding a list of names, if he may be prepared to disclose as to who would be representing the government in any rural meetings

regarding the Crow rate issue, and he gave me an answer in the House, an answer that I found a little bit confusing, if I could read it back to him.

He says, "I believe the House Leader intends to make an announcement with respect to a presentation to the members of the Assembly out in Room 254 and that time, of course, members will become more knowledgeable as to who is involved and who will indeed, if they have some suggestions as to who should be involved and beyond that group, I'm willing to take that advice, Mr. Speaker."

I found the answer a little bit confusing. I'd like the Minister, if he could, to clarify three things. The pending announcement, with what will it be dealing, and why in Room 254, and what group is he specifically referring to?

MR. USKIW: Well, Mr. Speaker, perhaps the member was not here, but we did try to get an indication from members opposite whether they would agree to the giving up of their Private Members' Hour tomorrow in order that my departmental people can make their presentation on the technical aspects of the study in Room 254. Perhaps he didn't get that message yesterday. We are awaiting a response. Perhaps the House Leader has a response. I'm not aware of it.

MR. SPEAKER: The Honourable Member for Arthur.

MR. DOWNEY: Mr. Speaker, to the Minister of Agriculture, in view of his earlier answer saying that he has appointed or is going to have a livestock committee looking at the purchasing of feedlots in the province or getting into the feedlot business, who is he employing to look into that particular aspect of the agricultural industry?

MR. URUSKI: Mr. Speaker, it appears that the Conservatives have dirt in their ears, that they can't hear in terms of the replies. Mr. Speaker, the Member for Arthur — I have made no such answer, Mr. Speaker. The committee that will be established will be established to, as I have said before, deal with the technical aspects of the plan in terms of levels of support, numbers of cattle to be insured, and the Marketing Commission, those kinds of aspects will be dealt with; but the sole question that he put is just absurd.

MR. SPEAKER: Order please. The time for Oral Questions has expired.

ORDERS OF THE DAY

ORDER FOR RETURN — NO. 7

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, I move, seconded by the Member for Arthur, that an Order of the House do issue for a return of the following information:

(1) a list of all contracts for goods or services terminated since November 30th, 1981, and prior to the expiry date, or not renewed or extended at the expiry date;

(2) the goods or services being provided in

each case;

(3) the reason for terminating or not renewing the contract;

(4) the contracted price contained within each contract;

(5) will that good or service now be obtained elsewhere, and if so, from whom, what costs and on what terms; and

(6) will the goods be provided or service performed by government employees and if so, at what total costs and how is that cost calculated?

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Mr. Speaker, again this order or motion suffers from the same problem of draftmanship as some of those yesterday and subject to it being understood that it's from November 30th, 1981 to today; so that we have a time limit, I accept the order.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Agriculture and the Honourable Member for The Pas in the Chair for the Department of Highways and Transportation.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Harry M. Harapiak (The Pas): Committee come to order. We are in the Department of Highways and Transportations, 1.(d)(1) Transportation Division: Salaries — the Member for Pembina.

MR. ORCHARD: Mr. Chairman, last night we were getting into rather an interesting topic and that being the Crow rate issue and I suppose debate as it's now warming up in all parts of the prairies, and last night I had basically questioned the Minister as to the value of some of the information that he has released in terms of adding positively to the discussion of the Pepin proposal. Particularly my questions were centered around the last piece of information that the Minister tabled, I believe, yesterday which indicated the cost per permit holder by district at a series of multiples of the Crow rate. The Minister indicated that this was necessary to demonstrate what the costs would be, I believe, in 1990. The Minister indicated this was to provide information then to give the producers an indication of what their shipping costs will

be up to 1990.

I'd like to know how a producer, who may avail himself of that three-page document, is to derive that kind of information? Where is the reference on that indicating that this is the cost as of 1990, and which would be the costs in 1990; would it be at statutory; would it be at three times; would it be at four times?

MR. CHAIRMAN: Mr. Minister.

MR. USKIW: Mr. Chairman, depending on what takes place with respect to the legislation that is introduced in the House of Commons in October or November as is proposed by the Minister of Transport for Canada. If the assumptions are correct that the Government of Canada will limit its contribution to a level which they have indicated to us, or at least in their proposal; and if the assumption on costs as developed by Snavely are correct; and if there are no methods through which the producers will receive a benefit that will in effect reduce their cost of shipment of grain to ports in Canada, then by 1990 the factor is 9.7, assuming that the \$612 million of federal support is going to be maintained. If it is not maintained, then, of course, it will be more than that, and if the 612 is divided up amongst all producers of agricultural products as opposed to grain producers, it will be more than that. Those are majors "ifs," and which will only be determined, I presume, by the and through the consultative processes that are now under way as between Mr. Gilson and the various interest groups.

All we can give is an illustration for purposes of discussion as to what the costs would be given certain times per Crow, and whether in the end after this dialogue is over we end up with a proposal that is three times Crow, we will know what that means. If we end up with a proposal that is four times Crow, we will know what that means, and so on.

The tables that are before you and are before the community as a whole are tables that will be quite handy once we know what the federal proposals are. It will be very simply at that stage to be able to determine on a producer basis just where they fit in, given the fact the information package we have provided for them. That even could be varied if the Government of Canada changes their mind in a major way from the direction that they are now taking. That is a possibility, and that is the possibility that we are driving for through the dialogue; but in the meantime we can only present to the public the figures and assumptions that have been proposed to us by the Government of Canada, and that's all we can work with, is what they have told us. They've also given us statements that can be read in different ways and that's why we are not certain as to all of the assumptions.

MR. ORCHARD: The Minister made mention of a figure of 9.7 times Crow by 1990 in his last answer. Could the Minister indicate where in the package of information developed in Manitoba that figure appears?

MR. USKIW: It's in the information package I believe, Mr. Chairman. I believe that you do not have the specific figure on that, Mr. Chairman, but our analysis along with the Saskatchewan analysis is very close; although ours was before the

Pepin proposal was enunciated.

MR. ORCHARD: Now the Minister in explaining the rationale behind the sheet he handed out, the three-page sheet he handed out on Monday of this week, indicated, is my count didn't go astray, about seven "ifs," and these "ifs" were very very important "ifs" to arrive at any kind of an objective analysis on what the future impact on the transportation rate may be to the producer and my criticism of this kind of information that the Minister handed out on Monday is that none of those ifs are identified, there is no indication that this is a maybe set of figures that may come about if several things happen in the stage of the negotiation. What, clearly, a piece of information like this does is cloud the issue when it's not identified as part and parcel an attachment to this, a fourth page to this, as to the assumptions under which the Statutory rate by three may be the rate.

I suggest to the Minister that this type of information does nothing to add to the objective questioning and debate that many producers are now entering into. It does not answer any of the questions that the producers want to know because I submit with all respect to the Minister that it doesn't address the issue; it doesn't present facts that can be correlated to the issue that we have; it doesn't explain any of the parameters under which those figures are developed; and for all intents and purposes is a waste of taxpayer's money in reproducing those three figures. If that is the kind of information — and by information one would have to assume factual information — that the Minister will present to the grain producers wanting answers, I suggest that piece of information is useless. It doesn't address any of the issues; it doesn't explain how the figures were developed and it doesn't answer any of the questions, nor give any answers.

It does create, however, something of a fear campaign for anybody who locates himself in District No. 3 and if he listens to the Minister who just said that 9.7 times Crow is the rate by 1990, that individual producer would go to the sheet and multiply 651 by 9.7 and say, hey, this is going to cost me \$6,200.00. But the Minister cannot today answer how he arrived at the 9.7. He has no idea as to whether the 9.7 is a factual analysis, it is a guesstimate and I think with all due respect to the seriousness of the debate and the issue, that the Minister should at least say, not cost per permit holder, but projected cost per permit holder, if a number of scenarios come true. That would make this mean something.

As it is, it is a piece of information which will not clarify the debate, which doesn't add facts to the debate, but does add fear to the debate, and I think that's the premise under which some of the opposition to the Pepin proposal is based on. It's trying to stir up a lot of fears about income loss which are speculative, and I don't think the Minister wants to have a debate go on throughout the province, and indeed the prairies, based on half truths and innuendo and speculation.

MR. USKIW: Mr. Chairman, the half truths and innuendo and speculation can more be attributed to the statement of the last five minutes, because I had indicated yesterday, and in all of the statements that

were made that all of these assumptions are based on the Pepin proposal.

Now, if there's a deviation from the proposal as a result of negotiations, then of course everything changes and we all accept that, but given the proposal that is before us, then we know where we are going to be in a given period of time if we assume that the producers must pick up that differential in costs; and inherent in that assumption is that we will continue to have inflation and that is an "if," Mr. Chairman. When I spoke with some people from the railways not too long ago, they said, well, we just can't assume inflation; we've got to wrestle inflation to the ground and therefore maybe it won't cost the producers anything. Well, you know, I've been watching us wrestle inflation to the ground since 1939 and we haven't got there yet.

So when someone says, well, the salvation to the farmers is that the government must bring down inflation, that's not a good enough answer in our time because we know that the inflation factors in transportation have been running at around 15 percent a year. So it's all right to say that, get the monkey off our back, we want compensatory rates, inflation factors and costs that are passed on have to be borne by someone else. So far, the someone else in this scenario is the producer and it doesn't suffice to argue that yes, if we got rid of inflation, then the producer will be protected, because I don't believe anyone expects that tomorrow we are going to reduce inflation to a nil position, Mr. Chairman.

Now, the only thing that will change in this set of figures if we are able to get a better bargain, so to speak, out of the system, and in particular out of the Government of Canada, is that the 4 or 5 or 10 times Crow rate won't happen as soon as is projected here. It may take 15 years rather than 10 if we strike a better deal on who is going to pick up the inflationary increases year after year, but it's going to be there notwithstanding. It may take longer to get there. So economists and analysts can only work with the information that is given to them as to costs, as to inflation rates, as to the federal proposal on dollar input against those costs, and that's all we have to work with. Those are our terms of reference, Mr. Chairman, as presented to us by the Federal Minister of Transportation . . .

MR. CHAIRMAN: The Member for Pembina.

MR. USKIW: No, I'm not finished, Mr. Chairman. And the usefulness of the information that we put together for the benefit of the dialogue, in my mind, is in the fact that by having this information and these possible scenarios and probable scenarios before the public, we may succeed in improving those scenarios to the benefit of people in Manitoba because it is a proposal that we're dealing with. It is not fact.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: The Minister indicated that the handout was predicated on the Pepin proposal. Could he indicate where in the Pepin proposal there is a reference to the farmer paying five times the statutory rate?

MR. USKIW: Well, Mr. Chairman, again I want to refer back to what I just said a moment ago and that is we have Pepin proposal before us; as to their input what the analysts have done is ripped that apart and brought it back to us in the form of cost per bushel per year. The proposal is there and I'm going to refer to Item 3 of the Pepin proposal. While the government is prepared to bear a substantial part of the cost of grain transportation in future years, its resources are limited and increased contribution by grain producers will be required; that's Item 3 of the Pepin proposal and before that is his package of proposals of financial commitment in global dollars to the system. Then, you have the Snavely cost projections; you subtract one from the other and you know what the difference is. It's strictly an arithmetical exercise, Mr. Chairman, that is involved. Now, no one has argued those analysis, no one with any competence has argued that analysis or against that analysis, Mr. Chairman. So, given those assumptions and that proposal this is what comes out of the model — now, that doesn't mean that the assumptions won't be changed given some degree of concession on the part of some of the actors — but, that's what this dialogue is all about; is to win that concession. So, we have to lay the figures on the table as we know them today based on today's information; out of that will come, hopefully, some concession in our favour.

MR. ORCHARD: Then, since the Minister is taking a proposal and making assumptions as to what may happen and developing figures on the basis of his assumptions on what may happen; would it not be extremely beneficial to all those receiving his information package to have it clearly indicated on any piece of paper such as what the Minister tabled on Monday. That these are assumptions which may take place if certain things happen and not present them in the light that this is what will happen. Period. That's my concern. We want to assure, as the Minister does that the very best arrangement is made under this proposal. We want to make sure that the farmers are informed as to what the potential is but to develop information that does not have a clear basis — like I could go through the Pepin proposal and develop probably a five times worse scenario than the Minister if I so desired; but, I think it's incumbent upon the Minister to indicate that these are assumed, that this information on the rates is predicated on making certain assumptions of things that haven't happened yet, that may happen. That they're predicated on assumptions drawn from a proposal made rather than attempt to leave the clear impression that these will happen.

I suggest to the Minister that is the impression that a person who would receive this three piece handout from yesterday, that the Minister tabled yesterday; that if a producer was to receive that in the mail and then hear a voice clip from the Minister saying that by 1990 freight rates are going to be 9.7 times the Crow rate, that farmer would go to this chart, pick his district and say, "Hey, this is what it's going to cost me." And I think that the Minister cannot say that because he doesn't know what's there and I think it incumbent upon the Minister to indicate that these are potential scenarios. They may happen, it may be a greater impact but we cannot present this as factual informa-

tion to the people who are interested in this whole discussion when it's presented as the Minister attempted Crow to present it yesterday. And I would only ask the Minister if he would consider making one extra explanation on these sheets saying that these figures are developed making assumptions such and such, such and such, and they may be what the producer has to pay, and not the clear indication that they will be.

MR. USKIW: Well, Mr. Chairman, the fact is that they will be unless we get some concession from the Government of Canada. And that is based on the proposal that we have before us, a proposal which has been subject to analysis by the Department of Transportation, or the transportation division of this department. That's an analysis out of the proposal. Now, the member wants to argue that our analysts aren't able and capable of determining the future based on the facts that they had, he can make that argument, Mr. Chairman. I don't want to spend too much time on that, because anyone can question the competence of the analyst, that's fair ball. I happen not to question the competence of the analysts. I believe they know what they are doing, they've been there a long time, they know how to do these things. And they have extrapolated for our benefit the impact of the proposed changes that were given to us as information by the Minister of Transport for Canada.

Those are the areas, or I shouldn't say those, the proposal may change, which will alter all of these figures, Mr. Chairman, but that goes without saying because we must deal with the proposal as it is in order to attack the proposal. If the proposal is revised or changed in some way, that reduces the impact, we will have won our battle at least in part if not in whole. And we must operate on the premise that we have, and that is that the proposed revisions in the transportation charges to the producers, as we know them, will have this impact. Now that's up to the Minister of Transport of Canada to change our mind about that. It's not up to us to speculate whether or not he will change his mind. And that's what the Member for Pembina is suggesting. That there's room for negotiations and therefore if we succeed in the negotiations then these figures are not accurate. Well, you know, that's a very weak position from which to debate the point with the Minister of Transport for Canada. It's our job to make sure that we bring him to a position of not living up to these expectations. That's what the dialogue is all about.

MR. ORCHARD: Well, Mr. Chairman, there is no question on my part that the analyst who developed this developed the figures very accurately. There's no question that the analyst has developed the figures correctly. What I'm questioning is the method by which the Minister presents them captioned as "Cost Per Permit Holder."

MR. USKIW: Based on the five assumptions.

MR. ORCHARD: But where are the five assumptions? The five assumptions are not here. It says "Cost Per Permit Holder," not potential cost per permit holder if the five assumptions turn out correct and that's the

point I'm making. We can argue it all day and we're not going to change any minds, but I suggest that the Minister is not presenting anything correctly when he doesn't indicate that these are potential and much subject to change, subject to the coming about of certain facts which he assumes are going to happen. There's a lot of "ifs" in there.

Now, Mr. Chairman, can I ask the Minister if point No. 3 that he quoted just a few minutes ago, namely, "While the government is prepared to bear a substantial part of the cost of grain transportation in future years," what does the Minister assume from that statement?

MR. USKIW: Mr. Chairman, before I get on to that one, I want to indicate to the Member for Pembina that he is indeed misreading this document that he says is misleading, because the document merely gives us an illustration of what it would cost a given producer in a given crop district at five different rates. It doesn't say when they are going to happen.

MR. ORCHARD: But you indicated yesterday that it would by 1997.

MR. USKIW: That's right, I had indicated that if the negotiations don't bring greater concession that that's where we will be by a certain date and that's a mere projection of this, that's all it is. But this document here which the member is objecting to merely gives an illustration of what actual costs would be given a multiple of two, three, one, five, or four, whatever, times the existing Crow rate in a given crop district and it's a useful tool.

It may not in fact occur if Pepin says tomorrow that I've decided that the Government of Canada's going to maintain the Crow then all of this is garbage, good information to have but it doesn't mean anything; nothing will happen of it, Mr. Chairman. Or if Pepin will say, well it's too much to expect the producers to pay, nine times Crow by 1990, so I'm going to put in another \$5 billion into the pot of taxpayers money so that it'll only be three times or four times Crow or whatever you see, and that's exactly the game we're in.

But this is certainly helpful information in terms of the discussion that is going to take place, whoever talks about the multiple of Crow whether it's Pepin or whether it's Gilson or whether we do. It doesn't matter who raises the point. If they say, well it looks like it's going to cost us two times Crow, given what we have been able to negotiate then the farmer will look this document up and say, well in district one two times Crow is going to cost me \$1200.00. It's a helpful aid in the discussion. No one said that this is what is going to happen because we don't know what is going to happen. That depends on the negotiations that take place.

Now I wouldn't mind if the Member for Pembina would give us an indication as to whether or not he feels, or his group feels that there ought to be a shift away from Crow and to what extent. The Member for Pembina indulges in questioning the analysis that has been prepared or in the way that it's been prepared, but so far we haven't heard from him or his colleagues just how they view the issue. They have yet not

defined a position, Mr. Chairman, on whether or not the existing statutory rates should be maintained or whether it should be modified and to what extent it should be modified. I have not heard them make any comment in that regard. So, Mr. Chairman, I am not going to accept for one moment the theory that perhaps there's something wrong with the analysis that has been done by the department. I don't believe I would want to indicate in that way that I have no confidence in the analytical ability of staff that has been with us for some period of years.

MR. ORCHARD: Would you care to answer my second question?

MR. USKIW: Oh, yes. All it implies here is that the Government of Canada is indicating in advance that we cannot expect that they will add to the subsidy program, that their finances are limited and that producers are going to have to pick up a greater share. That's all that indicates, Mr. Chairman, and that is fair comment. I mean government's don't tend to — well at least I think they don't tend to — offer completely open-ended subsidies in these areas.

There are limitations that have been placed before and are in place today and which according to that statement will be in place after the changes are brought in, but we don't know those limitations excepting for the analysis that has been done which appear to be somewhere in the order of \$612 million is what it comes down to. Now, if we are successful in getting more than that then it will reduce the negative impact.

MR. ORCHARD: Mr. Chairman, I take it then that the Minister is not varying from the statement he made last night that the \$612 million that has been broached I believe by the Federal Government as being the necessary funding to close the Crow gap basis 1981 costs, the Minister still believes that \$612 million is only being offered by the Federal Government for a period of four years.

MR. USKIW: No, I didn't say that, Mr. Chairman.

MR. ORCHARD: Of course, we don't have Hansard before us and I may stand corrected if the Minister did not allude to that, but does the Minister believe that the \$612 million is a commitment basis the Pepin proposal that he tabled and that we all received in February, does the Minister believe that \$612 million is a commitment into perpetuity to the grain transportation system by the Federal Government?

MR. USKIW: Mr. Chairman, because of the dialogue that has already taken place in the Province of Saskatchewan on that very point. The Saskatchewan government took issue with the fact that was not a commitment as it was worded in the Pepin proposal. Pepin has responded by saying that it is a commitment, but it was not in his package. It was an announcement subject to the public statements that were uttered in the Province of Saskatchewan.

MR. ORCHARD: Would it be possible that it was an assumption that the Federal Government assumed

would be made similar to some of the assumptions the Minister is making to develop some of the figures?

MR. USKIW: No. The assumption on that one would have to be that the government would not want to put more on the table at any one time than they had to and that was a bit of a concession.

MR. ORCHARD: Then it seems as if in recent discussion this Minister has received the indication from the Federal Minister that the \$612 million is a commitment on into the future, it doesn't have a termination date. Would the Minister attempt to have the Federal Government clarify just what they mean in No. 3 because I must admit that I naively assumed when the Pepin proposal was tabled that the \$612 million didn't have a four-year ending date as apparently has now been clarified and was suspect for awhile. But I am assuming that No. 3 means that the Federal Government, in this negotiation process that's going on with the Gilson task force, call it that, with the producer groups, is to determine what future contribution to the cost increase above the base year 1981 that the Federal Government will make, which would be in addition to this \$612 million that they have said is committed for the future with no foreseeable end. To me No. 3 reads that they are going to pick up — let's just throw a figure out on the table — 50 percent of the future cost increases after 1981. Now I think the Minister is concerned that that may not be so. But could the Minister attempt to have that clarified from the Federal Minister to determine whether my assumptions as to the meaning and others is correct or incorrect?

MR. USKIW: Well, first of all let me correct the members impression. I did not indicate that we had a commitment from Pepin on the \$612 million. I said that there was a public statement that we are aware of that appears to commit him to that. The only thing that will commit the Government of Canada to that level of support will obviously be a statutory provision, and until we see that, there is no commitment. That's really where it sits. Until we see that it's a negotiable item, and therefore it's important to negotiate with the best interests of our producers in mind in order that we, if that is the level of commitment that at least it be statutory. But our position is that we should retain the present arrangement which is quite different.

MR. ORCHARD: And the interpretation on the future cost increase?

MR. USKIW: Again I want to remind the Member for Pembina that we are not in any process of negotiations. We're not involved in the Government of Canada. We are not a party to the consultative process. We can give opinions, make statements, ask for clarification, but we are not party to the consultations that are taking place.

MR. ORCHARD: Exactly, the Minister has said that they're not party, that the province is not party to the negotiation and I appreciate that. But the Minister did indicate that they can ask for clarification, and that is what I am asking the Minister if he would do because I only lay out the scenario. Originally, the Pepin pro-

posal seemed to indicate the 612 million was a commitment to perpetuity. That was brought in to some doubt, that has been clarified. Originally, I believe that most people who listen to the Pepin proposal believe that No. 3, in his proposal, indicated that the Federal Government was going to negotiate via the Gilson task force a sharing formula involving the Federal Government, the producers and the railroads, as to future cost increases. Now, the Minister, I believe, has some concerns that the \$612 million is it, and that producers will have to pick up the entire costs from 1981 on, whatever those cost increases of moving grain might be. And I merely ask the Minister now, could he ask the Federal Minister for clarification on point 3, as to whether it means that the Federal Government hopes to gain a recommendation from the Gilson commission on a Federal Government sharing of future cost increases?

MR. USKIW: Well, Mr. Chairman, there's no doubt that we are continually attending to elicit more and more information from the Government of Canada. That is matter that we have not been able to refine in the discussions that we have had. That doesn't mean that it would not occur. But if you look at the consultative process, it raises the question, the future responsibility of paying grain transportation costs. You know, you can interpret anything into that question. You can interpret anything into the item that says the manner in which the government will expend its contributions. You can give it the broadest interpretation or you can give it a very narrow interpretation. That is something that will have to come out of the Gilson Report and until we see what that is, we are not in a position to finalize our position. We will not be in a position to do that. And again, we must remember that whatever the Gilson Report is the government is not bound by it either, so it's still a process that does involve a major amount of interfacing with the Government of Canada. And that has to happen as between the producers of grain in this country, from the point of view of an agricultural interest and the Government of Canada. It's not going to be resolved by Provincial Governments writing letters or having meetings; it will only be resolved by the fact that producers will get involved and some determination will be made. But in that process it's important that the producers have all of the information that is available in an analytical way so that they can present their views to the Government of Canada with as much weight, if you like, that they might muster given the information that is available to them.

MR. ORCHARD: You know, the Minister just answered a question he previously put to me, in that he just said that his government cannot support or not support what comes out of the Gilson Commission until they see what comes out of the Gilson Commission. I submit with all due respect to the Minister that neither can the members of Her Majesty's Loyal Opposition be asked to determine a position on something that doesn't exist.

We don't know what Gilson and his task force is going to recommend as an equitable resolution of this whole debate and that is why, Mr. Chairman, over the past couple of sittings of this Committee I've been

trying to get a little clearer handle on what some of the implications of the Pepin proposal are, and that is why I just asked the Minister a few minutes ago what he believes is meant by Item No. 3 in the Pepin proposal because without clarification of that to myself, and without clarification of that to the producer organizations that are appearing before the Gilson Commission I don't know how they can make a factual presentation. I believe that each and every one of those organizations should probably approach the Gilson Commission making the assumption that \$612 million is a commitment with no end.

They should go in with the assumption that the Federal Government is as they say in No. 3, prepared to bear a substantial part of the cost of grain transportation in future years, and suggest to them that they pick up 99.9 percent of it to establish the strongest bargaining position but without clarification, and I believe that the Minister of Transportation in the Province of Manitoba is the man most likely to get clarification from Pepin on this proposal. That isn't making a representation to him; that isn't becoming part of the negotiation; that is simply asking for clarification on the proposal.

Does it mean that the Federal Government wants to have a recommendation from the producer groups as to how much contribution they should make in the future to future cost-increase after 1981 and really, I would suppose, without having a clarification that the Federal Government intends not to pick up any portion of the future costs? I'm going to work on the premise, as I hope the producer groups are, that the Federal Government is going to and what we're talking about is trying to figure out the percentage. That's why if the Minister could get some kind of an indication from the Federal Minister as to what the intention is of No. 3, it would go a long way to helping further the rational debate and rational presentations by our producer groups to the Gilson Commission to come up with the best possible proposal for the producers of western Canada.

MR. USKIW: Mr. Chairman, what the member is asking for is precisely what is intentionally left out of the Pepin proposal. Ambiguity in the proposal is designed in order to leave the door open so that they can move one way or the other. That is the whole purpose of the way it's structured, and that's where the flexibility is supposed to be in the dialogue with the Gilson group, Mr. Chairman. We indeed pursued every aspect of their proposal for three hours on a one-to-one basis, Mr. Chairman, —(Interjection)— very vague ones.

Mr. Chairman, the member knows that a proposal is on the table, and that you are not going to pin down the Federal Government on anything that is precise. They talk in generalities and they talk about a consultative process, and then they're going to give you the legislative scenario at the end of that process. Whether it was myself, or whether it was the Member for Pembina, or the Minister from Ottawa, we would all function in the same manner, so let's understand the process, Mr. Chairman.

One thing that is known with the proposal is that the producers will have to pay more money for hauling grain. One thing that is known is that under the present statutory provisions they do not have to pay more.

That is a fact, so what we are doing is taking away a protection that has been in place for the producers of grain on the prairies for many, many years and replacing it with a provision statutory that will guarantee to the railways a return on their investment. We know what the switch is; the switch is away from protecting the producers to protecting the railway interests. That's the switch in law, so we know who the loser is, Mr. Chairman.

The member wants to argue about whether we can quantify the amount of the loss and try to pin somebody down on figures. Well, Mr. Chairman, he's whistling Dixie because we won't know that decision until the final bill is before parliament, and we won't know that decision until then because of the very kinds of discussions that we're having here and in the town halls across the prairies and the interfacing that's taking place between various groups and the Minister, and between various groups and Mr. Gilson. That will all come out in the wash at the end, but to argue all of that, Mr. Chairman, is nonsense because we know what the trade-off is.

The trade-off is protection for the railways, removal of protection for the producers, and that is a trade-off in principle we should fight. If it's reasonable to argue that the railways need statutory protection, wherein is the lack of logic in arguing that the farmers ought to have statutory protection? Somehow we've had statutory protection since 1897 and it is proposed we do away with it as far as the farm interest is concerned, but now we need statutory protection for the railways. It's quite a turnaround, so let's not fudge the issue. We know what's going on and it's a matter of principle that we ought to dig our heels in and the amount is here nor there, although to the extent that it's a greater amount it will have greater negative effects on our economy and we have quantified for members here and for the general public the amount of negative impact given various scenarios. That has been done for us by the previous administration through the studies that they have commissioned, Mr. Chairman. It wasn't done by us. We are using your analyses. Perhaps you don't have faith in your own work, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, the Minister is now starting to skate. The Minister indicated he had a three-hour meeting face-to-face with Mr. Pepin. Did he get a vague indication from Mr. Pepin that they intend to pick up a proportion of future cost increases?

MR. USKIW: No.

MR. ORCHARD: Did the Minister get a vague indication that they would not pick up any portion of future cost increase?

MR. USKIW: Mr. Chairman, the three-hour debate that we had or discussion was a rather friendly discussion. The Minister of Transport for Canada can be a tremendously persuasive individual, and he has been able to move in that way in a number of areas. I used to call him a snake charmer. He happens to be a very impressive figure; he tries to put a case forward in a very positive way, but he's not the type of person that anyone will ever pin down on a specific at that

level. I appreciate the point and for the right reasons, Mr. Chairman, so for the member to try to extract from me that kind of precision on that discussion, I'm sorry, I can't satisfy that desire, Mr. Chairman. That's not the way these things function.

MR. ORCHARD: Just a couple more questions, Mr. Chairman. The Minister keeps bringing more questions up every time he gives me one of his snake charming answers, But, Mr. Chairman, then clearly in the three-hour discussion, did the Minister ask the Federal Minister about future cost increase and whether they would be shared?

MR. USKIW: Mr. Chairman, we were told many times that they must guard the federal purse over and over and over again, that while we are appreciative of the impact of these changes that there are no limits on federal spending, and they were worried about whether they're going to get locked into greater spending if the Crow stays, if the railways don't perform. I mean the concerns are on the other side of the ledger. The concerns are how do you reduce Federal Government subsidies? How do you balance the books in Ottawa? Those are the concerns.

Let's put it in its proper perspective. We know what happens when Treasury Board decides that the Federal Government has to balance their budget or attempt to come closer to a balanced budget. Unless you have statutory protection in law for things of this nature, you don't have it. It gets chopped off at any time.

MR. ORCHARD: Mr. Chairman, the Minister still didn't answer the question. Did he pose that question to the Federal Minister of the Federal Government's intention to bear a portion of future cost increases?

MR. USKIW: Mr. Chairman, we had asked a million and one questions and we didn't receive a direct answer on most of them, for the right reasons, and I'm not faulting the Minister of Transport for Canada. They have put a proposal on the table in a very general way, it's up for discussion and that's the level at which it's being discussed. You will not be able to pin down the Minister of Transport for Canada until they have arrived at a position and that will be sometime next October.

MR. ORCHARD: Mr. Chairman, I may be missing something in this whole debate, but it seems to me that it's pretty key to the whole discussion process that Gilson is going through, pretty key that one question be answered, and whether the provincial Minister cannot answer it, if he can't and he didn't discuss it, that's all I want to know. But to me it's pretty key as to whether the Federal Government in the proposal has an intention to pick up a portion of future costs, and if the Minister didn't discuss it with him then I suppose I can fault him for not asking a very important question. If he did discuss it with him and he got a no, a yes, a maybe, that's all I want to know. If he discussed it with him, did the Ministers say, definitely they are not going to pick up, possibly they might pick up, or yes they will pick up. There's got to be one of the three. It's got to be yes, they will pick up a portion, no, they won't pick

up a portion and were considering it. That's all I want to find out from the Minister. If he doesn't have the answer, if he wasn't able to get the answer from the Federal Minister, then fine.

MR. USKIW: Mr. Chairman, we are just repeating ourselves. The Minister knows that this isn't the way these kinds of discussions take place. One is never in a position to get that kind of a specific response. General discussions, yes, but they are not going to be specific when they themselves are at least indicating that there is some room for dialogue. They are not going to be pinned down on figures or dollars or length of commitment or whatever. Out of that dialogue, not with myself, but with the Saskatchewan people, came the sort of clarification of the commitment on the amount of subsidy per year which was not in the original document in specific terms.

So, that is the way in which these things happen, and I believe that in the course of the next several months before the legislation is introduced that the Pepin group will be listening to the concerns that are expressed on a whole host of issues with respect to that proposal, some of which they will take into account and do something about, some of which they will totally ignore. That is what this is all about. We are in that process.

MR. CHAIRMAN: Another question, the Member for Pembina or . . .

MR. ORCHARD: Yes, indeed.

MR. CHAIRMAN: Because your questions have been repetitive for the last little while, you're not contributing . . .

MR. ORCHARD: Mr. Chairman, I submit that that doesn't really involve you.

MR. CHAIRMAN: It certainly does.

MR. ORCHARD: No, it doesn't. We're discussing the Crow-rate issue and if questions are opposed and answers are given, we can ask for a clarification of the answer which is what I have been doing, Mr. Chairman. Now, if that's out of order, then I suggest you're trying to muzzle the Opposition and I don't think you're trying to do that, Mr. Chairman. I believe you're a much fairer parliamentarian than that.

MR. CHAIRMAN: But your questioning is repetitive.

MR. ORCHARD: Fine, if you would allow me the courtesy of one more question, you might not find it repetitive.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. Mr. Chairman, the Minister indicated that certainly specifics on numbers were impossible and I agree. He indicated earlier that a principle is being changed from protection for the farmer to protection for the railway. I think that the question I've been asking him is not one of numbers, but one of principle, the first princi

ple being established in further discussion that the Federal Government intends to continue the \$612-million support. The second principle of discussion, and it's a principle, is whether the Federal Government intends to bear a portion of future cost, and I don't think any meaningful discussion can take place unless the principle of whether they're prepared to pay future costs is answered. If the Minister didn't get an answer, whether that principle was part of the Federal Government negotiation, then I suppose he can say, he did not, but I think it is pretty key to any discussion whether the principle is there and does he know whether the principle of future cost-sharing is part of the federal proposal?

MR. USKIW: No, Mr. Chairman, there is no commitment that we are aware of that they are prepared to engage in cost sharing beyond their commitment that we are also aware of. Secondly, we are also aware of the fact that during the process of consultations, it is quite possible that will arise, but that is a matter of Government of Canada policy and to the extent that we are successful in bringing that about, we will benefit from that success and to the extent that it occurs. But we are not in a position to quantify it at this point in time, or even to determine whether it will occur, but we hope that it will.

MR. MANNES: I would like to key on that specific comment while it was made and the words were "specific response" that you were unable to get from the Federal Minister and I'm going to try and obtain a specific response from this Minister if I can. So you are forewarned.

Is this government saying that regardless of whatever compromise is struck, if in fact one is struck, and personally I don't rate the chances any better than 50-50 of there being one struck, but if there is one that Professor Gilson can give to the public at large as the representatives have agreed to, can you see this government, your government, negotiating at that stage, or in fact, will you continue to maintain your present approach, which is absolutely no change? I know as a province, we have been excluded from the negotiations, although I'm sure that words of those results or negotiations are coming down to you by some method. But, I'm wondering if this government is waiting to hear the compromise that's being struck before it's prepared then to say, we'll negotiate, or are they going to continue to say, absolutely no change?

MR. USKIW: Mr. Chairman, one of the things that has to be taken into account is the fact that the member alludes to negotiations between which groups? I mean, who are the negotiations conducted by, and for whom? We're talking about Gilson interfacing with a number of leaders of farm organizations, that's what we're talking about. I would go one step further, I would say that I would be satisfied with the results of a referendum on the issue. Although I might not agree with those results, I would be satisfied with that.

But to go one further, let's assume that there was unanimity between the consultative partners, so to speak, the people representing the industry and people representing the Government of Canada but that the result of that unanimity is a net economic decline

to the Province of Manitoba. I may still not support that recommendation because of the economic impact that it has on the Province of Manitoba. Just because you are willing to give away a piece of our economy and you happen to represent a group of people out there doesn't mean that it follows that the government is prepared to give away a piece of our economy. So in the end it has to do with cold, economic analysis as to whether we win or we lose on this one and so far we know that we are going to lose, based on all of the studies and reports that we have, no matter what adjustments are made in the Crow rate if they're upward adjustments; we know we're going to lose.

MR. CHAIRMAN: The Member for Morris.

MR. MANNES: Oh, I think we're getting right to the heart of the issue now. Does the Minister, the way he observes the whole situation, does he see - and he says whether we win or we lose - does he see any opportunity to win at all? Is there any compromise that can be struck that will have us staying even or winning, in his mind?

MR. USKIW: Well, Mr. Chairman, we are not hung up with the fact that the Crow rate must remain and that the public must look the other way when, in fact, we know that there has to be a major effort undertaken to upgrade railway facilities in Canada, but we believe there are other ways of doing that without tampering with the Crow, that's all. We believe it's in the public interest to leave the Crow as it is, even if it meant public dollars going in, by way of capital support, to the projects that have to be undertaken by the railways. We have no problem with that concept. We're saying it's in the overall public interest to leave the Crow alone.

MR. MANNES: I want to be specific when you say capital dollars, public dollars. Are you talking specifically federal dollars or are you also leaving an opportunity open for provincial dollars?

MR. USKIW: Well, Mr. Chairman, I would think that if we were to move in that direction that a number of provinces, along with the federal government; or at least they would be willing to go along with the Government of Canada in putting forward needed capital for railway expansion. We would want to take an equity position for having done so.

MR. MANNES: The Minister has made reference a number of times to taking the information out to the farm community and letting those that have the most to win or lose - some people say the most to lose - out of this whole problem, letting them make the decision on the basis of all the information and I think he's made the comments in an analytical way, let them decide. He also makes reference to a report that was done by Professor Tyrchniewicz for the previous government and I take it to believe that this will be the main analytical document that'll support the government in its argument that, in fact, no change should occur to the Crow rate or at least all the benefits that accrue to us. Is that a correct statement?

MR. USKIW: Well, no, the correct statement is that we have no choice in the matter. It is up to the producers of this province to make a determination and to have that determination conveyed to the Government of Canada. We are merely bystanders in this exercise and all we are doing here is undertaking some responsibility in the dissemination of information; making available the analysis that we have on that issue so that those that are going to make the decision, or the recommendations, or will be involved in the dialogue, will have as many pieces of factual information as are available to us or to anyone else; that's basically our role.

MR. MANNES: But, I detect something a little bit differently here. I detect that in fact you've taken from that report what you believe to be in a supportive fashion, that supports your argument, the government's argument, and you're using it specifically. Is that a true statement?

MR. USKIW: Well, what we're doing is using a report that was prepared for the previous administration which does indicate the impact on Manitoba's economy, given a certain scenario on that question. That's there, it's factual information. I presume it's accurate. I have no way of knowing that it's not accurate. Our analysts have looked at it and out of that came up with a complete package of analysis and projections as they deemed to be the case.

MR. MANNES: Well, the key words, Mr. Minister, were "I presume it is accurate."

MR. USKIW: Well, I'm not questioning it is what I'm saying.

MR. MANNES: I guess what you are saying and admitting is that possibly it is not accurate in all accounts.

MR. USKIW: Mr. Chairman, you can have a hundred reports, and you can have questions with respect to the accuracy of a hundred reports on the same subject. So, if the member wants to suggest to me that there may be a component there that might have a variation factor greater than what was anticipated, perhaps it's there; I'm not the one to the the judge of that. We have given to you the best analysis that we are able to put together with the expertise that we have and that's all I can tell you.

MR. MANNES: Well in the information package and maybe later on we'll have a feel or get a better idea as to what is going to be prepared for the whole information package that will be mailed out to producers, but would you consider an alternative approach to that specific report, in other words, a critique by somebody that may not agree with the basic methodology used in that report?

MR. USKIW: You see, Mr. Chairman, we're now into that scenario; then we need to have a critique of the critique. I mean there is no end to that process. The previous government commissioned a group to do a study for them; brought in a report that wasn't to their

liking; hid it under the blanket for 1.5 years; took a change in government to reveal it to the public and now they are saying, would you Mr. Minister hire a group to do a critique on the report? Well, you should have done that then if it was of concern to you. I don't mean you, personally, but I mean the previous administration.

The report is there, our analysts have looked at it and have come up with a package of information based on that report and other information. That is satisfactory to me, Sir. If it isn't to you, I suggest, that you get your research people within your structure to do a cross-examination of that analysis and do whatever you wish with it; we are not going to do that.

MR. MANNES: I just want to then make sure we understand each other. Personally I see some glaring weaknesses in some of the methodology used in that report and, I guess, what the Minister then is indicating that, in fact, if those weaknesses are shown by somebody of our part, that in fact they will not be included in that information package, even though the Minister in many of his comments has said that producers should be given all the information.

MR. USKIW: Mr. Chairman, inherent in that statement is the assumption that whatever information you provide is, in fact, accurate. I would raise a great deal of question about that, Mr. Chairman, it may have a tremendous amount of bias. The report that I'm dealing with is not our report, it is your report, therefore, it has no political bias from our side. What you're now proposing to me is that you prepare a report and we submit it in with that information piece as if it were neutral information. It would not be neutral information if you'd brought it to the committee as part of the information package.

MR. MANNES: Well, Mr. Chairman, I didn't want to get into the specifics of that report and I won't move into it in too much detail, but I want to make the Minister aware, and obviously he must have read it a number of times, but if he realizes the basic foundation in that report has production in this country almost doubling by the year 1990; does he honestly believe that in fact that will occur?

MR. USKIW: Mr. Chairman, the basis of production, and we discussed this yesterday - I believe the member was not here at the time - was the projections of the Canadian Wheat Board. I don't believe they will occur, quite frankly. Personally, I don't think we're going to double our grain production in 10 years, although it may happen, but I don't think that's correct.

MR. MANNES: Thank you, Mr. Minister, for being that candid because I too, do not believe it will occur and of course that Wheat Board analysis that came out some two years ago was severely - I won't say criticized - but severely reviewed and put through many tests, many rigorous tests and in my understanding through my sources was in fact rejected in many many areas. When I see it now being the basic foundations for much of the Tychiewicz Report through the various scenarios, I then become a little

dismayed as to what the information package will be.

To further develop another area on this particular project, I see by way of the report that the Minister tabled in the House yesterday regarding the impact upon districts within the province, I also draw to his attention that, in fact, their basis on input-output analysis based on 1974 table, and if anybody with an economic background — and maybe possibly the Member for Inkster who has a thorough understanding of input-output analysis — realizes the many many weaknesses involved in that area, I'm wondering again how confident the Minister is in the whole input-output analysis approach that bears upon and gives us the numbers that he tabled yesterday as far as the regional breakdown in this province?

MR. USKIW: Mr. Chairman, I have to draw to the attention of the Member for Morris that he obviously hasn't studied that report at all or has just skimmed through it, because the Tyrchniewicz Report challenges the Wheat Board projections on production by the year 1990. It throws out the argument that there will be a doubling of production. It is not based on that premise, as he suggested that it was. Perhaps I should repeat what I said. The Tyrchniewicz Report challenges the Wheat Board premise on the doubling of production. It totally disregards that. It shows a reduction of grain production based on changes to the Crow.

MR. MANNES: Mr. Minister, I made also other reference on the whole input-output analysis based on the 1974. I won't bother moving into that whole area right now. I'll pose that question in another part of your Estimates.

But I'm wondering if I'm wrong in saying that on the question with the key issue, is whether all the grain that I produce and that the farmers of this province will produce, whether all that grain will move 10, 15 years hence if there is no change in the Crow rate. Is that or is that not the key issue?

MR. USKIW: Mr. Chairman, I believe that we will move all of the grain that has to be moved to the ports when it has to be moved to the ports without changing the Crow.

MR. MANNES: That's fine and I'm glad to hear that statement. I haven't decided yet whether I share that feeling or not.

MR. USKIW: As long as you're willing to change the Crow, you're right, it won't happen. The moment you are not willing to change it, it will happen.

MR. MANNES: I think I'll close off at this point. Thanks, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. On the subject of the Tyrchniewicz Report, could the Minister indicate whether the assumptions on which the Tyrchniewicz Report tabled its conclusions are indeed reflective of the Pepin proposal?

MR. USKIW: Yes, the report is independent of the Pepin proposal. It merely postulates a level that producers would pay given a certain circumstance.

MR. ORCHARD: Thank you, Mr. Chairman. If the Minister could, could he indicate that the Tyrchniewicz Report develops a series of dollar losses to the farming community based on the assumption that the farmers, the producers, will have to pick up the entire cost of moving grain?

MR. USKIW: No, just a model, Mr. Chairman, that gives us a measure. When we know the rate times the base rate that we will have to pay, the model tells us what the impact of that will be. It's a fairly neutral document.

MR. ORCHARD: Well, it's a fairly neutral document, but does the Tyrchniewicz Report not come to the conclusion that if the farmers were asked to pay the compensatory rate which has been identified by Snively as 3.4 times the present Crow, that their losses would be X number of dollars?

MR. USKIW: Yes, that's correct.

MR. ORCHARD: Is it not fair to say that the Pepin proposal has indicated that the \$612 million they propose to put into the system represents that 3.4 times Crow in approximate figures and that that is a Federal Government contribution which would not be paid by the farmer as was indicated in the analysis by Tyrchniewicz?

MR. USKIW: Well again, it depends on the base you were to use, but at the current moment I believe the compensatory rate would amount to about five times Crow.

MR. ORCHARD: Well, Mr. Chairman, the Minister is tossing extra figures in, but he is basing some of his factual presentation to the interested parties in this debate on the Tyrchniewicz Report which made the assumption that the farmer in 1981 would pay 3.4 times Crow and the reason for my first question was that this Tyrchniewicz Report would come to somewhat different conclusions in terms of loss of income should it have made the analysis based on the Pepin proposal of supplementing the grain transportation system by \$612 million.

MR. USKIW: Mr. Chairman, what the member is talking about is the base year. The base year would be '81-82 with the \$612 million in the package which is Crow rate, okay, 1981-82.

MR. ORCHARD: That's a good rate.

MR. USKIW: That's right. The total cost of shipment would be \$751 million on a compensatory basis of which the federal payment would be 612, of which the Crow revenues would be 139, so that's your base year, it's one times Crow. But if you project that down through the years without any additional subsidies to the producers, you do come up with a scenario that brings you into a multiple of 10 by year 1990 or the-

reabouts. Those are again based on assumptions that current inflation rates will prevail and so on. If we had deflation, we might end up with something else.

MR. ORCHARD: We'd get the money back.

MR. USKIW: But given the current economic conditions and not only current, but economic conditions that have been with us for many decades, that there will be an increased charge to producers each year, unless there are increases in subsidy dollars.

MR. ORCHARD: Thank you, Mr. Chairman, and I think the Minister has indeed confirmed that the Tyrchniewicz Report made the assumption that the farmer was going to essentially pay that \$612 million.

MR. USKIW: The Tyrchniewicz Report doesn't make any assumption. It only indicates that if you have a level of charges for transporting grain at one times, two times, three times or whatever, that certain things will happen. That's what it assumes.

MR. ORCHARD: Right, exactly, that's what it assumes that the farmer would pay 3.4 times Crow which would be the entire compensatory grain rate, a scenario which with the Federal proposal doesn't exist, because the Federal Government has agreed to pay that 3.4 times Crow multiple in the 612 million, so that the assumptions in the Tyrchniewicz Report are not bases losses in 1981 or 1982, but indeed would be reflective of potential losses some year down the road, when increased costs of transportation which may be borne by the farmer, come to bear in the transportation system. So the result of the Tyrchniewicz Report which is reflective when it was drafted and with the criterion it was analysed on come to bear, they develop 1981 losses, but those losses may never occur or may occur in 1989, we don't know, because the Federal Government has changed one important criterion that we were not aware of when the Tyrchniewicz Report was drafted, namely that the Federal Government has indicated they will pick up the Crow benefit and pay it into the system.

A couple of other questions, Mr. Chairman, has the Tyrchniewicz Report been reworked or reanalysed to reflect, say, a 1981 scenario bases the Pepin proposal, the \$612-million contribution by the Federal Government?

MR. USKIW: No, it has not been reproduced on the basis of 1981 document, but again, that is not an important point because all we're dealing with is economic impact, given changes in transportation costs to producers when they occur, so the model holds if you have those changes take place. The only thing that can change that is subsidy input that will not allow that to take place. So, it doesn't matter as to its date.

MR. ORCHARD: So, then I take it from the Minister's answer that the Tyrchniewicz Report and its conclusions have not been recalculated to reflect the \$612-million contribution by the Federal Government in the Pepin proposal.

MR. USKIW: It has nothing to do with the Tyrchniewicz Report, the fact that the government is putting in \$612 million. All that does in the scenario is brings us into a base-year position which says, okay, we'll give the railways compensatory rate for 1981 and it's going to cost the Federal Treasury 612 million and that's Crow. After that, we will have one times Crow or two times Crow or three times Crow as the costs go up. That point is not relevant.

MR. ORCHARD: Mr. Chairman, I don't really accept the Minister's argument that's not relative, because the Tyrchniewicz Report and I don't have it in front of me, but if my memory serves me correctly, it indicated it did an income analysis of farming operations in the province bases paying only the Crow rate; bases paying 3.4 times the Crow rate; bases four times the Crow rate and it established a series of net farm income losses to the farm community based on three sizes of farms in terms of 1981 dollars.

MR. USKIW: 1978 dollars.

MR. ORCHARD: Okay, '78 dollars but I believe — okay, we'll talk 1978 dollars. Is the Minister saying that all we do to determine the impact of the Pepin proposal in 1982 is simply factor 1978 losses by an inflation rate, let's say the CPI, to arrive at a 1982 figure, and that will represent the losses to the farm community bases the Pepin proposal?

MR. USKIW: Mr. Chairman, I'm not sure that's a worthwhile exercise. I don't know what the final numbers would be in terms of the change in costing and so on over the last two or three years. What we are dealing with is what happens if farmers pay more than they are now paying for the transportation of their grain. We don't care what the numbers are, but are they going to pay 100 million more or 150 million more or 300 million more and all the way down the road. That is the relevant point. What the report indicates is that if you have a scenario of 3.4 times Crow, this is the impact on the economy bases 1978 statistics. So, you can just transplant that into 1981 and say, well this is the economic impact in 1981 of 3.4.

In terms of where we are, we will reach 3.4 by 1984, in terms of additional costs.

MR. MANNES: The Minister made quite a point here when he said he believes that regardless if there's a change in Crow or change in anything, the grain will move in 15 years.

MR. USKIW: In which?

MR. MANNES: 10, 15 years is the way I posed the question, all the grain on the farm would move. That was the way I posed the question. You said yes, you thought it would. That's the way I understood your answer.

MR. USKIW: What's this 10 or 15 years?

MR. MANNES: Well, 1995 is 10 or 15 years. I'm wondering if he's that committed to that belief that he refuses again, even though he says he's going to pro-

vide all the information, to provide to the farmers of Manitoba what, in fact, it cost them through the years 1978 and 1979 when, in fact, all the grain did not move off the farm. I couldn't help but notice that was not mentioned at all in his presentation in the House when he debated the resolution the other day. Is that not vital information to help the farmers of this province attempt to determine, make up their minds on this whole issue or is it, in fact, extraneous to his whole belief that regardless of what is grown will move in a decade flow?

MR. USKIW: Mr. Chairman, as we move into the next decade and beyond, grain is going to become a very small, minute component of the overall tonnages that are going to be moving across the rails, across this country from one coast to the other, a minute portion of the total tonnage, each year a more minute portion. It will not be that relevant in terms of total income to the railway system. That doesn't mean that the railways wouldn't like to relieve themselves of that responsibility, and it doesn't mean that they wouldn't want to detract from the importance of moving grain in their policy decisions.

But I believe that the government of this country will play a role, and that either the railways will, or there will be other means found through the system of governments and the railways to bring that about. That is already part of our history, Mr. Chairman.

That is already part of our history because it has to do with the many billions of dollars that have now been spent by the Government of Canada and, indeed, by some provinces on subsidies to the rail system, the branch line subsidies, the hopper car purchases, and I can virtually predict that if there's a financial impasse, the time that they must put that line through the tunnels of the mountains in British Columbia, that issue will be addressed at that time by all concerned and it will happen, it will happen because the Japanese need the coal; it'll happen because the Canadians want to sell the coal and because they cannot do it unless they have new trackage, double tracking, more horsepower on the rails, if you like, more port facilities. It is all related to the question of coal, which is the dominant factor.

Now that is not a secret. British Columbia's on the other side of this issue because it wants to speed up that process of developing their coal industry and they say so, it's not as if it's a secret. We've had discussions with the four western provinces on this issue and they do take the position, "Look, we need that rail line. We need to double-track, we can't handle the tonnages through the mountains." It's got nothing to do with grain, Mr. Chairman. But what do the railways say, "Our grain department doesn't make any money." We can go to the bank and say to them that we need so many billions of dollars because we have to double-track through the mountains of British Columbia, because we have to buy more engines, and because we have to do something else. They will say, "Show us your cashflow on moving grain," and we can't show a positive return. That's the railways' argument.

But they don't say that CPR in its totality hasn't got a cashflow that will back up a bank loan, they don't say that at all. They don't want to allude to that and this is where the relevance of history

takes place, Mr. Chairman.

The old deal that was made is important at this very point, because the railway system was encouraged to expand into a broader field of investment, as it was argued many many years ago in order to provide them with greater viability so they could service the transportation needs of this country without a direct charge on the people that are using the transportation system. That is what's been violated and is being violated in the proposal before us. So let's not lose sight of where the argument is.

The railways see this need to push for expansion of rail capacity. They have co-opted everyone that they can co-opt in this issue, and they are saying to themselves, "If we don't unload the Crow now we probably won't for the next 20 years, or 30 years. Here's our chance to put the heat on and let's get rid of this thing because it's costing us a few dollars."

CP Rail additional annual net revenue, assuming 1980 grain rates as suggested by Snavely — and this is an interesting figure, Mr. Chairman — out of total funds of \$3 billion available to CPR, they will have additional revenues of \$53 million dollars if they got the Snavely rates for 1980 in moving grain. It's a minute part of their total operation, Mr. Chairman, and it'll be more minute each year. So to argue that we're going to make it or break it in the CPR based on whether the Crow stays or goes is a bunch of nonsense, and we are not prepared to be co-opt in that argument, Mr. Chairman.

MR. MANNES: Thank you, Mr. Chairman. Well let me go on record right now as saying, I do not dispute your comments regarding CPR. I don't think anybody in our party does. But the Minister has not answered my question. I asked him quite specifically whether he was prepared, in fact, to tell the farmers what it cost them by the Wheat Board's analysis of a grain system that was not properly in place in the late '70s. As irrelevant as grain may be to the CPR, as is the claim of the Minister, when Mr. Farmer in the constituency of Pembina or indeed in Morris is carrying over some 8,000 or 10,000 bushels of wheat the cost is extremely relevant and there's a tremendous cost there. I ask the Minister again, is this part of the information he'll be sending out to producers to tell them what the true cost is of maintaining unwanted inventory on that farm, nothing more?

MR. USKIW: Mr. Chairman, that is not a relevant part of the scenario, because the railways have an obligation to provide a service which they have been in violation on for many many decades. And there is a parliamentary provision or a statutory provision that could have been used to get around that impasse, Mr. Chairman. The Governor of Canada chose not to use that. The railways are using the crisis in transportation as a means or a lever to convince everyone that we should get rid of the Crow. We should do precisely the opposite, Mr. Chairman. We should not succumb to that kind of pressure. That is a tactic, and it's been used by many people throughout history; it's nothing new. Let's squeeze it until we can squeeze out the juice, and you know there's nothing new about that scenario, Mr. Chairman.

So, the railways are engaged in a high wire act

with the people of Canada on this issue. But it is incumbent on the Government of Canada to take them on on it. To the extent that they have been unable or unwilling to take them on directly, they have gone around the issue, and they have provided boxcars, have subsidized branch lines. I mean, the railways have scuttled the Crow a long time ago in that sense, Mr. Chairman, but the public has come in with an effort to upgrade the system. Now, I am saying that we are quite open about that. I'm saying leave the Crow alone; it will happen anyway and it will happen either through the railway system, or through a combination of public and the railway system, but it will happen because it's in the Canadian interest to make sure that we maximize our export opportunities. We know it; you know it; the Federal Government knows it. To the extent that they don't deal with it, they are negligent in their responsibility, Mr. Chairman. And this is not the route through which it will happen.

MR. MANNES: Possibly the Minister put his finger on it when he said to the extent that they do not take action, then it is their problem. But as the Minister is well aware we've had many reasons, or many non-actions taken that have created situations whereby we're carrying from year to year unwanted inventories on the farm. Whether it's because the government doesn't have enough muscle or enough will to force grainhandlers back to work that seem to want to go on a strike at the most crucial times, or whether it railways that have slowed down, or for whatever reason, and threaten to put grain at the rear of all their priorities as far as future movements, the Minister is sitting here and telling us that, in fact, not to worry; it's a false issue, that fact that the grain that we had a billion dollars to carry over through '78 and '79, that could have been sold, but it didn't because of a handling system that was not efficient. And he's telling us now that it's a false issue, that in fact don't worry that the grain will move. Am I right in that comment?

MR. USKIW: Let me explain to members that should know this, in any event, that the movement of grain is not impeded by the fact that they don't have double-tracking in Western Canada, because the bulk of it moves to Thunder Bay. What is impeded is the willingness to get the grain moved by way of supplying of adequate boxcars to roll into Thunder Bay; it's nothing to do with the \$15 billion that are needed to develop the trackage in British Columbia, that has to do with coal. But it is being used in this scenario in order to extract from the farm community part of the capital costs of development in British Columbia.

MR. ORCHARD: Thank you, Mr. Chairman. The Minister was indicating, before my colleague questioned, that there hasn't been a reworking or an updating of the Tyrchniewicz Report which would now reflect, in 1982 terms, the Tyrchniewicz Report and its implications on farm income.

MR. USKIW: Mr. Chairman, I indicated that that was totally irrelevant to the discussion; that we have the analysis which simply tells us, in economic terms, what will happen, given increased costs of transporta-

tion of certain goods. It has not relevance to what we are dealing with, Mr. Chairman. If we know our costs are going to go up one times or two times or three times we can relate back to that and you can simply quantify it by inflating those figures if you want to talk in 1981 dollars. The model is the same, the dollar figures may vary but the model is the same.

MR. ORCHARD: Then I can assume from that answer that the Minister has not had an update of the Tyrchniewicz Report which would reflect the Pepin proposal?

MR. USKIW: The member should assume that the departmental people see no need in doing that because it doesn't furnish us with any new information.

MR. ORCHARD: So, then there has been no update of the Tyrchniewicz Report?

MR. USKIW: I am further advised that those kinds of figures are not even available for another year so that if we wanted to do it we are unable to do it, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, who is handling the disposal of railroad right-of-ways?

MR. USKIW: Mr. Chairman, that is a matter that was brought up by way of questions in the House which is at the moment in suspension, which I indicated in the House, because of a policy review, and that's a review jointly with Transportation and Agriculture.

MR. ORCHARD: Who is undertaking that review on behalf of the Minister of Transportation?

MR. USKIW: Mr. Chairman, that is a ministerial review, that is a policy review, it has nothing to do with staff.

MR. ORCHARD: So, then, Mr. Chairman, we could discuss that item here?

MR. USKIW: You can discuss it anywhere.

MR. ORCHARD: Or we could discuss it under the Minister's Salary. Is Mr. Reg Forbes still working on the railway right-of-way disposals?

MR. USKIW: No, I am told that Mr. Forbes is waiting for whatever new direction is forthcoming from the ministerial review process.

MR. ORCHARD: Mr. Chairman, under the Transportation Division, Other Expenditures, that has formerly been the area in which the WESTAC membership has been maintained, is that still under Other Expenditures?

MR. USKIW: Yes.

MR. ORCHARD: Is the Minister satisfied with the provincial involvement in WESTAC and would he anticipate continuing that membership in support of WESTAC?

MR. USKIW: Mr. Chairman, we have continued to be a member of that group and there is money in this Budget for that purpose, in fact, it's an increased amount as I recall it. I've had only one opportunity to interface with the groups that are members of that organization. I suppose it does serve some useful purpose in exchanging ideas and viewpoints, although I wasn't particularly impressed with the meeting that we just had, and I don't mind citing the reason. We had a presentation on the part of the CNR and CPR representatives on the whole transportation question, having to do with Crow as well, without a balance of interest groups sort of on the panel. We only had those two vested interest groups throwing their ideas and opinions across to the delegate body and it seems to me that was a bit of a one-sided approach to an issue that involves so many interest groups. So, I'm really questioning the format of that meeting, not questioning the organization, questioning the format of that particular meeting that I did attend.

MR. ORCHARD: Thank you, Mr. Chairman, I take it then that in this presentation by the two railway companies that probably they went through the presentation of the projected tonnage movements of various commodities and the kinds of investment that was needed in facility upgrading.

MR. USKIW: Yes, and as I said a moment ago, they did get into the need for receiving new revenues through the abolition of the Crow. But again, I don't want to get into this because it is an in-camera meeting, as the member knows, and it would be unfair on my part to get into the discussions that took place in a definitive way. I merely point out that I wasn't happy with the format that was employed but I really should not be discussing that particular meeting.

MR. ORCHARD: I realize and I appreciate the Minister's position on that. Do you know whether the WESTAC organization will be undertaking, say in the next several months, that possibly more balanced discussion forum on the Crow issue to try and present, as the Minister is concerned about the other side of the coin, so to speak, on the Crow debate, will they be undertaking that? And the reason I ask is that, I think, may be it's changed in the last few months, but I think the WESTAC organization has been a fairly successful discussion group in which some consensus on some fairly sensitive issues has emerged. I think it's kind of unique in that organization and it would be of interest to me to know whether they are indeed planning, as the Minister would put it, a more balanced forum to discuss the Crow issue?

MR. USKIW: The problem with that structure is that it is incapable of arriving at a consensus on an issue where there are differing opinions which involve various economic sectors and governments. We got into that discussion a wee bit and the Chair was quick to point out that really there is no way in which we could expect a consensus on an issue as controversial as the Crow. And if that is the case, then one has to raise the question, well, then why are we discussing it from one side of the ledger, other than I suppose a subtle way of conveying information from that one side. I

would have thought it would have been better balanced if it was a panel thing rather than just an industry thrust from the transportation side, but that's neither here nor there.

MR. ORCHARD: Thank you, Mr. Chairman. Are there any new organizations or groups that are being supported in the other expenditures as listed here?

MR. USKIW: There's a whole series of support programs which if the member wants I can read them to him.

MR. ORCHARD: No, all I'm interested in, Mr. Chairman, is whether there are any new organizations that have been brought into the support program.

MR. USKIW: No, there aren't any that I'm aware of.

MR. ORCHARD: Are there any other areas where new organizations might be supported under this Minister's department?

MR. USKIW: I have not identified those, Mr. Chairman, if there are any I have not been made aware of them.

MR. ORCHARD: I guess if I can ask my specific question now, there's no support by this Minister's department for either the Provincial or the National Farmers' Union organization?

MR. USKIW: I don't know how that is even relevant in the Department of Transport, Mr. Chairman. I'm trying to understand the connection, perhaps the member would want to elaborate.

MR. ORCHARD: I suppose the connection would be along the lines that this Minister and his department are the line department that is undertaking the Crow rate discussion and the National Farmers' Union of the past several months have undertaken a fairly high-profile advertising program, etc., etc. presenting their position on the Crow rate. Those kinds of programs don't come cheap nowadays. They require some fairly substantial amounts of money, and I'm not familiar with the current membership base of the National Farmers' Union, but it's not my recollection that they had that kind of a membership support and funding base from their membership organization. Hence, my question to this Minister as to whether, in the process of the Crow debate, his department was providing any support to undertake the National Farmers' Union support of their position on the Crow rate debate.

MR. USKIW: First of all, I don't think it logically falls in this category if it were there, but no, unless the member is suggesting that we do so, I might be prepared to give it some consideration, Mr. Chairman.

MR. ORCHARD: The Minister, I know, would be open to such suggestions particularly from this side of the House, but no such suggestion is or will be forthcoming, but I would hope that the Minister isn't persuaded by maybe some of his colleagues to undertake that.

Mr. Chairman, there's no support of new organizations under the Transportation Division. Are they undertaking any new roles in the next fiscal year, any new support of new programs?

MR. USKIW: No, not that I'm aware of at this time, Mr. Chairman.

MR. ORCHARD: Under our administration, there was some co-operation between the Department of Agriculture and the Department of Highways and Transportation, specifically the Transportation Division in co-ordinating various aspects of grain transportation in broad terms, not the Crow rate debate but in general, rail line abandonment analysis, that kind of thing. Agriculture, I believe, had one SMY and I believe it was Mr. Reg Forbes. Is there a move afoot to bring the total grain transportation analysis into the Department of Highways and Transportation?

MR. USKIW: In this budget, we have dollars for grain handling and transportation, railway electrification studies, rail passenger cost studies and so on.

MR. ORCHARD: Then would this represent the total government funding for the analysis of grain transportation? Now, as I say before, it was split in part between the Department of Highways in the Transportation Division and the Department of Agriculture. Would that be a combined function now under this Minister?

MR. USKIW: Mr. Chairman, the level of funding has not changed to any significant degree for those components.

MR. ORCHARD: The Minister may well refer me to the next committee that's going on, but I understood from an indication he made earlier a few minutes ago that Reg Forbes, who was handling not only rail line right-of-way disposals but was also, I think, the major contributor in the Department of Agriculture to the grain handling and analysis program. With that position, I believe, under Ministerial review or whatever . . .

MR. USKIW: I want to correct the member. It's the policy of branch lines that are abandoned that's under review, not the position of Mr. Forbes. At least I have no knowledge of it and it really is not my department. It's another department.

MR. ORCHARD: I realize the Minister may well tell me to go to the Agriculture Estimates and pose the question, but all I'm trying to find out is will the Highways and Transportation under the Transportation Division be the only area funding for matters referring to grain handling, and transportation problems in grain handling, whereas it was split before between the two departments? Will it remain split?

MR. USKIW: My guess, but I don't know, Mr. Chairman, without checking; my guess would be that Agriculture will still play a role, but I have no knowledge of it in terms of dollars.

MR. ORCHARD: That, I believe, is all the questions I had on the Transportation Division, Mr. Chairman.

MR. CHAIRMAN: 1.(d)(1) Salaries—pass; 1.(d)(2) Other Expenditures—pass. Management Services and Engineering. 2.(a)(1) Salaries and Wages—pass; 2.(a)(2) Other Expenditures.
The Member for Pembina.

MR. ORCHARD: Mr. Chairman, could the Minister indicate the reason for the fairly significant in Other Expenditures.

MR. USKIW: Which one are we on? Oh, I see. And what is the question?

MR. ORCHARD: The nature of the increase in expenditures.

MR. USKIW: There's an increase in the cost of highway maps of \$15,000; the ARTAC Grant Council on Economic Research which is \$10,000; crosswalks, \$2,000; new training officer vehicle \$2,500, and the rest is just general increases.

MR. ORCHARD: Mr. Chairman, the grants to the Council on Economic Research, is that a new grant?

MR. USKIW: I'm told that the previous Board of Directors of ARTAC approved that program and this is the first funding for it.

MR. ORCHARD: That should be fresh in my memory. I don't recall it. What do they do? That's not the Traffic Injury Research Foundation?

MR. USKIW: I'm advised that they promote research projects within the context of the ARTAC activities and I don't presume to know what they all are.

MR. ORCHARD: Yes. How many dollars?

MR. USKIW: \$10,000 is the amount.

MR. ORCHARD: Mr. Chairman, what's the increase in the ARTAC contribution? I believe it was going to go up something like a nickel a car or some formula like that.

MR. USKIW: I'm told it's 11 cents. \$11,600 is the membership.

MR. ORCHARD: That item can pass, Mr. Chairman.

MR. CHAIRMAN: 2.(a)(2)—pass; 2.(b)(1) Laboratory and Materials: Salaries and Wages—pass.
The Member for Pembina.

MR. ORCHARD: Just one more question. I note the staff isn't changing. Who's taking the cut in pay?

MR. USKIW: No, there is a decrease of one staff man year with the implementation of the Computerized Materials Lab Sample Analysis System.

MR. ORCHARD: Mr. Chairman, that's not reflected

on the just distributed format here.

MR. USKIW: The position is still there, but there's no money for it. They didn't delete the staff man year, but they didn't provide money for it.

MR. ORCHARD: This would be no doubt very convenient if the Minister wants to bring on another special assistant, I take it.

MR. USKIW: It would be excellent, Mr. Chairman. I'm glad the department's thought of that.

MR. ORCHARD: And that's not another recommendation that I'm making to the Minister either.

MR. USKIW: I'm glad I've got some flexibility.

MR. ORCHARD: Under Other Expenditures, Mr. Chairman, once again there's a fairly sizable increase. Could the Minister identify the reasons for that?

MR. USKIW: Yes, there's new equipment here, Mr. Chairman, four nuclear insometers, two electronic balances, one replacement oven, one hydrometer water bath and one replacement microfilm reader-printer; \$36,000 is the total of those new equipment.

MR. CHAIRMAN: 2.(b)(2)—pass; 2.(c) Surveys and Titles: 2.(c)(1) Salaries and Wages.
The Member for Pembina.

MR. ORCHARD: Mr. Chairman, from time to time survey monuments are obliterated, they're lost and the Highways Department probably does maybe as much surveying in the province in rural Manitoba as probably any department. Does the department replace lost monuments or destroyed monuments and is that part of the cost of Other Expenditures in this item?

MR. USKIW: The department replaces only those monuments that are destroyed and that are on the road allowances, not on private property.

MR. ORCHARD: Okay. Let's just develop a scenario and the reason I'm asking this is because recently a council broached this subject with me about replacement of monuments. If the department were to find in the course of doing a survey and design for road project, if they were to find a monument missing and it was outside the right-of-way that they required or whatever, I would assume they would replace that monument, but who would pick up the cost then? Would it be the Attorney-General's department?

MR. USKIW: I'm told that they could replace it in the course of a new survey for a new road, it could be a combination of things or it could be a Land Titles office, there's no straight rule on that, Mr. Chairman. It depends on the circumstances.

MR. ORCHARD: So that part of this expenditure could be in the replacement of that monument.

MR. USKIW: Theoretically.

MR. CHAIRMAN: 2.(c)(1) Salaries and Wages—pass; 2.(c)(2) Other Expenditures—pass; 2.(d) Bridges: Salaries and Wages.

The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. The Minister will probably have been informed by the Deputy that — I don't know how long ago now, probably a year ago or maybe even 15 months ago now — we undertook a preliminary study in conjunction with I believe it was Water Resources and the bridge engineering staff in the Water Resources Division to identify major bridge structures on municipal roads throughout the province.

It was our intention to first of all quantify the number of bridges that may be up for replacement in the next few years to try to get a handle on the total costs of that bridge replacement and with the eye strictly on developing a program of funding assistance to the municipalities to replace major bridge structures. I think the Minister when he was in Opposition, I believe, even posed a couple of questions to me on this subject because I think the R.M. of Lac Du Bonnet, if my memory serves me correct had a study done — Brokenhead — which had identified some pretty significant replacement costs of the municipality, quite frankly weren't in a position to bear the costs of, so that stimulated the study between — well, it has to be more than two years ago because the Member for Turtle Mountain and I were the first ones to initiate it, so it must be three years ago. Could the Minister indicate the current status of that study?

MR. USKIW: Yes, I'm told that it was completed and handed over to the Department of Resources which would be the home department as I understand it. It has to do with waterways and so on.

MR. ORCHARD: When was that?

MR. USKIW: Very recently.

MR. ORCHARD: I realize that this isn't the proper department and in fact we've passed the Natural Resources Department, but might that study be made available to members? I'm really interested in that study to know whether we can possibly develop a program of assistance to the municipalities.

MR. USKIW: Mr. Chairman, I don't mind undertaking an inquiry. I don't see why it couldn't be made available. I'm told, Mr. Chairman, if I have the floor, that it's in draft stage only at the present time. I'll take that under advisement.

MR. ORCHARD: If the Minister would take that under advisement to table the report, it's of some considerable interest and I have no doubt that probably I think municipal councillors and the Reeve from the R.M.'s of Whitehead and Daly, if they haven't already been in to see the Minister no doubt will be because they've been patiently waiting for a couple years for a program development because they've got a fairly major bridge to replace, something in the neighbourhood of a 90 foot bridge.

The other thing that I was interested in pursuing on

completion of that report was the possibility of combining the bridge design and engineering staff of the two departments and maybe achieving some kind of manpower saving because I think the Department of Highways and Transportation has a pretty expert department.

They're into some very efficient bridge design methods and for all we know with the number of bridges that municipalities may be replacing, some of the new prestressed bridge designs that were developed in Winnipeg and that he started to install with the concrete decking, riding surface and support structure, all in one, may be just the cats meow for some of these municipalities. We do have that expertise housed in the Department of Highways and Transportation and if it was being simply duplicated in Water Resources it might be an area of saving. Is the Minister in a position to pursue that proposition?

MR. USKIW: Mr. Chairman, I certainly haven't had any opportunity to discuss that idea. Engineers are sometimes jealous of each other if they're working for two different departments and I don't know whether that has been looked at. I am advised it has been looked, apparently it's part of that report.

MR. ORCHARD: Well, that would be very interesting to see how zealously each department has guarded their own engineering staff and I'll look forward to reading that in the report.

I know the Minister can't give a definitive answer because he hasn't seen the report obviously, but do you think it would be a program that this Minister would entertain to help fund, say, bridges above a certain size? You can't get into every bridge with the municipalities nor do I think that they expect you to. There are some fairly major structure in the municipalities, bridges in excess of 80, 90, 100, 120 feet long that are now - if my memory serves me correct - probably approaching 75-years old and they're getting pretty shakey. Does the Minister think that might be a viable funding program to pursue with the municipalities? I don't know whether you can do it on a limited basis but, nevertheless, a program that he would entertain taking a look at?

MR. USKIW: Well, I would think, Mr. Chairman, that cannot be looked upon in isolation of a number of other factors; one of which is that there are many old bridges there that service very few people as well and that it may be a desire and a prudent course of action to follow up on, that is deciding what the road system should look like at the municipal level, and rationalizing the bridge system at the municipal level, before one wants to assume some responsibility in upgrading or replacing existing bridges.

If your traffic flow on a given bridge is five vehicles per day and the bridge is going to cost a quarter of a million dollars, or whatever, or a million, I don't know what they cost, depending on the nature of the stream, you're not going to be spending a lot of money to service two or three families if they have another way to digress or access their property. That really has to be looked at in the broadest sense because a lot of these bridges were built at the turn of the century, Mr. Chairman, where it was mainly man-

power and those bridges are now to the point where they have to be either demolished or replaced.

I would want to take a good look at the pattern of traffic before I would want to commit any department to a program of restoring old municipal bridges, whether they be on highways or drainage ditches, Mr. Chairman. Drainage makes perhaps more sense, in terms of continuity, but certainly roads could be rationalized. Therein also lies the question of how we connect the municipal with the provincial road system, in terms of directing some traffic or developing traffic flows or patterns. We're going to have to look very carefully at spending dollars relative to the people that these dollars are going to service and the tonnages that have to be moved in those areas and so on. What was there is not necessarily what ought to continue is what I'm saying, Mr. Chairman.

MR. ORCHARD: Certainly any new program like that has to be approached very cautiously and I suppose the idea that I had in the back of my mind was that you don't provide 100 percent funding; you only provide a portion of it and that sometimes makes the municipal people less desirous of replacing unneeded bridges and serves as a break on no-strings-attached funding. No doubt if the government provide 100 percent funding the demand would be unlimited and that certainly wasn't part of any thinking that I had.

Well, that's all the questions I have on that section, Mr. Chairman.

MR. CHAIRMAN: The Member for River East.

MR. PHIL EYLER (River East): Yes, just as a matter of general interest. These people who are designing bridges and doing engineering studies; do they do that for the City as well, the City of Winnipeg?

MR. USKIW: No, the City of Winnipeg have their own bridge department, as I understand it, Mr. Chairman.

MR. CHAIRMAN: 2.(d)(1) Salaries and Wages—pass; 2.(d)(2) Other Expenditures—pass; 2.(e) Traffic, Salaries and Wages.

The Member for Pembina.

MR. ORCHARD: Mr. Chairman, I had, over the course of the Christmas season, a very interesting concept broached to me by a couple of constituents and I think it deserves some investigation when one takes into consideration fuel costs and what not. What was put to me is that on provincial roads, where provincial roads are intersected by municipal roads; we have, in a number of crossing points, no traffic signs and we tend to go from no traffic signs on lesser used ones, as a matter of pure economics - you can't have stop signs on every one - to stop signs on some of the possibly more used intersections. The question that was put to me is that when they're on level ground and there is no obstruction of sight from some distance back from the intersection, if it would not be a consideration to put up yield signs, rather than stop signs, to avoid the necessity for a full stop with loaded trucks?

MR. USKIW: I have to assume that the Traffic Department is cognizant of the reasonableness of

that suggestion and where that should take place. Usually, I suppose, it would depend on the amount of local interest or pressure or circumstance that probably would bring that result about. I'm not certain that as a policy we should move altogether into the yield system on intersections. There are tradeoffs there that may not be terribly pleasant.

I am advised that The Highway Traffic Act requires that one must come to a complete stop at all PR's and PTH's. It would require a change in The Highway Traffic Act as well. I'm not certain that would be the most beneficial element, policy change.

MR. ORCHARD: You know, I must go back and drive one of my PR's before the district engineer does but I think there's the odd yield sign up on it which hasn't, to my knowledge, caused any problem. There are a lot of unmarked intersections; I think it's maybe one of these laws that's there for 5 percent of the circumstances and is being avoided or not followed up on 95 percent of them because there are many, many municipal road intersections with provincial roads, not PTH's but with provincial roads, that aren't marked at all. One doesn't know they're coming up on a PR in a lot of cases.

MR. USKIW: Yes, it appears that there is no requirement to have a sign that one must stop, but the law says that one must stop before one enters or crosses a PR.

MR. ORCHARD: Mr. Chairman, this is not an issue . . .

MR. USKIW: Now the yield sign shouldn't be there if that is what the legislation says . . .

MR. ORCHARD: Yes.

MR. USKIW: . . . because the yield sign would be contradictory to the legislation.

MR. ORCHARD: Maybe I might make a suggestion in a different way. Seeing as how this is required by law, maybe the Minister could develop an inventory of used stop signs and pull them all down because, once again, I guess a motorist could inadvertently, where there's no control sign on the intersection of a municipal road and a PR go right through just using the, I think, the rule of the road that you yield to traffic on your right and be ticketed by the RCMP for doing that, which would bring up the further requirement of signs 100 yards down from the intersection on a municipal road that you're approaching a PR, which I know isn't part of the Signing department. Maybe the best suggestion I could make is not to have any more stop signs go up.

MR. USKIW: Well, we'll have to review that, Mr. Chairman, there seems to be a contradiction as between what the law requires and what is being done. So the best thing I can do is to have it investigated to determine what we ought to be doing.

MR. CHAIRMAN: 2.(e)(1) Salaries and Wages—pass; 2.(e)(2) Other Expenditures—pass.

2.(f) District Offices: (1) Salaries and Wages.
The Member for Pembina.

MR. ORCHARD: I just haven't had a chance here to look at District Offices. Staff is roughly the same, according to the sheet, but yet we see a pretty significant increase in the salary appropriation which is being asked for here. Is there some explanation?

MR. USKIW: It's strictly an increase in salary, merit increases, Mr. Chairman.

MR. ORCHARD: You've got a pile of merit increases then compared to some of the other departments.

MR. USKIW: Mr. Chairman, there are 250 staff people there — 251.

MR. ORCHARD: Are there any new undertakings in the District Offices that would be causing the Other Expenditures to increase?

MR. USKIW: Oh, the Other Expenditures, the increase there, I believe, relates largely to a loss of revenue from the private use of government automobiles which now flows directly, I believe, into the Consolidated Fund. It used to flow into the department, it now is recaptured via the Department of Finance so there's really a revenue drop which then accounts for an increase in the cost here.

MR. ORCHARD: I must have missed that in previous previews. Then that means that private automobile mileage was paid as an expense by the department and would have been . . .

MR. USKIW: It was paid to the department before but now is paid to the Department of Finance, instead of to the Department of Highways, hence resulting in a loss of revenue to the Department of Highways.

MR. ORCHARD: To make it easier, probably the Other Expenditures last year were probably closer to \$925,000, say, because of an in and an out?

MR. USKIW: Yes.

MR. ORCHARD: Okay.

MR. CHAIRMAN: 2.(f)(1) Salaries and Wages—pass; 2.(f)(2) Other Expenditures—pass.

2.(g) Highway Traffic Inspection: (1) Salaries and Wages.
The Member for Pembina.

MR. ORCHARD: Mr. Chairman, what new and wonderful things does the Minister propose in the Highway Traffic Inspections section for the motorists of Manitoba?

MR. USKIW: Well, Mr. Chairman, as far as new policy is concerned, I have no intention, at this stage, to enunciate anything new. All the policy reviews within the department have yet to be undertaken, by and large. We did not attempt to bring about any policy direction for this first set of Estimates.

MR. ORCHARD: Yes, the Highway Traffic Inspections section from time-to-time has run into criticism from some sectors about not being adequately prepared to deal with some particularly illegal trucking and that sort of thing. Has the Minister received any recent indication that that's an increasing problem or a decreasing problem?

MR. USKIW: That item is the last item in our Estimates; that comes under the Highway Traffic Board, Mr. Chairman, the Motor Transport Board and so on.

MR. ORCHARD: Well then the Highway Traffic Inspection staff are the ones that man the scales at Headingley, etc.?

MR. USKIW: That's the weights, the dimensions, equipment, the license and franchise.

MR. ORCHARD: If I recall, and maybe my memory's not all that good, particularly at the scale east, at Falcon Lake, and at Emerson, and I guess the Headingley scale would be the other one, the Highway Traffic Inspection staff do undertake, I suppose, minimal checks on loads and whether the carrier is franchised or not. That has been, I know, a subject of concern by some groups whilst I had the responsibility and I'm just wondering if that concern is lessening or is it of increasing concern to the department?

MR. USKIW: Mr. Chairman, those checks are subsequently reported to the Highway Traffic Board for action even though our inspection staff is involved in the investigation in, and perhaps the issuing of tickets. But ultimately that falls into The Highway Traffic Act or the Motor Transport Board.

MR. ORCHARD: Is this the section under which the I forget what it was called - the Critical Item Inspection on heavy trucks is done? Is this the same staff or is that once again in the Motor Vehicle Branch?

MR. USKIW: That's Motor Vehicles Branch.

MR. CHAIRMAN: 2.(g)(1) Salaries and Wages—pass; 2.(g)(2) Other Expenditures—pass.

Resolution 81 RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,108,700 for Highways and Transportation, for Management Services and Engineering for the fiscal year ending the 31st day of March, 1983.—pass.

The time being 5:30 p.m. the Committee will rise and we'll resume sitting at 8:00 p.m

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): Considering the Agricultural Estimates, No. 1. General Administration, specifically No. 1.(c)(1) Salaries — The Honourable Member for Arthur.

MR. DOWNEY: Mr. Chairman, possibly the Minister could just give a brief outline of the numbers of people and what the main work objective and the workload of this particular group do for the department?

MR. URUSKI: Yes, Mr. Chairman, the Management Services branch has a staff component of 39 broken down into Accounting Services, Financial Administration, Personnel Services, Computer Services and Program Analysis. There is no change in staff complement here, the increase in funding that is requested is due to increased costs related to computer services, job interviews, job advertising, and as well the development of a word processing activity for various applications throughout the department. Those are the basic increases that are requested in this area. If the member wants further breakdowns, I'll be pleased to try and break it down as generally as I can in terms of the increases.

MR. DOWNEY: Mr. Chairman, has the department moved towards word processing and that type of mechanism or process to use within the department and if he has what is the approximate cost and the numbers of additional people that are employed; or, will it mean a reduction in the number of people that are employed to operate that equipment?

MR. URUSKI: Mr. Chairman, we are looking at two applications for two areas where word processing equipment would go into in the department initially. There would be no change in the staff component. There would certainly be an increase in the workload that staff could handle. I believe the member is familiar with the word process equipment; whereby it is work saving in terms of the corrections and the work that can be put on the equipment and if corrections have to be made it is a very simplified method in dealing with corrections and all the work preceding that would not have to be redone. So, it is basically work saving and increasing the efficiency of the staff within the branch. There are two areas and I think the approximate cost is \$20,000.00. Those areas that we're talking about would be in our offices, the Deputy-Minister's office and in the Communications Branch.

MR. DOWNEY: Mr. Chairman, the additional efficiency that he expects to get out of his department, he has indicated will not really eliminate any staff but may in fact, give them the opportunity to more effectively do their job more efficiently. Mr. Chairman, will this particular part of the management part of the department be looking after the payouts for crop insurance or would it be easier to answer that under crop insurance? There were some problems with the turn around or the time payouts of the Crop Insurance Corporation, would the Minister like to touch on it now or would he like to do it under crop insurance?

MR. URUSKI: Mr. Chairman, this is specifically the whole area of payouts under crop insurance are handled by — as I understand it — by crop insurance to the Department of Finance who do the drawing of the cheques and the payouts. I don't believe that we're involved — the department itself is involved in any of the mechanics. It's strictly a throughput from MCIC to finance and the payouts are made that way.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER (Emerson): Thank you, Mr. Chairman. To the Minister, is this, the Management Services, the one that puts out the Manitoba Food Market Review and the cattle prices that are mailed out to the farmers, does this come under this area?

MR. URUSKI: No, Mr. Chairman. That area would be in the Economics Branch. That's where all the publications are put out dealing with market trends.

MR. DRIEDGER: Just for further clarification; the Minister in his statements before made reference under this section here about the Economics Branch, could the Minister then just maybe specify where this kind of release and the price releases would be coming under?

MR. URUSKI: I spoke about the financial administration in this section in the management services; the Economics Branch is No. 6, Mr. Chairman in the Agricultural Marketing and Development, that's where those questions would be appropriate.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2) Other Expenditures, 1.(c)(2)—pass; (c)—pass.
The Honourable Member for Emerson.

MR. DRIEDGER: I have one question on (c); there is a substantial increase really from \$125,000 to \$173,000; could the Minister possibly clarify that increase there?

MR. URUSKI: Mr. Chairman, I gave that to the honourable member but I'll be glad to. This increase dealt with Computer Services, inflationary increases and the Word Processing. These are the additional costs that I gave to the honourable member. When I said the increased costs of the department, I was referring to Other Expenditures; the additional in salaries is self explanatory; there is no change in staff, it's the normal increments and the like but the additional \$48,000 was as I had explained.

MR. CHAIRMAN: (c)—pass; 1.(d) Research, 1.(d)(1) Policy Studies.
The Honourable Member for Emerson.

MR. DRIEDGER: Okay, Mr. Chairman, now I would like to establish if possibly we could under the Policy Studies; can the Minister indicate is this where the Beef Income Assurance Program that has been initiated by this Minister; is this where the policy studies would have taken place?

MR. URUSKI: Well, Mr. Chairman, this is the thrust for the new year in terms of what policy studies will be proposed and undertaken. The whole beef program one can deal with in the Income Assurance Fund, in terms of the studies and the like. Mr. Chairman, I might indicate that it is our intention to pay the costs of the committee that will be discussing the beef program amongst producers from this area, as well as dealing other policy thrusts that we might review in terms of lending policy and those kinds of areas.

MR. MANNES: Thank you, Mr. Chairman. I'm wondering if the Minister would be so kind as to give

us some specific detail in this whole area and tell us exactly what studies are envisaged and the number of people involved in this particular study area?

MR. URUSKI: Mr. Chairman, there are no people involved in the study area. As the member well knows, I think, we've had many discussions with his colleague when he was Minister, in terms of research and policy studies, there are no people involved, the department is involved if we wish to hire outside consultants, but there is not direct staff component in terms of people within the department, Mr. Chairman. The department is involved in all those areas.

MR. MANNES: Obviously, this money then is to be directly, like you say, to research outside of the department, in one way or another, and my question is, do you have any specific proposals to let out research work?

MR. URUSKI: Mr. Chairman, there are some ideas that I do have. The plans are not finalized as to whether or not we will go outside of the department, whether we'll go partly. Most studies that are undertaken, as I have seen them, I would envisage would be if we bring someone else with some expertise in to do a certain projects, we would also utilize staff within the department that would have some basic information in those areas.

Some of my thoughts in that area were, as I have indicated to the Member for Emerson, that the Beef Stabilization and Marketing Committee funds would be provided for their work out of this area in terms of the fine tuning of the plan. Obviously there is need for policy review and we have indicated that for the lending program for farmers to examine other alternatives, whether they're available to us, in terms of a comprehensive lending program to the farming community through MACC.

As well, I have some thoughts in terms of work to be done; in what areas should we look at public policy in terms of options of assisting young farmers into agriculture? Some of those areas are considerations, at this point in time they are not firmed up. Those are some of my ideas, but certainly we want to discuss this within the department. There is no preconceived idea, I don't think historically there has been any specific idea in terms of research, but those are some of the areas that require further study.

Another area that's come to me, there's been some work done within the department, and that is the whole economics of the finishing of beef on grain and whether we should be looking at alternatives, and we have been doing some work, but the extent of which should be examined. That's a possibility, I'm not saying that I'm tied to that but those are the kinds of areas that would be taken out of a budget such as this.

MR. MANNES: I just would like to review then what the Minister has said. These ideas, as you've stated, you've given us four examples and right now, I take it, they're just conceptual, although particularly in the beef plan you're going to have to work towards something. Are these the specific reasons for a doubling-plus of the quantity of money directed towards this end?

MR. URUSKI: That is correct.

MR. DOWNEY: The Minister has indicated that he plans to pay a beef committee, individuals who are going to be involved in establishment of the fine tuning, he says, of his beef program that he has just introduced and this is where he plans to extract the funds in which to hire these individuals.

I have, Mr. Chairman, some very serious reservations about the way in which this money will be spent and the way in which the Minister is proceeding to move to this point with his livestock program or the beef income program, the Beef Stabilization Program, and I will have some specific questions. I will start off, Mr. Chairman, by asking him, specifically, if this is where the \$5,000 per month in expenses will come from for the designer of the program, Mr. Bill Janssen, is this where those funds will come from?

MR. URUSKI: Mr. Chairman, obviously the honourable member wasn't in the other Committee, but the contract that there is within government is with the Department of Transportation and that department is paying the costs of the contract with Mr. Janssen. I have indicated to the honourable members I have used him, on a consultative basis, to look at the beef program along with other people within the department and outside the department.

MR. DOWNEY: Well, I would then, Mr. Chairman, like to say that . . .

MR. URUSKI: —(Interjection)— Mr. Chairman, just to make sure the honourable member understands me, there are no funds in this budget, at the present time, to pay specifically any further costs of the beef study.

MR. DOWNEY: Mr. Chairman, then the Minister is saying that he has the services of one Mr. Bill Janssen to work within the Department of Agriculture if he decides to hire, Mr. Chairman, over and above what he is already being paid for now by the Government of Manitoba through the Department of Highways and Transportation, is that what he's indicating, Mr. Chairman? Is he now going to, on a contract basis that he's been hired, is he now going to additionally pay him out of the Department of Agriculture?

MR. URUSKI: Mr. Chairman, the honourable member should ask the Minister of Transportation the length of the contract that he has with that department. If there is some further work beyond the terms of that contract, that I would have some need, certainly we would consider it at that time and moneys could come out. But, specifically to his question, at the present time there are no funds being paid from this area on the present contract, and the amount of money that will be used from this area on the beef program will be the payment of the committee which, Mr. Chairman, happens to coincide with what has been done in the past. The Hog Committee's expenses and the committee that was established to deal with the Hog Income Assurance Plan have come out of this budget in the past and continue to do so as well as the meeting dealing with the Port of Churchill that were done

in the past, those kinds of public meetings were done. So, the budget basically is being used not far differently in terms of how your administration used it, and we are using it likewise.

MR. DOWNEY: Mr. Chairman, I then would like to proceed because he has indicated the money will be spent for the establishment of a committee and I have no difficulty with the use of that money for policy studies, or work that is being done to better the overall agricultural industry. However, I have, Mr. Chairman, some deep concerns when we are spending money to not better the agricultural industry, and that's what's taking place with this Beef Program that he's introduced, Mr. Chairman.

Mr. Chairman, he won't even tell the House and members of the Assembly, or the farm community, who he's had recommending to him the kinds of programs that are in their best interest. In fact, as was pointed out today, Mr. Chairman, he is not even listening to the majority of the people of Manitoba as far as the beef industry is concerned. How many times, Mr. Chairman, does he and his colleagues have to be given the message that it's not control that the people of Manitoba want, it's freedom that the people of Manitoba want, particularly those people in the agricultural sector. And here again, he has employed an individual who flies directly in the face of the way in which the majority of the farm people want to go to bring in an ill-conceived idea, or an ill-conceived plan, who I would say is not going to help anyone other than the people that are employed by him to be hired, or to be his commission, or to be set up as a beef marketing agency or committee.

Mr. Chairman, I'll have to go over just a few minutes to lay out for him the kinds of policies that I think that he has been told in eight years in the previous administration that he's been a part of. He's seen the co-operative efforts that were put forward through the Manitoba Livestock Producers Association in the four years, the establishment of a workable organization, a committee established with that organization to make recommendations to a government which he did not see fit to carry on with. That's his prerogative. But, Mr. Chairman, he's got a report on his desk. He got a report that points out the advantages and disadvantages — the media as well have a copy of it that was tabled in question period today — what they feel are in their best interests. The big question or the big answer, Mr. Chairman, is they want to retain their freedom, and to implement or to impose a program that is, in fact, putting in place a marketing board — and I call it a marketing board because that's what it is, that's what the individual who was a part of the designing of the program tried to implement for eight years in this province when he was the Deputy Minister of Agriculture — and now, Mr. Chairman, we've seen the present Minister of Agriculture rehire or employ him to bring a marketing board in the back door for the beef producers. With a carrot out in front saying to them that if you take our \$50 and you sign up your cattle to give us, give us not the 2 percent that the Minister referred to in question period today, but 4 percent, Mr. Chairman, of the gross sales of the livestock that they're selling.

And what privileges do they get from that? Well,

they get the privilege at the fall of the year when they could normally take a cash sale for their calves at a profit if it's there, and sell it to someone else who wants to feed it, and that person can take that animal and put it in a feedlot and generate revenue and gamble on whether or not he's going to make or lose money.

But no, Mr. Chairman, he now has to take, if he wants to stay alive in the fall of the year a cash advance, a low interest rate cash advance. Mr. Chairman, that's what we're trying to get away from, are the interest rates and the loans that farmers are taking to stay alive. We want them to be paid, Mr. Chairman, for what they're doing, not borrow more money and get them further in debt for what they're doing. We want them to receive a fair and equitable return like the wage earner, like everyone else, Mr. Chairman, get paid for their services.

But that, Mr. Chairman, immediately as the Member for Roblin-Russell pointed out last night, they immediately start dragging out a red herring that I'm opposed to orderly marketing. No, Mr. Chairman, I'm not opposed to orderly marketing. I call orderly marketing the freedom of an individual to produce and to grow and market his commodity through a mechanism that he or the majority of those people have decided are in their best interests. And that, Mr. Chairman, is a system that was in the report by 15,000 cattle producers, the majority of cattle producers in the province who recommended after meeting with the Ontario Cattlemen's Association, the Canadian Cattlemen's Association, the Meat Packers Council of Canada, Mr. Chairman. The recommendations they said —(Interjection)—

MR. CHAIRMAN: Order please. Could the member be allowed to finish his comments?

MR. DOWNEY: Mr. Chairman, what this Minister is taking away is not giving them an orderly, voluntary system, as they had. No, Mr. Chairman, once you put your signature on the dotted line you are hooked on a great steel hook for six years: for six years, Mr. Chairman, and that is probably at least 25 to 50 percent, 25 percent of the normal production period of a farm individual. Twenty-five years, if he starts at 25; you know, that's a pretty good period of time of which he doesn't have the decision-making freedom that he's now got. The producers didn't ask for that, Mr. Chairman. They didn't say they ant to sign up to a state marketing agency that's established by the Minister of Agriculture, who by the way, Mr. Chairman, won't tell the people of the Province of Manitoba who he got his recommendations from. He refuses to answer, he says "Read Hansard, read Hansard." I've read it, Mr. Chairman, I haven't seen one name. What farm organization did he listen to? Who has he talked to in the farm community? I know who he talked to, he talked to Bill Janssen, who he employed, who was eight years a Deputy Minister who tried to bring in a state marketing board for the beef producers, and now he's trying to do it through the back door with a carrot hung out in front. It won't wash, Mr. Chairman, it won't wash.

He says he talked to the Cattle Producers Association. If you read the week-end press, Mr. Chairman,

and I've talked to the President of the Manitoba Beef Cattle Organization. The Member for Emerson pointed out in Committee last night, Mr. Chairman, that he has several good organizations in his area: The Southeast Beef Producers Association, the SPADA group, or a good organization developing that area to produce livestock. He never talked to them, Mr. Chairman, and now he's saying, "I talked to them twice," he told the House today, "I've talked to them twice, three times." He maybe talked to them, Mr. Chairman, but he sure didn't hear anything.

I think, Mr. Chairman, that it's very, very obvious what we're going to be facing in this province. We're going to be facing a Minister of Agriculture who has the nerve and the audacity to stand up and let on, and I say this let on that everything is nice and cozy in the farm community and that he's working on that open-door policy, working on that open-door policy where he's listening to all the farm people. He believes in a family farm. What kind of a family farm is he trying to develop with the state buying feedlots in this province, Mr. Chairman? Mr. Chairman, that isn't Manitoba as we have traditionally known it, and our food-producing sector. Mr. Chairman, how many times do they have to watch the TV when they see these state farms in Poland where the people are starving to death. Is that what he's trying to put us into? Consumers over there, you've got consumers around you. Pay attention to what's going on. That's where we're headed.

I tell you, Mr. Chairman, we're on a slippery slope and if he doesn't in his policy-study money which we're voting on . . . Mr. Chairman, the money that we're voting, some \$250,000 was put to some pretty useful use in the last few years, and he mentioned one of them. I talked here the other day in comments that I made, Mr. Chairman, that we put together a series of meetings which we paid for as government, the people of Manitoba, to encourage the use of the Port of Churchill. That came out of this appropriation, Mr. Chairman. We spent the people's money of the Province of Manitoba to do something that the agriculture community wanted. It was our policy to encourage and develop the Port of Churchill and we spent some of this money, Mr. Chairman, to expose the Port of Churchill to more people: press, media, farm communities, union and municipalities, and point out to them the opportunities that were there. When did we do it? We didn't do it when it was frozen in the middle of winter; we did it the first of June when we could show the people of Manitoba that the shipping season at Churchill could be open.

Now, Mr. Chairman, we're voting \$250,000 to impose on the people of Manitoba. In 1976, they told us they didn't want a Beef Marketing Board. 76 percent of them told us as Manitobans. Well, he says, "I am elected to the Legislature and I am appointed as the Minister of Agriculture and I believe that I know best for the people of Manitoba," and this policy-study money doesn't mean anything other than it's an imposition of a program, not a study or a policy development working paper to, in fact, find out if the people want it. If he would only mention a farm organization; if he would only name some names, Mr. Chairman, then he could be in a little more defensible position, but he can't. How can we pass \$250,000 that's going to

impose on a community or a sector of the agricultural community that doesn't want it. Certainly they need a form of financial support in the downturn.

Mr. Chairman, the most obvious and the best way in which to get the returns for the farm community, for the beef production or the beef industry is, in fact, through the normal market process. A market-striking mechanism has to take place at an auction sale, or it has done traditionally. In almost all areas, there has to be an area in which the market is struck. That's the process that has been traditional for most everything. It's no secret. The Hog Commission used a market-striking mechanism as well; the selling of turkeys there has to be a market-striking mechanism to determine which the buyer and the seller can agree on. That's just so basic that I can't understand the socialists for not understanding it. They don't need any money to figure that out.

What is ideal, Mr. Chairman, is to have an economy where the consumers of meat, beef, all agricultural commodities can go to the store and pay the proper price. Yes, Mr. Chairman, that's the kind of system that I think we all would be desirous of having. Mr. Chairman, we haven't happened to have that kind of system operating as well as it should. We have, Mr. Chairman, a system where, particularly with the beef industry, they are one of the most inefficient converters of grain, of food to meat that there is. That's one of the basic difficulties with the beef industry, but you know it so happens that it employs a tremendous number of people. There have been a tremendous number of people eating it; in fact, it's been our main food that's been consumed in the meat commodity in the last several years. In fact, it went to some increase of a hundred-and-some pounds per-capita consumption in North America, and has now reverted to under a hundred pounds because of the whole economic pressures that people are faced with. So, what is the alternative to try and keep that industry alive until a whole economic turnaround takes place?

Mr. Chairman, we have no disagreement with what the Minister has been saying about a national stabilization program for nationally produced commodities. There's no disagreement on that. If you have to have one, it should be at the national level. Mr. Chairman, we found out in the hog industry; they have found out in the beef industry that the Federal Government aren't as desirous of having one as we would like to have hoped. Mr. Chairman, that's the unfortunate thing.

The other unfortunate thing, Mr. Chairman, is that when they came into office — yes, that was very unfortunate, Mr. Chairman — they dismissed the people that they were going to try and assist, a group of people that were dedicated to putting in place recommendations that were going to help this industry. Mr. Chairman, they ask for a one-time grant to the industry, a one-shot support program to help them through the period of time. Mr. Chairman, if they were legitimate in their concerns for the beef industry they would have moved on that and put in that kind of a program.

Mr. Chairman, the Member for St. James who's saying, why didn't we do that. By the Minister's own comments, by his own press release he's indicated the period of time the beef industry was in trouble. In

fact, I'll go back and read into the record for the Honourable Member for St. James, seeing that he recommended it to me or suggested I should talk about it, that the old Beef Income Assurance Program that he was a part of, was initially put in place to help the beef producers, but the nature of the program, Mr. Chairman, when the times got better for the beef industry, the program demanded that the people pay money back to the province. Oh, and he says that's a good idea. That's not the way you help people, Mr. Chairman, that's the way you control people and take their freedom away and that's what the objective is.

Mr. Chairman, that's what their objective is. Mr. Chairman, let us carry on with that type of debate, because if that program had worked the way it should have, the producers would have been better off than they are today. They'd have been running off on their own and they wouldn't have had to worry so much about the help that they could get from government.

Mr. Chairman, again going back to the Minister's comments. He says in the opening line, "The beef industry in Canada has been passing through difficult times for the past year-and-a-half." Mr. Chairman, I couldn't have implemented a program that was hurting the beef industry or to get involved as long as there was a program in place that had a contractual agreement. How many more programs did we need to be put in place? They've been in office for almost the last half-year. We had a committee in place, Mr. Chairman, that was recommending to us what was in their best interests. We didn't have time, Mr. Chairman, to put in place a program and he's saying, what did we do? Mr. Chairman, we were giving the producers an opportunity to make recommendations so we could put in place a meaningful program.

Mr. Chairman, by his own comments, but let's go down a little further and here he's got one of his objectives, and he's got it highlighted in his press release. Here's what he's doing and this isn't really him. Instead of calling him — I think we'll have to name it "Billie the Kid Program" or something like that, or maybe we should call it "Billy Janssen Program," I think would be more in line because that's where the designer . . .

Well anyway, Mr. Chairman, the objective of the program and this is what the policy money is going to do; it's not going to review the effects that it's going to have; it's not going to review anything, but it's going to do this: it's going to be providing producers an opportunity to insure themselves against downward fluctuations in the price of slaughter beef; doesn't say anything about what level of price support there's going to be; doesn't say anything about the support level. But what it does say, Mr. Chairman, is that the government is going to put in 2 percent of the gross returns or the gross value of the slaughter animal; and the producers are going to put in 4 percent to 8 percent - 4 percent to 8 percent of a slaughter steer is \$40 to \$80, Mr. Chairman - \$40 to \$80 on every animal that a producer is selling. Now there's no other guarantees that go with it other than that there's going to be a state marketing agency that is going to handle it and that he's got to be in for six years.

Let's go to the second objective, Mr. Chairman. To encourage the transformation of the cow-calf sector. Now the Minister, through his unnamed advisors, and

the farm organizations have told him - and I wonder if the Cow-Calf Association told him this - this is the good question. To encourage the transformation - that's really making a major change - of the cow-calf sector into slaughter cattle producing industry, thereby increasing returns to the producers.

Well, here's my colleague from Turtle Mountain sitting here who has certainly been in the feedlot business and a family of known feedlot people. I know of quite a few feedlots, if we go out north of town here there's a feedlot been sold recently, or had to sell out because of tough economic times at Warren, one of the Riddells. You know, there are some serious problems developed in the feedlot business. But, Mr. Chairman, what we're doing, what the Minister is doing is transforming a cow-calf producer into a feedlot operator so that he can get into the gold that's in the feeding business. Well, I'm sure the Member for Turtle Mountain and the Member for Roblin-Russell, all the individuals who are on this side of the House, can get up and tell him that there's nobody knows better than the individuals who are in the business what they should be doing and what they should be producing as the market relates to that particular commodity, or tells them through market signals; and if he could make money as a cow-calf producer more power to him, Mr. Chairman. Don't try to transform us his operation into something else because that's a freedom that he's had. —(Interjection)— That's a freedom that he wants, that's right. And you, Mr. Chairman, —(Interjection)— Yeah, he has the freedom, all right, to put his name on the black line.

Well, that's the problem with the Minister. If he had done a proper review with the cattle producers and done some proper ground work there would have been other alternatives that he could have presented to the cattle industry, the beef producers. But he didn't do that, Mr. Chairman, he had an ill-conceived idea of changing and transforming the whole beef industry. Mr. Chairman, it won't wash; it won't wash, people will not go for that kind of a program. Saskatchewan, if the numbers are correct, Mr. Chairman, 10 percent of the beef producers have moved into that program.

Mr. Chairman, we look at the third objective, and it's an admirable one. Sure, it's certainly good that he's interested in a more stable and increasing supply of slaughter cattle for Manitoba plants; certainly an admirable objective, we all want to see that, Mr. Chairman, but only if it's profitable for the people that are in the business. You know, we have seen the members opposite, when they were on this side of the House - you know, Swift Canadian, I'll remind them again, it's important to be put on the record - gave us the what-for when the Swift Canadian plant closed. But just to make sure the record's clear, one of the reasons that plant closed is because their ideology, when they were government for eight years, implemented the regulation that stopped the flow of hogs from Saskatchewan to Manitoba to be slaughtered. There were some 250,000 hogs came in annually, which Swift's got the majority of them, which by government regulation, supported by the government, stopped that flow of hogs, Mr. Chairman. That's what helped put Swift Canadian out of business; nothing to do with our policies, Mr. Chairman, nothing to do

with government.

Mr. Chairman, read the records, it's there. As I say, it's an admirable move, but Mr. Chairman, what is it doing for the packing house industry? What happened when Saskatchewan introduced their program of a support level? You know what happened? The price of beef went down, Mr. Chairman, not totally because of that, but it went down because the packing house industry sat back and they said, well, the beef industry is going to be supported to such a level by the government so we'll just back off a little.

Well, Mr. Chairman, there are so many down sides to this program that I think once the messages start coming into the Minister of Agriculture - he already has one that is floating around the community that has a lot of discredit to him, and that's in the Interest Relief Program. He is now floating another one, Mr. Chairman, and I would have to say it would appear as if it's the second concrete boot that the Minister has introduced because that's what they will be for him. He's let his ideology get ahead of his better judgment, and Mr. Chairman, he hasn't listened, and that's the point that has to be made. He kept telling the producers of Manitoba, we're talking to the farm groups, the organizations and the farm people, before we introduce our program, that's why it's taking so long. Mr. Chairman, if he'd spent some more of the policy money and had a further review and looked a little closer I'm sure the producers had waited so long now that they could have waited longer if they'd brought something in that would have given them some help like the producers asked for, some immediate help, and then left them work out with the producers and the Federal Government a longer-term program.

But, Mr. Chairman, I really have to say, particularly when the Minister will not tell us who he's hiring with this money; he hasn't told us, he hasn't told us who he has worked with, Mr. Chairman, in working up to this program; he hasn't told us, Mr. Chairman, who the farm organizations are. And that's open government, Mr. Chairman; that's what his Premier calls open government? And, Mr. Chairman, we're being asked about \$250,000 to give more. Mr. Chairman, I would hope, and I'll ask the Minister specifically, because I would certainly think that there are going to be people who are going to want to and need to accept some of this \$50 per cow to enter the program, how does he anticipate an individual who enters the program and finds that they have bought a program or entered a program costing them 48 percent of their gross income, how do they get out of it, Mr. Chairman? How do they get out of it? Is the Minister going to, down the road three months when the Federal Government finally gets off their rump and says we're going to do something in the line of beef production, are the producers who get in and take the \$50 a head going to be allowed to opt to the federal program? Tell us now, Mr. Chairman, because he didn't treat the producers several years ago very fairly when he said, everybody take the program; and then they allowed people who took the program and got the money to opt for the federal program and let them out.

Please, Mr. Chairman, through you to the Minister, come clean with the cattle producers. Is he sincerely trying to help them or is he sincerely trying to take their freedom away from them, to add government

control to a segment of our society who, through desperation, had to come and ask for support? They don't want to, Mr. Chairman, come to any government cap-in-hand. They're committed to feeding the people, but Mr. Chairman, if the people will not pay at the marketplace what it cost to produce it then there has to be a form of support through the tax dollars that are taken from the people.

Mr. Chairman, I would only ask that, before the Minister spends his \$250,000, that he's going to tell us what he is going to do with it, who he's going to hire to put in place this state marketing system, this state-owned feedlot operation, this conversion of cow-calf operators to the feedlot business, Mr. Chairman, because I think they're serious questions and should be answered by the Minister.

MR. URUSKI: Thank you, Mr. Chairman. It seems that in this Chamber you may as well, to make your point, stretch the facts a little bit and then you will have made your mark, Mr. Chairman.

Mr. Chairman, I will repeat to the honourable member as I did. The Member for Turtle Mountain sitting here, he was here the night under questioning where I indicated with whom I consulted. I indicated I consulted with the MCPA, with the Farm Bureau, with the National Farmers' Union, with independent groups, and with many farmers who have written me, who have spoken to me on the phone. I held a public meeting in Swan River where approximately, I believe, 50 to 60 farmers, producers, attended and we met there as well. Those were the groups that I consulted with, Mr. Chairman. But you see, the Honourable Member for Arthur wishes to now indicate that somehow we are going ahead and ramming something down producer's throats; that we didn't consult with them; that we're doing something that is out of the ordinary and that the help is coming too late. That's really the essence of his remarks —(Interjection)—

Mr. Chairman, I didn't interrupt the honourable member when he was speaking; I hope that he would give me the same courtesy in response to his remarks. The honourable member should recall that when he established the Hog Program, it took him over two years until approximately 40 percent of the small producers in the Province of Manitoba said, to heck with this industry; we can't survive; we're quitting production of hogs in the Province of Manitoba, and then they made an announcement in this Legislature in April of last year. I venture to say, Mr. Chairman, the only reason they made an announcement is that there was a possibility of having an election in June of 1981. That was a possibility and, Mr. Chairman, the other aspect of it; they didn't announce all the details initially. It took a couple of months before all the details were developed in the program, so nothing untoward and unusual is happening in this program either, Mr. Chairman.

But the Minister indicates that he set up a committee and we disbanded it, Mr. Chairman. The committee was set up in the last week or the last two weeks of the election campaign when the Conservatives realized that they were in political trouble; that they knew they couldn't fool the people of Manitoba any longer. They fooled them in 1977 and they fooled them on the basis that they really were the friends of the farmers of

Manitoba. You know, we lost 40 percent of our small producers in hog production in the Province of Manitoba until they came up with a program and even that program, Mr. Chairman, was ill-conceived because they didn't even have the intestinal fortitude to put the money into —(Interjection)—

MR. CHAIRMAN: Order please. The Member for Arthur.

MR. DOWNEY: Mr. Chairman, on a point of order. I would ask the Minister of Agriculture if he could clarify his statement on the loss of 40 percent of the hog producers in the province and lay before this Committee the numbers of hog producers that we have today.

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

MR. DESJARDINS: On the point of order, I would say, Mr. Chairman, that there was no point of order here at all. When you ask somebody to clarify, this could be done during the debate and I don't think that should be accepted. I know the Minister doesn't mind doing that, but we're stretching things quite a bit when we call this a point of order.

MR. URUSKI: Mr. Chairman, the member should well remember and I will clarify that. He should well remember that the Manitoba Hog Producers Marketing Board, during the first quarter of 1981, indicated when they ran a computer program that their numbers of producers that had ceased production of hogs had dropped by, I believe the figure is around 1,500 producers or maybe even more than that, Mr. Chairman. He should well remember, because that was part of their submission and their discussions with him to urge him to develop some kind of program for hog producers in Manitoba.

So, Mr. Chairman, he should be the last one that is indicating that something untoward and there has been a great time lag to assist the producers of Manitoba. His Minister of Finance stood up in this House and indicated although they announced a \$10-million program, he indicated that we didn't need the \$5 million that was in the program, and by September of last year, they were caught. There was no money. The market had dropped; the 5 million that they had put into the program ran out and they were scrambling, and they didn't unscramble it, Mr. Chairman. They didn't provide the funds because the mechanism wasn't there, Mr. Chairman. They didn't do it. And then to have the gall to announce a \$10-million program when, in effect, they had only planned to put in 5 million, Mr. Chairman, is really stretching it.

Mr. Chairman, the members opposite indicate that our beef program somehow is a great variance from the recommendations and the discussions that we have made and from those of their group that they set up. I want to deal with that. Their group that they set up, the MCPA, and our program is somehow at variance to what they have been recommending.

Let's first look at the history of this, Mr. Chairman. In July of 1981 the MCPA, his group, Mr. Chairman, the group that he set up by legislation came to this Minister in July of '81, indicating that they needed

support for the beef industry even though they already ruined the Beef Income Assurance Plan, these same compadres that he set up have now come in and said, "Look we're in trouble. You've got to help us out." And I want to quote from their October, '81 news release, "MCPA has made representation to the Manitoba Government requesting a \$40-per-head subsidy for cattle fed and prepared for slaughter" — for slaughter cattle, Mr. Chairman — "in Manitoba during 1980. Agriculture Minister Jim Downey's initial reaction has been negative for such reasons as lack of funds in the provincial treasury and lack of producer support for backing."

Mr. Chairman, lack of producer support and backing, he was one of the first that was getting up after the election demanding that there be some assistance for the beef producers in this province. Mr. Chairman, we said that we would sit down and develop meaningful programs, and we did that. Mr. Chairman, the gall of the Member for Arthur to come to this Legislature and say that he was going to do something and they were prepared to assist the industry. Balderdash! Absolute nonsense! Rubbish! Because they had no intention of helping the beef industry, Mr. Chairman, by his very remarks in their own communique of the group that he set up, this so-called voluntary group that the former administration set up.

Well, Mr. Chairman, we consulted with them and, in fact, they came up with a plan, with some proposals, the objectives of which — and I'm going to quote for the honourable members — aren't far from where we're at. The objectives of their program, and this is a submission made by the cattle producers to myself in January of '82. They made a proposal to us. What were the objectives of the program? "To maintain a viable livestock industry, support should be immediate, i.e. monthly or quarterly; cost-shared between producers and governments; it should be voluntary; reflect regional costs and market conditions; allow for income averaging; reflect competitiveness or regions and should reflect current market conditions. Those are the number of objectives that the plan has. Okay. Their assumption, and I will quote from it that they wanted a variable, premium approach program based upon the assumption that the price stability within the livestock sector is an insurable risk. I'm not sure that anyone can predetermine the market signals that the Honourable Member for Arthur has been speaking about. I'm not sure that it is predictable but they said they wanted an insurance scheme.

Let's talk about the greatest criticism that the Member for Arthur has posed; that we're going to tie up the producers for six years. Mr. Chairman, I want to quote from that document that I just spoke about. It says, "All producers would be eligible, but once a producer joins he must remain enrolled for the entire contract length, for instance six years," was their recommendation, Mr. Chairman.

The MCPA's recommendation was that the period of time frame of a program, a voluntary program — and this is a voluntary program — well, Mr. Chairman, ha, the Honourable Member for Turtle Mountain says the program is voluntary and it's for the very same period of time as has been suggested. We have consulted and we have used some of their points, and we have.

Well, it recommended that the solvency of the fund would be guaranteed by the government at all times. We have proposed that, that the fund we are setting up to deal with the premiums that will be collected between the government and producers would be guaranteed. Where we differ, Mr. Chairman, and they indicated that they wanted to cover all segments of the industry; i.e., cow, calf, stocker, to finish, absolutely, Mr. Chairman. But the member should well realize and some of his members who criticized the previous program saying that we were double paying — you better remember what your members said — in that program there were inefficiencies and people were able to get around that program and we were collecting funds and paying out funds more than once for the same cattle. We've done away with that because we agreed with those criticisms that you made when you were in government after you defeated us, that there was monkeying around with the program. We have said that we will only pay on the basis of one support, on the basis of slaughter animals.

How best to collect the funds, Mr. Chairman, to monitor this program and administer it, but through a central agency. What better way of dealing with the payments and the support, not unlike — they want to forget the day in the Sixties set up a Hog Commission, an appointed Hog Commission basically, but the only difference was, that Hog Commission made it compulsory for all hogs in the Province of Manitoba to be marketed through that Commission. This Program is at least voluntary to the people who wish to join the program. Only those who join the program will market their cattle through this Commission.

We of course would want to encourage the marketings of slaughter beef through this Commission even though people may not wish to join or may wish to market cattle in excess of their amounts. We would certainly encourage those people who don't join the plan that to bring about an orderly marketing system it will be to our advantage, to the advantage of all producers in the Province of Manitoba to have a single desk marketing agency so that the cattle could be marketed in an orderly manner and to bring about as much competition from the marketplace as is possible and bring about better returns for the producers.

We recognize, Mr. Chairman, that a provincial marketing agency can't do very much, but at least it is the first step that we are prepared to say, we want a national marketing system in beef. That is the first step and at least the Federal Government cannot say now that provinces are not interested. This is the first step and at least the Member for Arthur says, "Yes, this is the first step and we are moving along that line." We are very serious about the plight of our producers; about the producers receiving adequate returns from the marketplace to be able to bring about as much of their income from the marketplace as is possible.

Mr. Chairman, I want to go into the plan a bit further that was proposed, the Variable Income Plan to ensure all segments of the industry. Now the member criticized the government of saying, look, there may be premiums from 4 to 8 percent that producers will have to pay. Mr. Chairman, we will develop separate levels and I'm hoping that the committee that is established that there will be several levels of support on slaughter animals; that we will support a basic level;

that if producers want to insure to a higher level of return they will have that option, they will be able to choose and of course there will be a premium attached to that.

But, Mr. Chairman, let's look at what his committee, his group proposed to us. Let's look at the insurance scheme. Let's see how much different it is to what we have proposed. Okay, slaughter steers, a six-year program, if the slaughter for a period of six years was recommended to us that on slaughter steers to support an 80 cents a pound slaughter beef the premium would have to be 4.243 percent. The member is criticizing the program. This was recommended, Mr. Chairman, by MCPA on slaughter beef; that for a six-year program the premium would have to be 4.24 percent of the market price. I've suggested a premium of somewhere between four and eight at different levels. Mr. Chairman, if the producer would want to insure a level of 90 cents a pound or \$90 per hundred, what would his premium be, \$11; 11 percent of the market price. There's your variable premium, Mr. Chairman.

These members opposite are now somehow criticizing a program that we've developed to give farmers an option of insurance coverage when it's their own group; their own group has recommended that to government, Mr. Chairman. To somehow come here and say that we haven't consulted and we haven't used their idea, fallacy, absolute rubbish because we have deviated in degree only but the basic concepts we have established and we have agreed upon.

Let's go a little further, Mr. Chairman, let's look at the Cow-Calf Program as to what it would cost the cow-calf producer, the basic herd, the basic industry in our province, that supports the calves and the basic livestock industry here, a six-year program for six years, calves at \$1.10 a pound; not a high price by any means in terms of what it costs. Do you know what the premium is, Mr. Chairman? 15.8 percent, 15.8 percent for that sector of the industry.

Now to say that somehow our variable premiums or the choices that producers can make on their animals are somehow untowardly high, Mr. Chairman, can you imagine the Member for Arthur, the former Minister of Agriculture accepting a program of saying, "Here producers, here is a premium of 16 percent, take it or leave it." He would be laughed right out of the chair and the producers would be right and I would laugh him out of the chair absolutely for that kind of an approach. He knows better than that, Mr. Chairman, absolutely he knows better because he wouldn't have accepted this either; and I'm not accepting it in terms of the specifics of insuring the three areas of the beef industry. We have accepted the one area that is the most efficient way of handling, Mr. Chairman.

So, for members opposite to say that there has been no consultation and no use of the producer group, that the Leader of the Opposition today said has the support of 85 percent of the beef producers in this province, is nonsense, total nonsense, because, Mr. Chairman, while the Leader of the Opposition received their report on alternate marketing, one has to look at that report and analyze it before one makes comments on it. But Mr. Chairman, there is one comment that should be clear to the members opposite, that

they didn't read that report very well: "The Committee has not had sufficient time or opportunity to examine the aspects of Supply Management but a few concerns are expressed." Mr. Chairman, they admit that they really haven't done an in-depth study on alternate marketing schemes. They raise some concerns with Supply Management, Mr. Chairman, but this program doesn't deal with Supply Management. Mr. Chairman, the program is totally voluntary. The MCPA said, it should be voluntary. Mr. Chairman, the objective was to maintain a viable livestock industry. We are attempting to maintain a viable livestock industry.

Mr. Chairman, let's talk about value added. The Minister of Agriculture in his four years talked very much about having more value-added production within Manitoba so that the raw product is not exported. We are finishing — what are we finishing — about 40 percent of our animals in this province? If we finish 50-60 percent, Mr. Chairman, add that value-added to our farmers and to our livestock in the processing industry in this province. Isn't that what the Member for Arthur and the members of the Conservative Party which they have preached over the last four years to increase value-added in this province? Obviously they would want to agree with that. But now, it kind of sticks in their craw, because, Mr. Chairman, there is another government that is prepared to come out boldly and say we are prepared to help where other governments have not been prepared to help, where they sat on their hands for several years; they, in fact, turned down requests as late as July of last year from the beef industry and now they have the audacity to come here and say, help and support us.

Mr. Chairman, the other one, support should be immediate. Mr. Chairman, there is immediate support. There is support when the contract will be developed within four to six weeks, that's what we've said. There is an initial payment, Mr. Chairman, to producers. That will be about as immediate — certainly no less than the Hog Program which was announced in April and the payments were made in September. How many months after the announcement? April, May, June, July, August, September — six months after the announcement, Mr. Chairman. That's when the payouts were made. Talk about red herrings, Mr. Chairman. Talk about real red herrings by the members of the Conservative Party.

Now, I admired some of those members for their forthrightness and the comments that they have made, but certainly to bring up the nonsense that they have done with respect to the beef program, and the Leader of the Opposition today to try and side-skirt that there was no consultation with that group; he didn't listen and he didn't read; he didn't do his homework very well, Mr. Chairman. The Leader of the Opposition, because he got this scheme and he said, "You didn't consult with respect to marketing," but the fact of the matter is, Mr. Chairman, we received a submission in January from MCPA which we followed in the main. There are some differences in terms of the approach, but the concept of the program is basically the same.

The farmers and the people of Manitoba read them well. That's why you're on that side. You can only fool the people of Manitoba for so long, Mr. Chairman.

That's why you are on that side and we are here. You lasted four years, Mr. Chairman, you did well, and certainly you'll have your opportunity to show them again —(Interjection)— absolutely you will have that opportunity, Mr. Chairman. But at least we will know whose programs and whose policies in terms of providing long-term stability to an industry will have some impact. Mr. Chairman, thank you.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Chairman, I couldn't help but recognize some of the sort of catch phrases that the Minister was using when he was speaking before, and I guess one would really have to say if you repeat an untruth often enough you sort of start to believe it yourself. One of the figures that the Minister was talking about is that 40 percent of the hog producers in the province of Manitoba went out of production and to read their election material, of course they say, "While the Conservatives sat on their hands," and we heard him use that a couple of times here this afternoon, "almost 40 percent of the Manitoba hog producers left production." This is in their campaign literature, Mr. Chairman. He says it's true.

Mr. Chairman, this is one of the greatest uses of selective statistics, because what happens, the Minister is sworn in as a Minister of the Crown and a month later he says that the breeding stock, in a news services press release, and of course, may be after what we heard today, may be we shouldn't really treat those as the gospel because we saw a couple of glaring errors today and I guess we're going to have to watch them really close to make sure that they are indeed factual, but in this particular release he said, "The breeding stock decreased by 1 percent last year," and he says, "40 percent of Manitoba Hog producers left production."

Now, what is a producer? To the person in the City of Winnipeg they envision somebody sitting there with a big farm, a big hog barn, running a fairly large operation, but what is a producer? Well, I was going to tell the Minister what a producer is and I will tell the House what a producer is: a producer is a person who happens to ship may be one pet hog at the Manitoba Hog Marketing Commission, that is a producer. And I know of what I speak, because my father who runs a small farm as a hobby, raises a few hogs. The hog prices happen to be low and what did he do, Mr. Speaker? He went to the Grunthal Auction Mart and he bought, I think, four sows. He fed them for two or three months, decided to sell them. Well, where did you sell them? He took them to the Manitoba Hog Marketing Commission and sold them there. He didn't sell any hogs last year, this was the year before, so he is one of the producers that has now become a statistic. So, what we have here is you have taken a statistic, and by implying that 40 percent of the hog producers are out of business, you come back a month after you are sworn in as Minister of the Crown and really tell the people of Manitoba that, well, it's not that bad, we're only down 1 percent, Mr. Chairman.

MR. URUSKI: Can the member indicate whether

anyone said that the production of hogs, and in fact in this House when I made speeches, that although the numbers of hogs produced in Manitoba didn't change, but the numbers of producers did change, and the member is confirming that. Is that not correct?

MR. BANMAN: So, what the Minister is saying now, and I haven't had a chance to check those figures, but what he is confirming is that 40 percent of the producers amounted to 1 percent of the production. Well, Mr. Chairman, I want it clearly on the record that in the Minister's own press release, and I'm referring to their campaign material that they put out is that really 40 percent of the producers, they would have us believe now, produce 1 percent of the total hog production for this province because that is what you see. On the one hand, he says 40 percent of Manitoba hog producers left production, and one month after he gets sworn in as Minister of Agriculture, he says there was only a decline in the stock of 1 percent.

So, Mr. Chairman, before we get involved any further in this I want to tell the Minister that I think it's pretty cheap politics when you use this type of scare tactics on the people of Manitoba; when you claim that 40 percent of the producers are going out of business, making it sound like almost half the industry has failed and then coming out with your own figures and I'm using your own figures here, saying that the breeding stock decreased by 1 percent. Mr. Chairman, I just want to put it on the record that if you have one pet hog that you've raised in your back yard and you take it down to the Manitoba Hog Marketing Commission and market that, you are ranked in the statistics that this Minister keeps as being a producer. Let's just keep that in mind when we're dealing with these figures. The figure we really have to look at if we want to be at all honest with what's happening in the industry, Mr. Chairman, if we want to be at all honest with the people of Manitoba in reflecting accurate, and providing a proper picture of what's really happening; I agree with the Minister when he puts out a press release like this showing that the figures are relatively stable, but let's not go ahead and say that we're losing almost half of our producers and yet the production is the same. You can't have it both ways.

MR. URUSKI: Mr. Chairman, just so the honourable member well understands, we have never made the charge that the numbers of hogs produced in Manitoba declined. We said this; I said this in the House, Mr. Chairman; we said, and in fact, his own Minister said, "Yeah, but hog production hadn't declined." We admitted that, Mr. Chairman, but the fact of the matter is those are the statistics and he doesn't deny them. He doesn't deny them and we didn't deny them. The facts are correct, Mr. Chairman, in terms of saying that the production didn't change because other people picked up the production. That's also being very selective what the honourable member's trying to say that, Mr. Chairman, the breeding stock changed 1 percent.

Over the years, someone else had to pick up the slack of the change in production. Admittedly, Mr. Chairman, many of those producers were small producers, no one said otherwise. But the fact of the matter is, we never made the charge that the numbers

of hogs in Manitoba had gone down. We said that the numbers of producers left the industry and the numbers of hogs that were produced, and in this House, Mr. Chairman, before the Session was ending we debated this issue, so there's nothing new to confirm or not confirm.

MR. DRIEDGER: Thank you, Mr. Chairman. After listening to the past Minister of Agriculture speak for awhile and then listening to the present Minister come up, I was reminded of last night when the Member for Roblin-Russell indicated that the Minister has a tendency to bring out a red herring. The Member for Arthur was speaking on the Beef Stabilization Program and giving some criticism on it and some advice on it, and the Minister got up and expounded the Hog Stabilization Program for about 15 minutes. So, we talk of red herrings; we had a prime example of that again there with the Minister and he's very capable of that.

The unfortunate thing when I look at the Estimates, there's \$250,000 in this category for policy research, and I wish I could have encouraged the Minister to use some of that money before he came up with what I consider a very ill-conceived stabilization program. I've had occasion already now to talk to the people in my area, something which he did not take the time to do possibly because we have no National Farmers Union organization there, because this seems to be one of the organizations that had the key input into the program, and some other people that were basically in the program that was initially initiated by this administration at that time years ago, and it took us years to get that program washed out of the system. Here we have the same people, the same kind of thinking again prevail, where we're coming up with a tie-in program for a six-year period, a lack of consultation.

As indicated by the Member for Arthur, we have many organizations in the southeast corner and these guys are really hurting. These fellows are in dire problems, so what does this Minister do? First they take and rattle a little bit of this Interest Relief Program for the farmers and I have yet to see one of the farmers in my area that qualify for the Interest Relief Program. These guys are really hurting and have hurt for quite some time. Then the Minister comes up with a program and I would call it sucker bait, I don't know what you'd call it, blackmail tactics to some degree. These guys are hurting; they'll grab anything and here's this \$50 per cow up front, and you're locked in for six years and this is exactly along the same principle as we did last time.

We asked whether he had used some of the material, whether he had met with the Manitoba Cattle Producers Association and he says, well he's spoken to them a few times, but then he takes selective material and he says, these are the things they recommended. If he'd looked at the last document, as of March 24 it was forwarded to him, he would find out that there's many concerns that they've expressed because we've basically adopted — and maybe the Member for Arthur can correct me — the Saskatchewan program to some degree. If the Minister had spent a little bit of money and checked out that only 10 percent of the beef farmers in Saskatchewan are

entering into this volunteer program, I would daresay that it is a fallacy what has been done here with the Beef Stabilization Program, the announcements.

We're talking of \$40 million. In fact, one of the members opposite indicated to me and said, we're giving \$40 million to the beef industry. Well, I'll tell you something. I'd like to see the figures exactly a year from now to see how many people will have enrolled in this program where they tie themselves up for six years, because indications right now from my cow-calf producers in my area are they won't touch it with a ten-foot pole whether there's 50 bucks up front to try to sucker them in or not.

The Minister took great pains to read certain examples or notes that he has from the Manitoba Cattle Producers Association. I would suggest that he read the new document that they have dated March 24, where they indicate when he's promoting a central marketing agency, they indicate and I won't read all of it but, "There's no marketing alternative for the enrolled producer as he must sell his fat cattle through the Board. The bulk of cattle are sold rail grade. This results in a loss of marketing freedom." Once you're locked in, you can't sell anywhere else; you sell to the central marketing agency. I thought it was a volunteer program. This is why people are going to be backing off from this program. The Minister will be sitting here six months from now or when we start the next Session and he'll be red in his face because of the lack of participation in this and the beef farmers are still going to be going down the tubes, because the programs that you have initiated, the Interest Relief Program for the farmers, is not helping anybody in my area and this is an area that's in dire trouble, like the Interlake.

Mr. Chairman, I would have hoped under this appropriation, the \$250,000, the Minister let drop a little message before that he's going to be using part of that money to try and get young farmers back into the farming business and that concerns me right away because we went through that same approach. Actually, nothing has changed from when they were in administration before. We're back to trying to help young farmers get back on the farm. I suppose we'll be back to the Land Lease Program because under the MACC Program already you are not borrowing money for buying of land, so we can only assume that you will be back to buying land. You will be getting into the cattle industry or trying again. You've tried these projects before, you tried Crocus Foods. You know, you've been trying to get into every industry there is and you've made a mess of them every time yet so far.

I would just like to say to the Minister that we will be watching these expenditures when you take policy directions. We will also want to know, after days of questioning, you finally indicated some of the people that have been instrumental in helping form this Beef Stabilization Program. It was asked many times, and you never would admit. Today it finally came out, and we'll get more specifics on this yet as we get down to some of the details as to who actually provides this program. —(Interjection)— Consultation he says, he's consulted with the Manitoba Cattle Producers Association. It must have been in a hall where they were trying to run after you to try and catch you,

because there has not been consultation with the representatives in my area.

I would just like to indicate that we have also made reference, and it was questioned by the Member for Lakeside, whether this Minister wants to get into the feedlot business. And it's sort of you know a wishy-washy type of answer. No definite commitment but it's there. We know that they will probably be intending to get into the feedlot business. They will have the farmers tied up; they'll be having the feedlots where you'll have to feed your animals, and you'll have to sell them through the central agency. What a beautiful situation. And I dare say, Mr. Minister, I might even give you some encouragement yet because you might not even have to buy the feedlots.

Under MACC many of these guys are going broke anyway and you can maybe just take them over through that department you know; make it a lot easier for you yet. You think it's funny the concerns that some of these people raise out in the country. They're hurting, and they're hurting bad, and they don't like these kind of programs. You did not consult with them, and that is their big criticism. A program was needed but you have not consulted with the people; you certainly have not consulted with the beef people in my area at all and they are concerned, and they will be coming to see you, and you will find, by the lack of participation in your program, that was an ill-conceived program as far as I'm concerned, that you would have been well-advised to spend some of that money and come up with something that would be acceptable.

MR. CHAIRMAN: The Member for Arthur.

MR. DOWNEY: Mr. Chairman, it's interesting to note the Minister of Agriculture referred to the document of January 1982 at which the submission was made by the beef producers organization, and he refers to another document which I would hope he would table. It's from the committee, I think, that he fired that was put in place —(Interjection)— Yes, and that's January, he was the Minister of Agriculture for some several months by that particular time. I wasn't the Minister of Agriculture; I wasn't accepting recommendations; I didn't have any ability to do anything as a government Minister. And now, in his 20 minutes, Mr. Chairman, he says that I set up. Mr. Chairman, did I set up the group? I took recommendations from an organization that was established in the province, known as the Manitoba Beef Cattle Producers Association. Mr. Chairman, he's a member of a Turkey Marketing Board that was established by government. You know, is he so much against that kind of a concept. The government established turkey marketing boards and agencies and representatives of those committees; the dairy producers have them. And all at once there's something wrong with it, Mr. Chairman. He's saying that there's something particularly wrong with an organization that is working for other particular producers, and that the beef industry shouldn't have that; he says that there's something wrong with it.

Well that was in January of 1982, Mr. Chairman, that the recommendations were made. He was the Minister; I wasn't the Minister. They have to come to life, Mr.

Chairman, and know that they're now the government. They have to face some facts, Mr. Chairman. That's right, and one of their number one recommendations, if he'd read it, Mr. Chairman, it says, on Page 1, that they want a one-time cash payment for 1981 marketings that covers all segments of the industry. Yes, Mr. Chairman, that's what the recommendation says, No. 1; Mr. Chairman, that's what they want. They didn't say we want a whole bunch of medicine with a little bit of sugar on it, and that's what he's giving us. How's that song go "just a little bit of sugar to help the medicine go down." That's what he's trying, Mr. Chairman, to do with the beef industry and come clean. He waives, Mr. Chairman, and I have no problem with some of the other principles that have been recommended. I'm not saying whether I'd accept them or wouldn't have, but he's the Minister. I ask him to make recommendations. —(Interjection)— Mr. Chairman, the First Minister says that I'm backpeddling. Mr. Chairman, he'll go down in history as the only Premier of this province that can plow backwards. You know for people in the farm community they would understand what that means. A horse normally plows this way but he'll plow this way, because he's backing up so fast on his election promises that he hasn't lived up to.

Mr. Chairman, the Minister has referred again to the Hog Producers Program. Well, Mr. Chairman, I think the Hog Producers Program is working very well. The numbers of producers that are participating in it have pointed out that they're satisfied with the program and we appointed a committee to work on the establishment of it. We didn't try and be closed-shop government like the Minister today.

Mr. Chairman, let's just look at those figures. The Member for La Verendrye points out that the breeding stock in hog production, which is from the Ministers own press release, the breeding stock only decreased by 1 percent; 1 percent decrease in the breeding stock, and that's where the hogs come from, the breeding stock. So he's saying that if 40 percent of the hog producers are removed that only means 1 percent of the hog production, breeding stock. It's totally false, Mr. Chairman; that's the kind of tripe that was being dribbled throughout Manitoba during the election campaign.

Mr. Chairman, the figures that they were using, as far as the hog producers were concerned, they were using $\frac{3}{4}$, or $\frac{1}{2}$ to $\frac{3}{4}$ of a year marketing, are the numbers of producers that had marketed in $\frac{3}{4}$ to $\frac{1}{2}$ of the year, as opposed to the full year prior to it. Mr. Chairman, there were some 3,300 hog producers to last July or August at market, there were 3,300 hog producers. That was down, for that period of time, about 25 percent from the total year previous. The heavier marketing of hogs comes in the fall of the year. So comparing a portion of a year, as opposed to a whole year, the marketings were down, by numbers of producers, by 25 percent, not 40 percent. So it's a direct falsehood, misleading statements that were driven by the First Minister and the now Minister of Agriculture throughout Manitoba. And if they'd compared the full year of 1981 to 1980, Mr. Chairman, I would have thought that there were very few hog producers that were, in fact, out of business, or had refrained from marketing in that particular year. The

proof, Mr. Chairman, is in the numbers the Minister himself has presented to this House and to the public of Manitoba; the breeding stock only reduced by 1 percent.

Mr. Chairman, you know, we're voting \$250,000 to do policy studies, to the Minister of Agriculture, and we don't get the facts from the Minister who was supposed to be holding the financial betterment of this province and the public money in trust for the people of Manitoba. Mr. Chairman, the First Minister says, how am I voting on the beef program? Well, Mr. Chairman, first of all, we have to see what the total beef program is going to be. Mr. Chairman, I am not voting for a state marketing agency which they're introducing with their carrot to help the beef industry.

Mr. Chairman, I will again go back, seeing that we have such an interested audience and refer to some of the other work that could have been carried out. He doesn't apparently care about the Port of Churchill; he hasn't made one comment about it in his transportation policies or in the Crow rate comments. The First Minister almost would think the Churchill is somewhere else, that it's not a part of Manitoba.

Mr. Chairman, the policy studies that were put and used last year were used to benefit and to support and increase the use of the Port of Churchill. We haven't heard anything from the Minister of Agriculture that he's going to further promote the use of Churchill, further develop policies, and there's another area that I'll hopefully get some specific answers from the Minister. The area of supporting further processing and the development of further processing through the meat industry was one objective that I think is worth pursuing. Mr. Chairman, has the Minister and the First Minister with the policy-study money, have they put in place a study or a review of how beneficial it would have been to put a support program in the subsidizing or the movement of meat products or livestock out of this province at a subsidized transportation rate, the same as they are supporting for the grain industry in this province with the retention of the Crow rate? Have they looked at that, Mr. Chairman? Because it's a principle that they're subscribing to, that the paying of a subsidized or a reduced freight rate for the movement of raw grain out of this country, that what is good for the grain industry is not good for the livestock and the process industry, Mr. Chairman. That's what he's saying, Mr. Chairman. Why wouldn't he apply a freight subsidy in the movement of livestock out of this country or finished meat products at the same time, Mr. Chairman, as he's espousing the same kind of policies for the movement of grain under the Crow rate which we will get into I'm sure at a future time.

I would like to, Mr. Chairman, know if he is prepared to carry on with further studies of the northern agricultural potential. We, Mr. Chairman, had a fairly major report done and there has certainly been proven, not totally proven, but potential areas I should say, of future agricultural areas in Northern Manitoba. I will make a rough estimate, but there are some areas where there are several millions of acres that could be developed for agricultural production in northern Manitoba. The study has been carried out by the Department of Agriculture. It was a policy to further develop that area, Mr. Chairman, and I would hope

that some of the monies that he is looking at to spend will further enhance the agricultural opportunities or that potential, not just to introduce to the people of Manitoba a state marketing agency for the beef industry.

Mr. Chairman, the Minister I think, has to come clean with the people of Manitoba and when he's using this policy money, there is money there to further look at and to review opportunities for the agricultural community and all the people of Manitoba, not funds there to implement, as I've indicated time and time again, not implement a state beef marketing board or beef control system that does nothing more than take away decision-making opportunities and income potential from the farmers of Manitoba.

MR. URUSKI: Mr. Chairman, just a few specifics, the honourable member talked about the Port of Churchill and the transportation subsidies to beef, indicating that what is good for the grain industry isn't always good for the beef industry. Obviously it appears the honourable member hasn't read his material dealing with the impact of the changes in the Crow rate on our livestock industry and other sectors. Obviously he hasn't read the analysis that was done, Mr. Chairman, not only by the same people in the same department, but the people who he hired under the Agricultural Research Grant to the University of Manitoba, who indicated that even if the Crow rate goes and is increased five times, livestock industry increases in the province. Mr. Chairman, it would be marginal at best. Obviously he doesn't realize that. It appears to myself that the honourable member doesn't realize the impact of the changes of the Crow rate.

With respect to the work on Churchill, Mr. Chairman, our government position has been clear. It is clear now and was in the past unlike, Mr. Chairman, when they were in government they really got caught in a dilemma because it was one of their members of Parliament that recommended that the Port of Churchill be closed —(Interjection)— Mr. Chairman, the Member for Minnedosa says what kind of recommendation. Mr. Chairman, he is elected by the same people. He represents five of your ridings. Usually that —(Interjection)—

Absolutely, Mr. Chairman, I support Ed Broadbent. The member wants to know, I support our national leader. Mr. Chairman, our national leader would not make those kinds of statements that were made by a Member of Parliament who is elected by people from his own area, Mr. Chairman. No, no, the Member for Lisgar, Mr. Chairman, that made the commitment. Mr. Murta, Mr. Chairman, made that statement and made those recommendations to the Tories to scrap Churchill. It took some political legwork on behalf of the Tories to set up meetings in Dauphin and go to Churchill to at least cover up the ineptitude and the position of a member of the Federal Tory party that recommended that Churchill should go.

Mr. Chairman, we haven't changed our position in Churchill. We will continue to push for a greater percentage of grain to be marketed through Churchill as much as we can, even though Manitobans, in terms of the producers of Manitoba, ship very little grain through the Port of Churchill because the natural advantages for the Province of Saskatchewan and the

eastern part of the Province of Alberta to do so, Mr. Chairman.

MR. CHAIRMAN: It is now 4:30 p.m. and time for Private Members' Hour. Therefore, I am interrupting the proceedings and will return at the call of the House. Would you call in the Speaker, please?

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Springfield.

MR. ANDY ANSTETT (Springfield): Mr. Speaker, in view of the fact that there is no private members' business I am wondering if we can have leave to dispense with Private Members' Hour and then go back into Committee, both for the next hour and also this evening, of course, at 8 o'clock. And if we do have leave to do that, Mr. Speaker, I would then move, as well, that the House would adjourn, if there is leave.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, the Opposition is anxious to debate the government programs before us and are prepared to forego Private Members' Hour.

MR. SPEAKER: The Honourable Member for Springfield.

MR. ANSTETT: Mr. Speaker, I would then move, seconded by the Member for Turtle Mountain that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until tomorrow afternoon at 2:00 p.m. (Wednesday) and with the agreement that the members will continue in Committee until 5:30 and reconvene this evening at 8:00.

SUPPLY — AGRICULTURE (Cont'd)

MR. CHAIRMAN: Jerry T. Storie (Flin Flon): The Committee will come to order. We are continuing with Item No. 1, General Administration, 1.(d)(1) Policy Studies.

The Honourable Member for Roblin-Russell.

MR. MCKENZIE: Mr. Chairman, under the item that we are debating, Research, I wonder, can the Minister advise the Committee if he has earmarked any of these funds to study the problems of inflation in this province, and how it affects the agricultural industry, and what can be done or what cannot be done to bring this, as I said last night, terrible economic disease under control and hopefully get it down to a level where we can at least live and that would be at least 4 percent? And I wonder if some of the funds that he has earmarked, the \$250,000, has been earmarked for that type of research in agriculture?

The other point I would like to raise and I would wonder if the Honourable Minister is going to earmark some of these funds to come up with ways and means or a study at how the agricultural industry can cut

down some of the excessive overhead costs that they are facing today, the costs of energy, the costs of everything around the farm place today, and hopefully help him reduce the cost of his operation so that he at least has a chance of surviving. Maybe the Minister can advise the Committee if some of the dollars are earmarked because unless that kind of research and study is done in this province, we may as well forget about agriculture as I mentioned in my remarks last night, Mr. Chairman.

And speaking of the cattle industry, it's a classic example. I daresay the prices of cattle today at 70 cents a pound, if we weren't facing double digit inflation, and we weren't facing these enormous overhead costs that the cattle producers are facing today, that farmer could live pretty comfortably, or at least he wouldn't go broke at 70 cents a pound for his finished product. But, Mr. Chairman, he's not getting 70 cents a pound when you take the effects of inflation and these huge overhead cost that's being imposed upon him, and I sincerely hope that this government, or this Minister at least, will take some of these dollars that we're dealing with here under Research and take seriously what I'm saying and come up with some studies to try and help this industry survive.

I am also somewhat concerned about some of the remarks that are made by the Minister today in discussing this beef program that is before the Committee. He mentioned the meeting was called at Swan River, I wonder who called that meeting? Was that the beef producers that called the meeting? Oh, you called it yourself. Anyway regardless, the concerns that I'm getting on the telephone from my producers in Roblin-Russell Constituency today and I've had about a dozen, is the fact of this one selling desk concept that the Minister has in this program.

I think that if the Minister had dealt fairly and squarely with the cattle producers, the MCPA group, at least, who represent some 15,000 producers, he would have listened to the last part of their statement where they said, "Another concern expressed by the Committee is that the Provincial Government not implement a marketing or stabilization plan which would restrict producer's freedoms in the marketplace. Upon study of the Saskatchewan Beef Stabilization Board's central selling concept, the loss of freedom in the marketplace is evident." I wonder if the Minister would care to comment what freedoms the producers are going to lose in the marketplace with his concept, because that is the big hangup. I daresay there's beef producers all across Canada that have consistently, year after year after year, stood shoulder-to-shoulder and opposed any single set desk selling marketing board concept that has come up. Only recently Ontario spelled it out, they don't want it; Alberta doesn't want it, and the producers in this province don't care for that type of a concept.

There are many reasons, if the Minister would take the time to study some of the problems of that single desk selling concept where it's compulsory. The first problem that comes up, Mr. Chairman, is there is not as much chance that these cattle could be sold in a two-way sort of back-and-forth concept as they do in auction marts at a single desk selling concept. The other thing that they tell me, and I've talked to a lot of producers across the border from Saskatchewan, that

there is a serious time lag in this selling desk concept that they're using in Saskatchewan in settlement to the producers; that it takes weeks sometimes for them to get payment for their cattle.

The other concern that's been raised to me by producers that have discussed this at some length with our friends in Saskatchewan, that there is no marketing alternative for the enrolled producer as he's got to sell his fat cattle to this board and only to that board. The bulk of the cattle are sold rail grade and — (Interjection)— well, this is what they tell me, that this results in the loss of marketing freedom for that producer.

The other thing that concerns have been raised to me and it has been raised several times today on telephone calls that were brought to my attention, that under a single desk selling concept the producer puts all his marketing power in the hands of an agency that doesn't have a vested interest in cattle at all, and are not concerned. Well, this is what they are telling us and the producers are very concerned that who is going to operate your feed lots, a bunch of bureaucrats. What vested interest have they got in the cattle industry, Mr. Chairman?

The other one of course, Mr. Chairman, is the farmers are scared of this government. They don't trust this Premier; they don't trust this Minister; they certainly have no trust in Mr. Janssen if he's the one that dreamed up this concept, because we went through that before and this Minister knows and the First Minister knows the reaction from the farm people. When the farm people learn around this province that he's got his finger in the pie, or at least he an author to it, there's going to be a lot of backlash. And I'm getting it already because two of the producers today phoned me and that's the first question they asked, "Has Janssen got anything to do with this program?" The agriculture industry is afraid of him.

So, Mr. Chairman, the small producers in my constituency, they're not big, but they are very, very concerned. As the one cow-calf operator told me at noon today, the first thing it looks like he's going to have to get himself in the feed business, or if he doesn't get into the feed business with his cow-calf operation this Minister is going to find a feedlot someplace to feed his cattle. I'm sure that he doesn't trust anybody else feeding his cattle as best as he could feed them himself, and there is a great concern there of this single selling desk concept and the fact that this is the way the program is going.

So, it's definitely not a voluntary program. He can say, certainly it's voluntary for those that wish to collect the \$50 and sign up for six years but that's voluntary, but once the cattle are in the mainstream of the program, the voluntary concept of it, it disappears.

So I hope the Minister will give me some answers to those questions. First of all, are there some monies in here to study the serious problems of inflation? Are there some monies in research here to try and come up with ways and means or forms of new energies or ways that farmers can cut down their overhead in these difficult times today?

The other question I wanted to ask the Minister if I could have some copies of the special studies that were done in Northern agriculture — those communities in the North that were done I think last year — and

I believe reports are finalized and in place. I would very much like to see a copy of that if I could, Mr. Chairman.

MR. URUSKI: Well, Mr. Chairman, the member raised again today the area of inflation and we debated that issue at length last night in terms of some of the causes of inflation.

I would say this to the honourable member, any studies that governments undertake and specifically in the Department of Agriculture in terms of attempting to bring about a greater income stability for producers, a greater net return on the cost of production, obviously has to take into account factors of inflation and input costs which would include interest rates, energy and all factors making up the cost of production with the producer. In that sense, Mr. Chairman, inflation is always taken into account in any matter that is being studied and there is great concern. I raised some of the areas that I had my own ideas in terms of what I thought studies could be done on. They, of course, do not preclude department and ourselves looking at further areas of study and policy research that obviously may come out during the year and that's what these funds would be used for.

Specifically, Mr. Chairman, the member again like the Member for Arthur, raised the questions regarding the Beef Income Assurance Program. Obviously he didn't hear my remarks concerning the presentation that was made by MCPA who virtually were the people that your former Minister appointed at the committee two weeks before the election, virtually the same group and we weren't very far out I have to say. The member should read the comments that I made in terms of the proposals that they made to us.

There is a difference in degree in terms of the way the program would work but basically the majority of objectives that were raised in that proposal are not far different, in fact, they're identical in many respects to those that we have put out in our program.

Difference does come in, in terms of how far and which segments of the industry are insurable and we have indicated that the only sure way to deal with double payments, all kinds of problems that arose in our previous plan would be to pay support on only one segment of the industry and that is the segment that is there for slaughter and that producers would be encouraged to retain ownership of those animals.

What better way to market them, Mr. Chairman, not to a Commission. The Commission is not going to be the buyer of cattle. They will only be the funnelling agency to put those cattle on the market. The cattle will be marketed through the Commission but the Commission is not buying the producers cattle. It will be in the interests of Manitoba producers to produce the best quality cattle to be marketed because their support — I would hope that the Committee that is working on it — their support will be based on the best quality of finished cattle that they can produce; that we should not support as most marketing boards do not support lower grade, lower quality cattle and our intent is to make sure that the quality of cattle are of the highest caliber, so the producers receive the highest returns when they are marketed through the Commission. That is the intent. The Commission will not be buying the cattle as the Honourable Member

for Roblin speaks; they will be the funnelling agency where the cattle will be put but they will also handle the support payments so that we know who marketed the cattle and what type of cattle were marketed.

So, Mr. Chairman, — you know the members been in the Legislature many years, I believe 1962 or 66— (Interjection)—66 okay — just several years after his government who were in government. I have to admit to the Honourable Member for Minnedosa that I have not been here that long. I am younger than the Honourable Member for Roblin and I do take some of his concerns that he puts forward, and I said last night, very seriously because I believe that he has as an MLA some feeling. He wouldn't have been an MLA for this long had he not had a feeling for his constituents and the problems that they have. I have no difficulty there and I've known the honourable member since I've been in office and I think we've shared while we've disagreed on many areas, we've shared some fairly I would say, fond memories and good relationships over the years that we've been in this House.

But specifically dealing with the question of the Northern gardening, we could deal with this in another section, but I understand from staff here that the copies of the studies on Northern agriculture, there's been an interim report only to the department and the staff are still adding to, there's still work going on and work is continuing in that area.

MR. CHAIRMAN: The Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): In the Annual Report which deals with this particular section, we don't get too much detail and I would just like to see if the Minister could give us a little bit more information. I would just like to read to him the last half of the last paragraph over there including agricultural economics, farm management, agricultural engineering, animal science, entomology, food science, plant science and soil science.

I wonder whether the Minister would be able to give us more information as to just exactly what kind of research is done into entomology, into fruit science, plant science and soil science. Could he elaborate on these four programs?

MR. URUSKI: Mr. Chairman, the four areas — there is a report from the University that comes out annually that can be made available to all honourable members dealing with the agricultural research at the University of Manitoba — specifically those areas. I know I've quoted from previous reports dealing with grain transportation and other areas. There is a report and we'll try and get copies if we can, within the next day or so — the 28th Annual Progress Report, January '82 of the agricultural research teaching and extension of the University of Manitoba — we'll try and get some copies and make them available to the members on the other side. I assume that's the area that he has been speaking of in his questions.

MR. BROWN: That's right, Mr. Chairman. I wonder if the Minister could give us some information especially in the plant science. Are we going to be coming up with any new varieties of grains in the near future that are more rust resistant or is all that covered in that

particular pamphlet? If it is, then I would appreciate receiving it.

MR. URUSKI: Mr. Chairman, I'm advised that we just received this report from the University and if there are copies available in our offices I'll even make them available tonight to the honourable members. If there's not, we'll try and get them as soon as we can because I haven't even seen the report myself, Mr. Chairman. Staff have just shown it to me and I'll try and make it available to honourable members for their edification so they can look at it. I would think that if there would be any further questions later on dealing with some of the areas of that report, I am sure we'll find members would be able to find an area to discuss it further down in the Estimates in any event.

MR. CHAIRMAN: Member for Rhineland.

MR. BROWN: There's another question that I would like to ask and I don't know if it comes under this particular area but it probably does because it really is part of Research, and that is the Teledon Program. We are investing money, putting Teledon into various communities. Could we receive a report on how successful this program is?

MR. URUSKI: Mr. Chairman, I will deal with that question for the honourable member when we reach the Communications section because that is the area which the Teledon Program is listed.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Yes, Mr. Speaker. I don't know whether this is the particular section of the Estimates that I want to speak under, Research. One of the items that I was concerned with is the plant in Minnedosa operated by Mohawk Oil producing ethanol, and I know some of the ongoing discussions that were conducted in meetings with the department prior to them acquiring the assets of that defunct distillery and turning it into a viable operation.

Of course, the actions of the former administration in providing some tax relief in the form of incentive which made the production of ethanol or ethyl alcohol profitable for them to acquire that plant and turn it into an operation that now employs 25 to 30 employees — and there's some million bushels of barley under contract now with local farmers — the department was providing some information to them on various crop studies and various other products that might be used in the making of alcohol for their purposes.

Mr. Chairman, I'm just curious as to what portion of this Research allocation has been used in any studies that might be useful to that plant or if there is another section under the Estimates where we might discuss it.

MR. URUSKI: Mr. Chairman, in the past there have been no funds from this area previous or present that have been used in terms of additional support in terms of research. There has been technical advice given by staff in terms of some of the areas that the member spoke about, I'm advised, but any special funding

from the Department of Agriculture specifically in terms of research has not been used in the past and is not presently contemplated.

I'm given to understand that the specifics in terms of dollars and tax incentives, of course, would be handled by the Department of Finance and the Minister of Energy's department would be working with that group in terms of ongoing work if there would be any work. Our staff may be providing some information and advice but no specific money has been or is being earmarked specifically to do further research.

MR. BLAKE: Mr. Chairman, I would just take this opportunity then just to maybe put a few remarks on the record regarding that particular plant because the product they're using now, of course, is grain and there are so many other agricultural products that could be used such as juice from artichokes, sugar beets, potatoes. There are so many others that I'm sure his department will want to take a long look at and become involved in because those are products that are being grown more and more profusely in our areas, where some years ago they were — (Interjection) — No, I'm a barley producer, for the Member for St. James, Mr. Chairman. I may grow flax this year because they tell me there's going to be a shortage and I'm out naturally to recover the costs of operation because I'm well aware of what it costs to operate a farm these days.

I know one thing for sure, Mr. Chairman, that after listening to the program that was announced a few days ago, I'm sure not going to be going into cattle. But that particular plant is, as I say, a viable operation. They're producing an excellent product that has received tremendous support in the marketplace. They're opening, I think, another 14 outlets this year in Manitoba to supply the motoring public, to make gasohol available to them because it's been extremely well received and the output of that plant is barely meeting the requirements of the company. So, it's been very very encouraging to them.

Over and above that, Mr. Chairman, and their drying facilities are completely in place now, they're providing a dry meal. They haven't gone into pelleting yet. They're able to market the dry meal in bulk satisfactorily and eventually I think they'll go on to pelleting which just makes it a little tidier operation.

There is some concern with some residents of town when the wind happens to get the wrong way that they feel there's a bit of an odor but the Clean Environment people have been checking and there's no real problem. To those 25 or 30 families that are working there it just smells like money when they do happen to get a whiff of it.

So, Mr. Chairman, the most exciting I think and encouraging part of that particular operation in Minnedosa is the fact that it's the first in Canada. I think we all have to be proud of that; that it was the incentives of the former administration that helped make this possible. There's a possibility of establishing a research facility there, to the Minister, the cost is I understand something like \$14 million and there are I understand negotiations going on with the Federal Government, I believe the Province of Alberta and the Province of Manitoba in funding that particular research facility that will see the use of cellulose —

probably in a large degree poplar chips — but beyond that the use of corn stalk straw and various other waste material that will go into the production of ethylene or methyl alcohol or whatever that can be used in the same way. That would be a research facility that would be a beacon I think for the rest of the country and would probably more properly be discussed under the Minister of Mines and Energy when we get to his Estimates. That's the department it's in. I won't belabour that, Mr. Chairman, because I'll be making the same remarks again.

But to this Minister for the other products it would be useful — I'm speaking of Jerusalem artichokes and sugar beets and that, that fall within the Department of Agriculture's preserve. If they would just keep that in mind when they're allocating research money because I think there's a whole new field — not that it's going to solve the energy problems — but there's a whole new field and there's a market for that product even though they don't mix it with gasoline. So, I just wanted to make those remarks, Mr. Chairman, and put that on the record that it's a tremendous facility as far as we're concerned in Western Manitoba and the fact that it's the first in Canada, I think we should all be proud and build on it, enlarge it as quickly and efficiently as we can.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. MANNES: Thank you, Mr. Chairman. I'd like to ask a question regarding some of the research that is contemplating at least being done on peat lands out in Eastern Manitoba. I may be ruled out of order but I would beg the indulgence of the Minister to be so kind to let us discuss this one AgroMan project at this time, for one reason only.

I've had representation from a group of people that sit on that group today and who are desperate to get some reaction from this government as to what their intentions are. And, if I may, they are wanting to hire people to manage this particular effort and they have set up days for when they could interview the people in question. They've had no guarantee whatsoever from the government that there will be funds available when that person that is selected can come forward.

So, I want to ask the Minister if he would consider, at this time, giving some commitment to the House as to what his government is prepared to do as far as fund this group under the AgroMan project?

MR. URUSKI: Mr. Chairman, certainly this agreement is under active consideration at the present time. I'm hoping that we can be able to indicate whether we want some further changes to the agreement or sign the agreement within a very short period of time. I'm hoping that within a week or so that will all be cleared up in terms of the agreement. This is an ongoing agreement, this is I believe the second year. There were some problems initially with this agreement and we're in the process of reviewing it and I'm hoping that can be concluded within a week or so and we can get on with the job. They're looking at, right now, whether there should be any changes in terms of the contract and the like. Once that has been determined we'll be able to advise the people concerned.

I should mention, we have also had calls from this

group and we will be trying to deal with it as soon as we can.

MR. MANNES: Because time is of the essence, in this particular problem, and because they are all farmer members that are running this board and once May comes along they'll all be actively farming, will the Minister, or his office, undertake to communicate to this particular group on a two or three times a week basis to let them know what the status is because I think that's their problem, they constantly want to know where the decision is at, as far as Treasury Bench, so that they can make their decisions accordingly and not have to make them in the month of May when none of them are available to make them.

MR. URUSKI: Mr. Chairman, it would be hope that within the next week to ten days we should be able to give a firm indication to this group. Considering the time frame here we will try to deal with it as soon we can, but certainly this project has been brought to my attention; there are some questions that we're looking at in terms of the contract and some other points. We will be making that decision and advising them accordingly.

MR. MANNES: I just want to thank the Minister for that commitment and for also considering the item at this time.

MR. CHAIRMAN: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Chairman, I have a couple of questions, going back to the beef program. I wonder if the Minister could conceive of a situation where a person, a farmer with a herd of cows having produced his calves, arrives at the fall where he normally would be selling them to feedlot operators or whatever, can the Minister conceive that there would be a circumstance where that operator would be better off to sell those calves at that point than to keep them and feed them through?

MR. URUSKI: Mr. Chairman, those kinds of details, in terms of formulating between the kinds of situation that the member is trying to throw out, I would say those kinds of discussions will be held between the committee and the producers of Manitoba and be worked on over the next number of months in the development of the plan. One can make all kinds of conjectures of what might or might not be. This committee will be working on them and there will be recommendations brought back to government; at that time decisions will be made.

MR. RANSOM: Mr. Chairman, if the Minister regards that as a detail that hasn't been worked out, how can he possibly then have made the decision that a person entering into this program must feed their cattle out?

MR. URUSKI: Mr. Chairman, nowhere in the announcement we said that they must, but the general thrust is to transform. No one can even make the statement that the industry will be transformed in one year, but certainly the committee will want to discuss

different courses and look at that and make some recommendations to myself. That's why I haven't predetermined what the course will be. I want more the kind of details that have come into that area and that's to be worked out. It is a detail; it is not black and white, Mr. Chairman.

MR. RANSOM: Mr. Chairman, I'm sure we could quibble about what's a detail, but that happens e feedlot to be a operators who have to make a decision about pretty fundamental question because every year at here arwhether they're going to make money. That's their livelihood and surely anyone entering into this program is going to have to make the same decision. Is the Minister therefore saying that people entering into this program may well then have the option of not finishing the cattle out?

MR. URUSKI: Mr. Chairman, it would be our intention that operators who would not have the facilities would not be able to finish them and that's the kind of discussions would go on that, they may want to custom feed but they would have to retain the ownership of those animals until slaughter to be able to receive the guaranteed price.

MR. RANSOM: Is the Minister saying then that he's already made the decision that if they are not fed through to slaughter weight that the individual will not receive the program subsidy?

MR. URUSKI: Mr. Chairman, the program support is on finished animals.

MR. RANSOM: Mr. Chairman, can the Minister then guarantee, at the moment, that anyone making the decision to put their cattle onto feed normally would have been selling them to feedlot operators, can he guarantee then that the person putting them onto feed is in fact going to make a profit?

MR. URUSKI: Historically the industry that has made money has been the feeding operations. Mr. Chairman, if you look at the overall historical pattern in the livestock industry, and you look at the cow-calf sector, and you look at the finishing sector, it has been the cow-calf sector who historically, in the main, has lost money and they've lost because the market price for calves has always been down. Had they retained those calves, it's been the feeding industry that has generally, over the number of years, over historical pattern, has made money in the cattle industry.

MR. RANSOM: Mr. Chairman, this is amazing. I'm sure that the Minister can go out and find all kinds of empty feedlots and I'm sure if he talked to the people who had operated them he would have trouble convincing them that they are the wealthy sector, but perhaps those are some of the feedlots that will be gathered together to form the Red Star Enterprises that will conduct the feeding of the cattle under these programs.

Mr. Chairman, it sounds from the answers that the Minister has been giving then that, even though the cow-calf producer may at some point in the fall decide, on the basis of projected markets, that he

would in fact be better off to sell his calves at that point and that by feeding them he is likely to lose money, I gather from the answers that the Minister has giving that he will not have that option, that he will be forced to stay in the program if he wants to receive any assistance from the government, and by doing so he may well end up losing money, whereas he could have taken a profit if he had sold the calves and not finished them out.

MR. URUSKI: Mr. Chairman, if the farmer decides to enter the program he will be guaranteed a price based on a formula to on-slaughter weight. Obviously if he retains those cattle there will be a guaranteed price and he will recover his cash cost plus a return.

MR. RANSOM: The program will guarantee then that anyone in this program is going to make a profit.

MR. URUSKI: Mr. Chairman, as I've indicated to other honourable members, if the producer does not produce quality animals and produces inferior quality in terms of finished animals, obviously he will not have as great a return as if he would produce top quality cattle. The intent of the program is to produce top quality cattle in the Province of Manitoba so that the producer can gain the most in terms of support and the most out of the marketplace when he markets his cattle through the Commission.

MR. RANSOM: Mr. Chairman, will the Minister guarantee then that the —(Interjection)— the Member for St. James continues to sit back and snipe away and I doubt that he knows anything about raising cattle. I can see that the Minister of Agriculture has some knowledge. I don't think the Member for St. James —(Interjection)— Can the Minister guarantee then . . . Mr. Chairman, would you ask the Member for St. James to either desist from making his remarks or else stand and put them on the record?

Mr. Chairman, can the Minister guarantee then that a producer who arrives at a situation in the fall, who can see that he could make a profit by selling his cattle at that point, will the Minister guarantee that by staying in the program the producer will be no worse off than if he got out in the fall and didn't market his cattle through the government agency or didn't put them in the red star enterprises feed lot, is he going to be equally well off?

MR. URUSKI: Mr. Chairman, that'll have to be a management decision whether the producer at that point in time wishes to stay in the program or not. He will have to make that decision as to whether he wishes to continue initially, whether he wishes to continue and finish his animals.

If the honourable member is indicating he can opt out at any time there will be provisions that the producers' group will discuss and formulate what, if any, provisions there will be for opting out and what provisions there will be for producers who decide to opt out of the program will have to either pay back the monies that they've received or whatever conditions they may agree upon and recommend. Just like any other program, Mr. Chairman, in terms of getting in or out of the program. That will be a management decision that a

producer will make at whatever point in time he wishes.

MR. RANSOM: Mr. Chairman, it does seem then that the Minister now is saying there may be some option to opt out of this program, that it will be a management decision on the part of the individual producer. But if the producer makes the decision to opt out I presume then that he is not entitled to any benefit at all under the program and that he would not be able then to be back in for any other period for the remainder of the six years.

MR. URUSKI: Those are the kinds of discussions that will go on. Don't forget, Mr. Chairman, if he decides to get into the program he will receive up front money. Those monies, I would envisage, that if he just makes the management decision to get out, would have to be repaid back to the treasury because he would not have lived up to the obligations of his original intent. Obviously, that would be the intent of the program. But those would be the management decisions that a producer would have to make if he wanted to join the program.

MR. RANSOM: Mr. Chairman, can the Minister advise the Committee what effect he thinks this program will have upon feed lot operators in the province?

MR. URUSKI: Mr. Chairman, there is no doubt there will be cattle that producers may not be able to finish, they may custom feed and the feed lot operators have historically opted in and out of the industry when the price of their raw product was as such that they felt they could make money. They're the part of the industry that has been able to historically get in or out.

It has been the cow-calf industry who has supplied the calves to the feed lot industry where there is no option to get out because of the length of time of holding on to the cattle and the cows in that industry and they have been the basic industry in this province. What is the cow-calf industry and without that industry the feed lots would be nowhere, Mr. Chairman, and obviously what we're trying to do is make sure that the cow-calf industry over the long haul becomes more viable as other sectors of the industry have made money when it was convenient for them to do so.

When the prices were right for them in terms of the price for the product, when the price was right either that the price was low enough for the calves that they could make some decisions into whether they made money or whether they were in the industry or not, there were no such decisions that the cow-calf producer could make. He was in the cattle industry. He was either in or he was out completely. He either sold off his herd and got out or he stayed in no matter what the price.

This program is designed to assist that industry from the bottom to the top.

MR. RANSOM: Mr. Chairman, that's nonsense, that's absolute nonsense. A person who is producing cattle at least has an asset that he can dispose of and turn into cash. The person who has hundreds of thousands of dollars invested in a feed lot operation has fixed overhead which he can't simply turn into cash

and decide to get in and out of the business. This Minister doesn't understand the cattle business and if he's taking advice from Mr. Janssen I don't think he understands it either.

My question to the Minister was, what effect does he think this program will have on feed lot operators? Because it happens that feed lot operators are a fairly major segment of the agricultural industry in this province. What effect does he think it will have upon them?

MR. URUSKI: Mr. Chairman, if there are cattle producers who are unable to finish their animals there may be the opportunity that they may wish to put their cattle on into feed lots, in terms of custom feeding, Mr. Chairman, that would be a management decision that the producers who enroll in this program would make.

But, Mr. Chairman, this program is designed at the basic herd of the Province of Manitoba in terms of support. It is the cow-calf industry which is the basis of the industry in Manitoba. The basis of the industry has not historically been the feed lot industry. It has been the cow industry that has supplied the raw product for the feed lot industry and for the rest of the industry and that is the group we are targeting the support for.

MR. RANSOM: Mr. Chairman, I'd like to ask the Minister, what studies have been conducted about the impact that this program will have on feed lot operations?

MR. URUSKI: Mr. Chairman, in terms of studies the honourable member can indicate - draw his own conclusions - as to what studies. There have not been any studies in terms of the support program.

We have discussed it with the whole industry from various sectors; we've had proposals from the MCPA which obviously some of your members didn't inform your leader as to what proposals were made to us in terms of the Income Assurance Program that was proposed to us by basically the same committee that was set up by your administration two weeks before the end of the election.

We indicated that in order to protect the basic herd our assistance is going to it. Whatever management decisions that producers make, in terms of feeding their cattle elsewhere, that will be up to them to make those kinds of decisions. If they decide to swing their operations into the finishing sector obviously some feedlot operators, who were counting on the calves in that industry, would not benefit if those farmers decide to feed on their own farms. That will become a management decision of the farmers who enroll in the program.

MR. RANSOM: Precisely, Mr. Chairman, there are two concerns here that feedlot operators are going to have, at least two basic concerns.

One is that they are part of the beef industry that was offered some hope of support by the Minister's government, Mr. Chairman; they are not to get any support, so be it, that's a policy decision that the government has made.

The second part of the concern, Mr. Chairman, is that not only are the feedlot operators not going to be

assisted they are going to be hindered by this program. It is very evident that the Minister has made no study of the impact that this program is going to have upon feedlot operators. He knows full well that feedlot operators traditionally buy the animals from cow-calf operators to put into their feedlots. If those cattle are no longer available because the cow-calf operator is held into some program by the government and those cattle aren't available to go on feed, and the government is looking around at how they might establish a Red Star Enterprises Feedlot Operation, what affect does the Minister think that's going to have on the commercial operators that are there now? Where are they going to get the cattle to feed? The Minister is making some indication that I have an interest in a feedlot operation. I want to tell the Minister I do not have an interest in the feedlot operation and if he would care to discuss the principles of his program and not try and cast aspersions on individual people's interest perhaps we might get a little further.

MR. CHAIRMAN: Order please. The Honourable Minister on a point of order.

MR. URUSKI: Speaking of aspersions, Mr. Chairman, he speaks of Red Star and all kinds of nonsensical statements. If he wants to discuss the principles of the program let him discuss them but not let it be a one-sided approach in terms of any snide remarks that he wishes to make against our side and then isn't happy when there is a remark made about the comments that he's making.

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

MR. RANSOM: On the same point of order, Mr. Chairman. Surely the Honourable Minister is aware that there is difference between talking about government policy and talking about an individual person's interest. That's what the Minister was speaking about from his seat; I'm talking about government policy, Mr. Chairman.

MR. CHAIRMAN: I think we would all benefit if we would stick to the point under consideration.

The Honourable Member for Minister on a point of order.

MR. URUSKI: We've gone through this item on one area; on the second area and we will have again a third kick. I want, Mr. Chairman, the honourable members to make up their minds where they want to discuss this item in detail. I am pleased again - I mean, we raised it on the first night - to discuss it here and let's deal with it here and I'll be pleased to handle it that way.

MR. RANSOM: Mr. Chairman, we told the Minister the other night when we began the debate on this item that it is such a significant item to the farmers of Manitoba, to the beef producers, that we will continue to debate it until we have answers to the questions which we have to place. As a matter of fact, I would point out to the Minister, Mr. Chairman, that we have now spent several hours of private members' time

debating government business in order that we might get on and deal with government business. I think it is quite in order that we delve into this program until we have some answers and some understanding. Eventually, when we finally get the answers, we'll be able to debate how effective the program is going to be.

Mr. Chairman, I was asking the Minister then where he thinks the feedlot operators are going to get cattle to be fed in their feedlots, for which they already have the investment; the overheard is there, they have the capacity, they have been putting cattle on feed. Where does the Minister think that they are going to get cattle to go in those feedlots?

MR. URUSKI: Mr. Chairman, obviously the honourable member is indicating that there will be many producers that will join the program. Obviously, he is indicating that the program is right to affect that industry and, if it is, Mr. Chairman, then the feedlot operators will either have to go into Saskatchewan, Alberta, other areas, to purchase their cattle as they have done in the past and purchase other cattle in Manitoba that may not be under the program. If the honourable member is indicating that the program — you know there's a bit of a problem on the other side because some honourable member said that only 10 percent of the producers will join. If that is the case, there should be no difficulty for the feedlot operators in Manitoba; that there won't be any producers joining the program. The program is bad, they won't join the program, there will be umpteen, a lot of cattle, that there will be no change in terms of the feedlot industry in the Province of Manitoba. Now, I frankly say to the honourable members which do you want? You've made your case with respect to the other side and now you're making it on this side. Pick your choice, whichever argument you want, but make up your mind one way or the other.

MR. RANSOM: Mr. Chairman, it's not a question of choosing one position or the other, it's a question of trying to get some answers from this Minister. I want to know whether, in developing this program, he did any studies on the impact that the program would have upon feedlot operators, and it's quite evident that he hasn't. It's also quite evident that if this program is successful to the extent that he thinks it will be, that he in fact expends the \$17.5 million and uses the \$24 million for low-interest loans, that it will be successful and that it will make things more difficult for feedlot operators to get cattle to put in their feedlots than it is now. I believe the Minister has said, Mr. Chairman, that they should go to Saskatchewan or they should go to Alberta to buy cattle where there are subsidized operations in place. So, clearly it is going to be much more difficult for the feedlot operators to exist in this province than it has been. I don't think the Minister has done any kind of investigation to determine what that impact will be.

So, Mr. Chairman, for the moment we'll leave that point but I would like to specifically understand, since the Minister seems very sensitive about my reference to the Red Star Enterprises Feedlots, has the Minister been looking at feedlots with the intention of establishing some other type of feedlot business or method of operating feedlots that will tie into

this subsidy program?

MR. URUSKI: Mr. Chairman, the member indicates whether we are looking. Obviously governments, when they announce programs, look at all kinds of alternatives but I believe that, in terms of feeding operations, those would be producer decisions that would be made in the areas that they would want. If they decided upon setting up community feedlots we certainly wouldn't oppose that kind of a move, in fact, I would say that we would encourage producers to do that through the Department of Co-operatives and through our department, if they wish to go that route.

MR. RANSOM: Is the Minister then contemplating providing financial assistance to people entering this program? Is he contemplating providing financial assistance to those people to either take over, control a part of the existing feed lot industry in this province or to establish a new type of feed lot industry in this province?

MR. URUSKI: Mr. Chairman, that would be up to the producers who joined the program as to their desires and working with the producer group as to what decisions they decide to make. It will not be our decisions to say this is better or that is better. It'll be up to producers in Manitoba to make those kinds of decisions.

MR. RANSOM: Mr. Chairman, I remind the Honourable Minister that one simply doesn't just go out and establish a feed lot just because the government has a bit of a program going at \$50 a head and some kind of an as yet undisclosed level of support. It takes money to establish a feed lot operation these days, hundreds of thousands of dollars if not millions of dollars to establish a modern type of feed lot operation.

Is the Minister contemplating providing financial assistance to people in this program should they wish to begin establishing feed lots or to take over part of the existing feed lot industry.

MR. URUSKI: Mr. Chairman, I'm sure that if people in terms of applying for financial ventures in establishing or taking over existing facilities, those kinds of applications would normally be made as they are now to either MACC, to the private lending institutions or to FCC if they require financing. Nothing in that area changes. If people are desirous of setting up an industry, it would be dealt with.

MR. RANSOM: Can the Minister assure the Committee then, Mr. Chairman, that no part of the \$24 million I believe that's earmarked for low-interest loans, will be used for that purpose?

MR. URUSKI: Mr. Chairman, of the \$24 million if there are applications, I certainly wouldn't rule that out. The farmers may want to go into applying to setting up operations or purchasing existing operations. Why would one want to rule that out?

MR. RANSOM: Mr. Chairman, I'm not saying that the Minister would want to rule that out. I'm simply trying to find out from the Minister what his plans are

because there's going to be an impact on an existing industry in the province and I gather now that not only is the existing feed lot industry not going to be assisted in any way to stay in business, they're going to be hampered. They are going to be prevented from staying in business because this Minister is going to provide subsidy to another area of the beef industry which will allow them to compete more successfully. It will put the feed lot operator at a disadvantage. The Minister is then going to begin financing people who are in the stabilization program, to buy out part of the existing feed lot operation or to expand — which would be even worse — to build new facilities and leave the existing plant in place and leave that kind of overhead there with the present operator with no option but to be put out of business.

MR. CHAIRMAN: Order please. The hour is 5:30 p.m. and I'm leaving the Chair to return at 8:00 p.m. this evening