



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

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31-32 Elizabeth II

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*Published under the  
authority of  
The Honourable D. James Welding  
Speaker*



MG-8048

**VOL. XXXI No. 30B - 8:00 p.m., MONDAY, 21 MARCH, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
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<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
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<b>FOX, Peter</b>	Corcordia	NDP
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<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 21 March, 1983.

Time — 8:00 p.m.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CONSUMER AND CORPORATE AFFAIRS

**MR. CHAIRMAN, C. Santos:** We are on Item 3.(d)(1).  
The Member for Tuxedo.

**MR. G. FILMON:** Following up on the question of my colleague, the Member for Lakeside, with respect to the Public Utilities Board's role in dealing with the cable highway in Manitoba, I wonder if the Minister could explain to us what effect Order-in-Council 1339 had on the Public Utilities Board this year?

**MR. CHAIRMAN:** The Honourable Minister.

**HON. J. BUCKLASCHUK:** Yes. O/C 1339 rescinded 841/78 as indicated here. The previous Order-in-Council gave the MTS and the cable companies the right to appeal to the Public Utilities Board with respect to adjudication of rights. So 1339 was a rescission of that O/C and this was replaced by 1470.

**MR. G. FILMON:** Why did the Minister or the government change that so that MTS and the cable companies could no longer go to the PUB with respect to adjudication of rights? What was the thinking behind it or the reason behind it?

**HON. J. BUCKLASCHUK:** Order-in-Council 1470 allowed both the cable companies and MTS to apply to the Public Utilities Board. It gave the Public Utilities Board instructions to look at the need of determining ownership of control devices. It also provided the Public Utilities Board with instructions to examine the financial resources needed by Manitoba Telephones to maintain the facilities to provide services to the cable companies.

**MR. G. FILMON:** Could the Minister explain a little further just what advantage that has, and why that's a preferable situation to what existed before?

**HON. J. BUCKLASCHUK:** Just reiterating what I referred to previously, the Order-in-Council 1470 required of the Public Utilities Board to examine the Capital structure needed by MTS to provide services and also reference was made to, I believe I used the words "control devices," with the question of making universal access available to the system. I believe this particular issue is before the courts at the present time and it's a question of constitutionality of the Order-in-Council.

Perhaps to further deal with the subject, the Order-in-Council 1470 was approved by Cabinet in December. Previous to that, on the 21st of November, the Public Utilities Board denied the application by Greater

Winnipeg Cable for a hearing as it was considered that Greater Winnipeg Cable was not an authorized licensee at that time. The 1470 was approved in Cabinet on the 15th of December; the Greater Winnipeg Cable applied to the courts for an order of mandamus compelling the Public Utilities Board to hear the application and on December 17th, Mr. Justice Scollin's judgment upheld the position taken by the board. January 13, 1983, MTS applied to the Public Utilities Board under the Order-in-Council 1470 for an adjudication of rights, and I understand that a date has been set. I believe the advertisements were in the newspapers, weren't they? The Public Utilities Board on February 2nd was advised that Greater Winnipeg Cable filed a Notice of Appeal of Mr. Justice Scollin's decision, to be heard April 20th; and filed an originating Notice of Motion restricting the PUB from hearing the application of MTS, declaring the Order-in-Council 1470 as invalid; and confirming Greater Winnipeg Cablevision's right to operate its cable TV service without MTS owning or controlling network security and control devices. This has been scheduled for June 16th and 17th.

**MR. G. FILMON:** I think we're getting a little ahead of ourselves. What I want the Minister to do is to explain why, firstly, we had an Order-in-Council 841 of 1978, which was based on an agreement between Canada and Manitoba. It said that if there was a dispute as to terms, conditions or rates between MTS and the providers of cable services, that the province would undertake to set up some competent regulatory authority to review the dispute. Thus, 841 was passed in 1978 that made the PUB responsible for the adjudication of these disputes.

The province, under this Minister, passed O/C. 1339 rescinding that and replaced it with 1470. What was the purpose or for what reason was it felt necessary to bring in the additional considerations in 1470? Why was the status quo existing situation not good enough?

**MR. CHAIRMAN:** Does the Member for Tuxedo want to add anything?

**MR. G. FILMON:** I wanted to ask just for my own edification, was the Minister not the Minister responsible when all of these changes were taking place?

**HON. J. BUCKLASCHUK:** Yes, the Minister was responsible.

The 1470 replacing 841 provided for either the cable television company or Manitoba Telephone System to approach the Public Utilities Board to deal with the cablevision rates. I think probably the more important thing, or equally important, is the reference I made previously to the ownership or control of network security and controlled devices. While this hasn't been fully determined the O/C does instruct the Public Utilities Board to take into consideration Manitoba Telephone System's interests in the interest of the general public, so that there is access to the cablevision

system or at least it's not restricted by the cable companies. That's what we mean by control devices.

**MR. G. FILMON:** Can the Minister identify or define these control devices a little more?

**HON. J. BUCKLASCHUK:** These control devices that we refer to are those devices that allow the signal to come into the home. Now the concern is that in the future, in the interests of the general public, it is felt that the control should not be in the hands of the cable companies. We are looking in the future at perhaps such things as computer services, remote shopping, electronic banking, whatever. It is felt that, in the general interests, if the cable system is controlled by Manitoba Telephone System as opposed to the cable television companies, that it would be in the better interests of the general public.

**MR. G. FILMON:** Who paid for the installation of these control devices?

**HON. J. BUCKLASCHUK:** I am informed that the control device is installed by the cable TV company and is paid for by the consumer.

**MR. G. FILMON:** Control devices installed for cable television hookups to homes?

**HON. J. BUCKLASCHUK:** We're talking about pay television, Pay TV.

**MR. G. FILMON:** It has nothing to do with the just straight cable television connections to homes?

**HON. J. BUCKLASCHUK:** I do not believe so.

**MR. G. FILMON:** It just has to do with the new concept of the installation of Pay TV, these control devices. It's a question as to who will own them, and the question is between whether the Manitoba Telephone System will own them or the cable operators will own them, not whether or not the consumer will own them, even though the consumer has paid for them, right?

**HON. J. BUCKLASCHUK:** My understanding is that it's precisely the matter that is before the courts as to ownership and jurisdiction.

**MR. G. FILMON:** Did the Minister indicate that it was his view that it was preferable for the Telephone System to own them, even though the Telephone System had neither paid for them nor installed them?

**HON. J. BUCKLASCHUK:** This is a matter that can be negotiated between the cable TV companies and Manitoba Telephone System.

**MR. G. FILMON:** Who will decide?

**HON. J. BUCKLASCHUK:** I had used the word negotiation before, and if there cannot be some sort of acceptable resolution to this problem as a result of the negotiations, then the matter may be resolved by determination of a policy by government.

**MR. G. FILMON:** Did the Minister say the termination of a policy by government or the determination?

**HON. J. BUCKLASCHUK:** Determination.

**MR. G. FILMON:** The determination of a policy by government. Okay. Then, what does the Order-in-Council 1470 have to do to clarify the matter if it's the government that, by policy determination, will make the decision?

**HON. J. BUCKLASCHUK:** Okay, I'll repeat what I had said before. That 1470 did two things: It required that the Public Utility Board take into account the financial resources required by Manitoba Telephone to maintain its facilities to provide the cable services; and, secondly, it gave the Public Utilities Board the power to consider the need for MTS to own network security and control devices. However, it did not direct the Public Utilities Board to adjudicate that the MTS own network security control devices.

**MR. G. FILMON:** Well, Mr. Chairman, it seems as though somebody has to be able to make that determination and that judgment. You're saying that the Order-in-Council directed that the PUB had the power to consider that, but didn't tell them that they should consider it, or that they should make a decision or determination on that. So we're in a Catch-22 situation, which is, I suppose, why there's such a hassle on right now, because the MTS obviously has one view and the cable companies have another view. And who's to make the final judgment?

**HON. J. BUCKLASCHUK:** Well, I could perhaps clarify this. I notice that in the fourth section of this Order-in-Council, it states, "The Public Utilities Board shall at all times recognize that Manitoba Telephone System must own or control all network security and control devices attached to its facilities, an apparatus anywhere in the Province of Manitoba unless excepted by mutual agreement, in order to ensure that access to its facilities is available to all authorized operators on an equitable basis."

**MR. G. FILMON:** That is part of O/C 1470?

**HON. J. BUCKLASCHUK:** The fourth section of O/C 1470.

**MR. G. FILMON:** And that says MTS must own the control devices; despite the fact that the cable company installed them and the consumer paid for them, MTS owns them, unless by mutual agreement. Of course, Manitoba Telephone System is never going to agree to give up that right once it's given to them by government fiat.

**HON. J. BUCKLASCHUK:** Well the clause, "unless excepted by mutual agreement," I had referred to previously to negotiations.

**MR. CHAIRMAN:** The Member for Lakeside.

**MR. H. ENNS:** Mr. Chairman, I apologize for not having been here the first few moments of the current

discussion on this issue, although I recall I probably left the committee with this issue, as I left at 4:30. I can say that now because there are no members of the media present. It's not often that a Conservative feels particularly proud for having passed a socialist measure in a socialist bill.

For your edification, Mr. Minister, let me tell you that one of the achievements that Ministers from time to time do achieve, and take some pride in, is in the passage of a particularly difficult piece of legislation that wrestled with and tried to come to grips with the particular issue that we're now dealing with; namely, how to bring about some sense, some reason, fairness, and equitability to this situation where we're dealing with monopolistic private organizations in the public sector. I'm referring both to the Manitoba Telephone System and the cable operators.

It was with a considerable amount of persuasion, I might say, that during the time that it was my privilege to be the Minister responsible that I brought, I wouldn't say agreement, but at least co-operation from the private organizations involved to accept the principles imbed in Bill 107 that said - and this really is the principle, Mr. Minister, and I say this very seriously to you because this was the problem that the cable operators had - given the choice of being under the total direction of another Crown corporation, namely MTS, they said, no, we would sooner put our cause before a body such as the Public Utilities Committee to adjudicate and to determine on outstanding matters that occur from time to time in the sorting out of this pretty complex issue. That really was the heart and soul of Bill 107.

I suggest to you, Mr. Minister, that as this question gets more complicated, I would ask you to seriously take a second look at Bill 107 and what Bill 107, in effect, said. It said that, yes, there is a public and consumer interest that has to be paramount; that one cannot leave to either a Crown corporation immune from other scrutiny, being the sole arbitrator as to who gets on to the facility and who doesn't get on to the facility, if you believe in a mixed economy, Madam Minister of Economic Development. If you want to allow the new communications system to develop as it could develop and as we are told it can develop, in all its manifestations, then you have to bridge that mix of private entrepreneurs who will bring different services into play, on the public highway that is owned by the people through MTS. The body that should adjudicate this is the Public Utilities Board, as to who gets a fair share of the revenue, and who pays a fair share for the privilege of providing the service. That all was part of Bill 107 which this government to date has chosen to ignore.

The questioning that you are undergoing right now, Mr. Minister, is we don't see in place an alternative. Your suggestions that somebody will have to adjudicate - I think the Member for Tuxedo keeps asking, who? - that was spelt out in Bill 107. Your suggestion that the two parties will come together - no, the two parties will not come together. They agree to live by the sections under Bill 107 to be regulated in that way.

I simply say to you, Mr. Minister, that this aspect of your portfolio, in conjunction with your colleagues and the Minister responsible for communications and MTS is going to become much more complicated in the ensuing months and years.

**MR. CHAIRMAN:** Pass? The Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, just as a question, is there any particular reason why the Chairman of the PUB isn't here with us? It used to be standard practice for him to be.

**HON. J. BUCKLASCHUK:** My understanding is that Mr. McNairnay is on holidays at the present time.

**MR. G. FILMON:** Mr. Chairman, is the Minister satisfied that what he has done by removing a former provision and replacing it with a new provision for the adjudication of the disputes with respect to all of these problems which are going to become more complex in terms of the ownership and the rights and the responsibilities of those attaching devices to the cable highway are now all going to be able to be solved by virtue of O/C 1470 that the government has passed?

I see some confusion. I see the Mexican stand-off that we're in right now, which is that the government has, by virtue of O/C 1470 told the telephone system that they have the right of ownership to the control devices; control devices which, I repeat, they neither paid for nor installed and that the only option is that by mutual agreement they could decide otherwise. Well, the telephone system is not going to give up ownership of something that it has been given by government fiat the responsibility and the right to, so the cable companies are negotiating with a brick wall. It's quite obvious that this is going to cause more disputes and that's why we're in court. It certainly hasn't solved anything. How does the Minister feel that this has improved the situation?

**HON. J. BUCKLASCHUK:** I'm sure the Member for Tuxedo fully recognizes the difficulties I'm having in responding to his questions.

**MR. G. FILMON:** Not only did I recognize it, I am trying to aid and abet it, Mr. Chairman.

**HON. J. BUCKLASCHUK:** There is no question; it's an extremely complex matter. As he has indicated, and I have indicated it is before the courts. There is a provision, as I indicated, for a mutual agreement between the cable companies and MTS. Apparently that's not working. It is into the courts. We shall await the outcome of the court decisions and we shall be instructed by the outcome. But I presume this is a matter that could also be debated when it comes to the telecommunications policy and that, I suspect, is really the more relevant. The difficulty I'm having is that through the PUB, we are trying to bring about telecommunications policy.

**MR. G. FILMON:** I will be glad to pursue that matter, Mr. Chairman, with the Minister of Urban Affairs who, I believe, is now responsible for telecommunications in this province. But the Orders-in-Council happen to carry the signature of the Minister of Consumer and Corporate Affairs - this Minister - so I thought that this was the proper place to air it.

I suggest it's evidence of the fact that the government has once again moved in on an area that it wasn't

knowledgeable about, and wasn't prepared to deal with, and acted quickly without due consideration and is now in a very difficult situation and the matter is before the courts. Just one more bit of evidence of the lack of competence of this government to deal with many issues, as far as I'm concerned, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Concordia.

**MR. P. FOX:** Much as I appreciate what the Member for Tuxedo has to say, I have to remind him that they had a statute on the books for years and they never proclaimed it either for the simple reason that it is a very complex subject and it can't be just dealt with in an ad hoc basis the way they would like us to do at the present time.

**MR. CHAIRMAN:** The Minister of Urban Affairs.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman. Have I been recognized, Mr. Chairman, or is the Member for Lakeside recognized?

**MR. CHAIRMAN:** You have the floor.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman. Just to comment with respect to the latter comment from the Member for Tuxedo wherein he suggested by virtue of the fact that there is a court action with respect to one of the cable companies, if that's an indication of the incompetence of the government. The record should also note that the other cable company that serves the other side of the river in the City of Winnipeg was able to reach agreement with the Manitoba Telephone System with respect to the delivery of the PayTV system to that part of Winnipeg, without that company having to refer to the courts for a determination. If he would suggest that because a company or an individual may take court action with respect to an issue is somehow related to incompetence, there are many court actions that take place with respect to many issues. That's the procedure that is available to individuals or to corporations if they feel in their mind that there is some matter for the courts to decide with respect to policy or law.

**MR. CHAIRMAN:** The Member for Tuxedo.

**MR. G. FILMON:** On the contrary, Mr. Chairman, my reference to the lack of competence and understanding was with respect to the Minister's explanations of the matter not merely the fact that it's before the courts.

For the Member for Concordia, the legislation was passed approximately 15 months prior to our leaving office and in that ensuing 15 months a task force of Cabinet met with, primarily, the Manitoba Telephone System on many occasions and, in fact, at the Manitoba Telephone System's request allowed them to gather information on aspects that concern them that they felt would directly affect their earnings. It was only because of the strong entreaties of the Manitoba Telephone System that it was not proclaimed until all the information which they felt was required, was put on the table so that they could deal with the after-effects of the passage of that bill and that information

was and is now available. I think the passage of that bill, at least the proclamation of that bill, could very easily rectify and clarify a lot of this situation.

However, Mr. Chairman, I'll move onward to another topic to do with the Public Utilities Board and that has to do with the number of decisions that the Public Utilities Board made during the past year with respect to natural gas rates in Manitoba. I'm just a little curious as to why in the case of Greater Winnipeg Gas Company, Inter-City Gas Utilities and Steelgas Utilities for propane, fairly substantial increases in return on equity were allowed by virtue of decisions of the Public Utilities Board this year.

**HON. J. BUCKLASCHUK:** It would be difficult to respond specifically to each of the three gas companies without having the information in front of one. But basically the board, at its hearings hears evidence from the utilities and from interveners who have an interest in the rates that are being discussed. On the basis of the evidence that is presented the Public Utilities Board makes a decision in the mutual interest of both the utility and the consumer. Different utilities would have different circumstances and you may have different rates allowed.

**MR. G. FILMON:** Why would the Minister suggest in the case of each of these utilities that I mentioned that they are now, as a result of decisions this past year by the Public Utilities Board, being allowed the highest return on equity and overall rate of return in their history of dealing with rate-setting by the Public Utilities Board?

**HON. J. BUCKLASCHUK:** The rate of return that is allowed on the utilities base is a reflection of the economic times to which the application is made. I believe the rates that the member is referring to were allowed to the utilities for probably higher than any 10-year period.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. A. MACKLING:** I hesitate to interrupt the Minister but maybe I should — (Interjection) — the Honourable Member for Lakeside says I should. The question asked of the Minister was to reflect on the decision of a board and try to explain the decision of the board. The board is a public body, holds its hearings in a public forum, is reported by the press and makes a public decision, giving explanations for its decision. I don't think the Minister should be asked to review a decision of the board. The board's decision stands by itself.

**MR. CHAIRMAN:** Does the Minister have a reply to that or the Member for Tuxedo?

**MR. G. FILMON:** With all due respect to the same point of order, Mr. Chairman, I want the Minister of Natural Resources to know that when I was the Minister responsible for the Public Utilities Board in 1981 his party, in opposition, spent three days doing nothing but grilling me over decisions of the Public Utilities Board with respect to the pricing of gas in this province and indeed, in addition to that, no less than the Member for Ellice in those days, now the Member for Wellington,

and the Member for St. Johns, as well as the Member for Inkster, spent their grievances on that particular topic during my Estimates. So I think that this is a valid area of inquiry and this Minister is just as responsible for the Public Utilities Board as I was and I don't plan to spend three days, but I suppose I could turn it into three days if the Minister insists on being obstructionist about this process.

**MR. CHAIRMAN:** Well, what is good for the goose is good for the gander.

The Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Chairman, the Minister does not make the board decision. The Minister is not in the position to say anything other than what the board has said in its reasons for the decision. If you want to ask the Minister, what were the board's reasons, then the Minister can produce the written decision of the board and that's the board's decision.

If you want to ask the Minister for his views about the board's handling of the rate, okay, I suppose that's fair game. You could ask him whether he agrees or disagrees with the board, but the rationale for the board's decision is something the board only can answer for, not the Minister; and the point of order is valid.

**MR. G. FILMON:** I'll get to that aspect of it later, but this Minister can comment on why he sees the rates having been approved. I have the written explanation; that's public information. I want the Minister's explanation.

**MR. CHAIRMAN:** It is within the prerogative of the Minister to express an opinion or not

Mr. Minister.

**HON. J. BUCKLASCHUK:** Just continuing as to my opinion why these particular rates were allowed, it was, as I had indicated previously, a reflection of economic circumstances at the time the decisions were made. There is reference made in the summary, or the report that was provided to all members, that an increase in return of rate was required to maintain the national integrity of the company. I don't think there's any question that those type of returns had to be paid to ensure that the company would not wish to divert its finances to some other endeavour.

The interest rates were high during that period of time; the returns would be high, but as the interest rates are decreasing, then I think it's reasonable to expect that the rate of returns that are to be allowed will also decrease accordingly.

**MR. G. FILMON:** Could the Minister indicate, is he aware of whether or not one, Vic Savino, a member of the board, gave a minority report on those decisions?

**MR. CHAIRMAN:** Is the Member for Tuxedo asking a question?

**MR. G. FILMON:** I think the record will show that I asked a question and regardless of who's sitting in this committee room, Mr. Chairman, the questions always

must be directed at the Chair to the Minister, and the Minister is not the Minister of Urban Affairs sitting there, or the Minister of Natural Resources sitting there, or the Minister of Economic Development sitting there, it has to be the Minister responsible; that's why we're here.

**MR. CHAIRMAN:** Does the Minister of Consumer and Corporate Affairs wish to answer?

**HON. J. BUCKLASCHUK:** Yes, I am informed that on a matter which did not involve a rate return, but was a matter of application for refinancing, that the said Vic Savino did register a dissenting opinion.

**MR. G. FILMON:** But he did go along with the opinion of increasing the rate of return?

**HON. J. BUCKLASCHUK:** I would have to know which utility the member is referring to as I'm informed that Mr. Savino did not participate in all the hearings.

**MR. G. FILMON:** The Greater Winnipeg Gas Company, The Inter-City Gas Company and the Steelgas Company hearings and decisions with respect to rate of return.

**HON. J. BUCKLASCHUK:** I'm informed that Mr. Savino was part of the decision for Inter-City Gas and Steelgas; but with respect to Greater Winnipeg Gas, because he was not present for the complete hearings, he had indicated he could not participate in the decision.

**MR. G. FILMON:** Mr. Chairman, I find that very interesting, in view of the fact that he'd go along with the application to increase the rate of return for two of those utilities when I know that, as an intervener in the past on these kinds of applications before the PUB, he argued strenuously against increasing rates of return, and I'm interested to see that he has now got them up to the highest rates of return for these utilities that they have been in all history.

My further question to the Minister is, what economic circumstances does he feel justified this increase of the rate of return to the highest that it has been? The Minister said that he felt it was overall economic circumstances that justified this increase in rate of return to these gas utilities, and I want to know what these economic circumstances were, in his view.

**HON. J. BUCKLASCHUK:** When I refer to economic circumstances, I'm referring to prevailing interest rates and the type of returns one might normally expect on his or her investments.

**MR. G. FILMON:** Well, Mr. Chairman, that's very interesting. In view of the fact that interest rates have dropped dramatically since the point at which these decisions were rendered in approximately May of this year, for the Greater Winnipeg Gas Company; in approximately June of this year for the Inter-City Gas and in approximately October of this year for the Steelgas, is he going to request the Public Utilities Board to re-examine the matter of rate of return, now that interest rates have dropped dramatically since these decisions were rendered earlier this past year?

**HON. J. BUCKLASCHUK:** In response to the question from the Member for Tuxedo, I'm informed that the Greater Winnipeg Gas will be back before the board in May of this year, at which time they will be requesting a review of their rate base and a review of the rate of return. In the process, the Public Utilities Board will be considering their previous financial performance and will be taking into consideration the existing economic circumstances at that time, and we'll adjudicate accordingly.

**MR. G. FILMON:** Has the Minister planned to point out this circumstance to the Public Utilities Board and urge that they take it into account when reviewing the rate of return?

**HON. J. BUCKLASCHUK:** The Public Utilities Board is a quasi-judicial board, and the Minister does not direct the board to do anything

**MR. CHAIRMAN:** The Member for Thompson.

**MR. S. ASHTON:** One item that hasn't been raised thus far in regard to these discussions is the extent to which the Public Utilities Board did roll back initial requests, and certainly the case most familiar to me is Steelgas. I was wondering if the Minister could confirm that - I believe Steelgas sought a 22 percent rate increase initially and then that was rolled back to what would work out to approximately 14 percent - also the increase that they originally proposed was delayed by three months because of the Public Utilities Board reacting to feedback from northerners that because of economic conditions that increase should be delayed.

**MR. G. FILMON:** Mr. Chairman, the Steelgas had applied, not for an increase to 22 percent in their rate of return but to 15.25 percent, and it was sawed off at 13.75 percent. What they asked for and what they get doesn't necessarily mean that the board is doing its job, Mr. Chairman. The Member for Thompson, as a union member, should know that oftentimes people put forth less than responsible positions when they're asking for increases.

**MR. S. ASHTON:** I should point out, before the Minister does respond to my question, that I stated they requested a 22 percent increase in the rates charge, not in the rate of return. The rate of return was, indeed, the figure that the Member for Tuxedo mentioned. Although, once again, their request for an increased rate of return was only granted partially. A good part of their proposed increase in rate of return was rolled back.

However, I was just asking the Minister to confirm that the Public Utilities Board did significantly roll back the initial increase of Steelgas.

**HON. J. BUCKLASCHUK:** I would like to confirm that on Page 19 of the Public Utilities Board Annual Report there's reference made to the economic situation faced by many of the customers located in Northern Manitoba. In view of that the company was instructed to delay the implementation of the revised rates until a surplus in the variance account had been applied to revenue requirements. \*

In effect, the company's customers located in Thompson, Flin Flon, Snow Lake did not face an increase in rates October 1, 1982, as anticipated. I'm advised that the variance account would have been drawn down by February 1, 1983. The board considered the company's application to implement the new rates February 1, 1983.

**MR. S. ASHTON:** Well, I think that's rather a significant fact. I would like to thank the Public Utilities Board and the Minister for the assistance that Northerners did receive.

**MR. CHAIRMAN:** We are interrupting to go into the Chamber. We'll be back.

(Adjournment to Chamber for vote)

**MR. CHAIRMAN:** We are back. We are considering Section 3.(d)(1).

The Member for Thompson.

**MR. S. ASHTON:** Thank you, Mr. Chairman. As I was saying before we were interrupted for the vote in the House, I'd like to indicate my particular pleasure at seeing the results of the Public Utilities Board hearing in Thompson in regard to Steelgas. As I indicated, the request they had for a 22 percent increase, was rolled back and the increase was delayed. I think it showed how important these kinds of hearings are. I would say that virtually everybody who made a presentation in Thompson - there were a significant number of them as well - all pointed to the need to have a lower increase, and also the need to delay any increase in the light of economic conditions. At that time, we were in the midst of our shutdown and there was real concern about what impact that would have if rates were increased at the beginning of October, as they'd originally requested.

So, I think it indicates that, first of all, the Public Utilities Board is fairly open as a board, and that feedback was acted upon too, which is important to people.

The one point I would like to add though, in reference to the rate of the return, was that I indicated myself at the Public Utilities Board hearing, my own concern about the request for an increased rate of return from Steelgas. They attempted to justify it based on business conditions, and certainly there is something of an argument in that regard.

However, there's also another aspect to Steelgas, which also can't be avoided, and that is the fact that they are a declining utility. Because of the rapid increase in Steelgas rates in recent years Steelgas is presently, for example, approximately \$500 more expensive, on average, for home heating than is electricity. In fact, despite all the talk you'll hear about how high oil prices are, the use of oil for home heating is approximately the same cost as Steelgas. So my concern is that Steelgas is going to be attempting to pull a high rate of return out of areas such as the North to compensate for their declining market due to the increase in costs and I would certainly indicate my particular concern in that area. Perhaps even the original argument for a higher rate of return, which was the prevailing economic circumstances, may have become lessened in recent



months with the decline in interest rates. I certainly feel that's a possibility. So I would urge the Public Utilities Board to look closely at that particular item when Steelgas next seeks a rate increase, because certainly to stay with a high rate of return when people in the area served by Steelgas are faced with quite the opposite, they are faced with a much lower rate of return on any investments they have, I think is somewhat inconsistent.

**MR. G. FILMON:** Well, Mr. Chairman, I'm glad to hear the Member for Thompson defending and justifying the position of Steelgas in getting the increase to the largest rate of return that they've ever had in their history. I'm sure that his constituents will like to hear that as we campaign to the next election.

**MR. CHAIRMAN:** What is your point of order?

**MR. S. ASHTON:** That is not what I said and the Member for Tuxedo knows that. If he would have listened he would have heard me indicate that I was concerned about the problem people were faced with in the North of being faced with a high rate of return for Steelgas as opposed to their own lower rate of return.

**MR. G. FILMON:** Mr. Chairman, the fact is that the Public Utilities Boards in the past have rolled back increases that have been applied for by various utilities, including Steelgas, so what happened this past year was not a precedent. But what is a precedent is that they are now getting the highest rate of return on their investment that they've ever had and that is being done under this Public Utilities Board's decision, and presumably with the concurrence of the Member for Thompson since he said that he could see the justification for them getting this increased rate of return because of economic circumstances. I think that anybody reading Hansard will be able to arrive at the correct conclusion.

Mr. Chairman, getting back to the point I was originally attempting to make with the Minister. He is saying that he will not approach the Public Utilities Board and suggest that, in view of the fact that they have allowed these historically high rates of return now for these various utilities because of presumably the high interest rates, he now is not going to suggest to them that with interest rates having gone down dramatically during the past nine months or so they ought not to be considering a lesser rate of return.

**HON. J. BUCKLASCHUK:** I am certain that the board is fully cognizant of what has been happening to the interest rates over the next while. I might also just refer to Page 1, the very first sentence, the Public Utilities Board is an independent quasi-judicial body.

**MR. G. FILMON:** Mr. Chairman, the Minister's party, in opposition, didn't take that view of the Public Utilities Board and they always argued that the government of the day ought to be arguing for lower gas rates on behalf of the consumer and now, of course, their tune has changed entirely. They've done a complete 180 degrees and they're now defending the position of the

utilities in getting a greater and greater rate of return and gas prices going up and they're justifying all the reasons why. That's fine, I just want that for the record so that we can compare their positions now versus what they were three years ago when they were in opposition and we'll publish those positions for the public so that they know exactly what they can expect from this party.

**MR. D. ORCHARD:** The Minister put his signature to Order-in-Council 1339 which cancelled the previous Order-in-Council. Could the Minister indicate why 1339 was necessary and what was the reason for cancelling the former Order-in-Council?

**MR. CHAIRMAN:** This question has been already asked by the Member for Tuxedo.

**MR. D. ORCHARD:** Then, Mr. Chairman, can I ask the Minister, why would he cancel the 841/78 by the Order-in-Council 1339? It wasn't followed with the new Order-in-Council immediately.

**MR. CHAIRMAN:** Does the Minister wish to reply?

**HON. J. BUCKLASCHUK:** I believe I'd indicated before that that particular Order-in-Council had been replaced by a new one 1470/82 dated December 15, 1982. The question was that 1339 rescinded 841/78 and then, as indicated, it was followed up by 1470/82 on December 15.

At the time that 1339 was approved rescinding the previous O/C the government was reconsidering its position, particularly with respect to the question of network security and control devices. The one application that had been made to the Public Utilities Board, a hearing had been denied as the feeling was that the applicant was not an authorized licensee at that time.

**MR. D. ORCHARD:** Mr. Chairman, one order was cancelled, the board essentially in limbo for five weeks with no directive from the government as to how to proceed on any and all applications on this subject matter. Why was there a five-week delay from cancellation to the reissuance of instructions by Order-in-Council to the Public Utilities Board?

**HON. J. BUCKLASCHUK:** The member is quite correct. The matter was under consideration for a five-week period. The fact that there was a limbo at that time I would suggest is of no great importance as there were no applications before the board relevant to that Order-in-Council.

I had confirmed that for five weeks there had not been an Order-in-Council replacing the 841/78, but the fact that there was a vacuum for five weeks is, in my opinion, of no great importance as at that time there was no licensee as far as the Public Utilities Board is concerned making an application before the board. When I say no authorized licensee, that particular question was, in fact, dealt with by Mr. Justice Scollin and his judgment on December 17th was that the position taken by the board was correct.

**MR. D. ORCHARD:** Mr. Chairman, maybe the Minister could confirm for the record that in the interim of

cancellation and subsequent events, the sole applicant for delivery of pay television east of the Red River was, in fact, granted the licence for the delivery of that service.

**HON. J. BUCKLASCHUK:** Yes, the member is quite correct that Videon was able to reach an agreement with Manitoba Telephone System under the Canada and Manitoba Agreement and therefore there was no need for it to go to the Public Utilities Board. The Public Utilities Board deals with disputes as provided by the Order-in-Council.

**MR. D. ORCHARD:** I don't believe that Videon put any question to the Public Utilities Board, if the Minister would check his facts. It was the other cable company who put the question to the board for the adjudication of rates for a licence they were about to receive as the sole applicant for pay television. This Minister and this government, when that application was before the board, chose to cancel Order-in-Council 841/78 by which the application could be made to the board with terms and references set up under 841/78. This Minister and this government cancelled 841/78; did not replace it for a period of five weeks, in which time the only applicant for a license for pay television east of the Red River was denied any access for adjudication of a rate dispute, or whatever their cause was to be brought before the Public Utilities Board. This government denied the ground rules to be laid out for anyone to appeal to the Public Utilities Board for adjudication of rates.

One has to question why the government was so anxious to cancel 841/78 when they didn't have any ground rules with which to replace the ground rules established under 841. They come along five weeks later with ground rules which have changed the negotiating game substantially from 841 to the new Order-in-Council 1472. What has happened is that viewers west of the Red River have enjoyed pay television since approximately January 1st. Viewers east of the Red River have been denied that. Mr. Chairman, I think this Minister and this government have to accept some responsibility for that, because they denied the normal adjudication process under 841/78 to proceed by cancellation of that order when the cable company had the matter referred before the board as was their right.

Now, I agree that the courts have ruled that your cancellation of 841 - they never ruled on that matter, they just said they aren't licensed, so therefore, no hearing can be heard. But this Minister, this government have dramatically changed the ground rules under which pay television will be available to people east of the Red River, and all those viewers east of the Red River have not got access to pay television as viewers west of the Red do have. This Minister, through cancelling the one order, leaving a five-week void in which there were no ground rules for PUB to consider any application regarding rates, allocation of spectrum and any other matter regarding the delivery of pay television, denied the viewers in half of Winnipeg the right to enjoy pay television. This Minister has to answer why it took him five weeks to replace an Order-in-Council that he cancelled, leaving the Public Utilities Board, half the

viewers in the City of Winnipeg and the deliverer of service without a forum in which to have their rate and their negotiations adjudicated by an impartial board.

**MR. CHAIRMAN:** The Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Chairman, before the Minister answers. He had earlier, before the Member for Pembina was here, indicated that some matters were before the courts. Presumably it is the decision of Mr. Justice Scollin that is before the Court of Appeal - you didn't indicate that, Mr. Minister, but presumably that is the case - I'm wondering to what extent it's appropriate to go into the decision, Mr. Justice Scollin's decision, because that matter is before the court.

**MR. CHAIRMAN:** The matter is sub judice, I don't know the propriety of commenting on it. Mr. Minister.

**HON. J. BUCKLASCHUK:** May I just make one comment and it's not going to reflect on Justice Scollin's judgment? I would just suggest that the Member for Pembina makes a very good case except that it's lacking in fact. I had indicated previously that the issue was that when Greater Winnipeg Cablevision, and that is the cable company east of the Red River, applied to the Public Utilities Board, the application for a hearing was denied on the grounds that the applicant was not an authorized licensee. That position, as taken by the Public Utilities Board, was upheld by Mr. Justice Scollin in his judgment dated December 17th. That is the question that is under appeal and I think I should just leave it at that then.

**MR. CHAIRMAN:** The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, would the Minister care to answer one simple question? Were there any other applicants to deliver pay television in the licenced area east of the Red River, other than Greater Winnipeg Cablevision?

**HON. J. BUCKLASCHUK:** I'm sorry, I cannot confirm that. The application to deliver pay television services would have been made to the CRTC. Applications to the PUB are only with respect to rates.

**MR. D. ORCHARD:** Is the Minister telling me that he does not know whether there was any other applicant to deliver pay television east of the Red River? Is that what the Minister is telling me; he doesn't have that knowledge?

**HON. J. BUCKLASCHUK:** I did say that because I don't keep track of all the applications to the CRTC - that is not within the provincial jurisdiction, nor within the responsibility of the Public Utilities Board.

**MR. D. ORCHARD:** Mr. Chairman, the Minister might want to investigate that. I'm sure it would be an easy matter for him to find out and determine that there was only one applicant for pay television east of the Red River, and under normal past procedures by CRTC, when there is one applicant, no objections to that application, it follows as day follows night that the

applicant receives the licence. In other words, one cannot deliver signal until they receive spectrum on the coax cable system, which was the reason for 841/78; the only forum that anyone has in this province of adjudicating rate disputes or spectrum allocation disputes is before the Public Utilities Board, when the lone applicant, and one would assume the successful applicant, as was the case.

Mr. Chairman, the Minister of Natural Resources asks how I do know it was the lone applicant? By simply checking the number of applications that went before CRTC, something that his colleague, the Minister of Consumer Affairs, could have done and obviously hasn't. Mr. Chairman, the simple matter is that there was only one forum for adjudication and this Minister, this government, removed that forum from the lone applicant for licencing of pay television. They left that applicant in limbo for five weeks and they have now left the people east of the Red River without pay television for two months, three weeks. The case is very clear that the citizens of Winnipeg have been deprived of the service because of this Minister and this government.

**HON. J. BUCKLASCHUK:** I am certainly reluctant to comment on those remarks as I think if the member reads Hansard he will see that he has clearly reflected upon Mr. Justice Scollin's decision or judgment, and I certainly would not want to find myself in that position.

**MR. CHAIRMAN:** The Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, further with the responsibilities of the Public Utilities Board, there have been in the past some considerable problems with respect to Elmwood Cemetery, the conditions and the groundskeeping and so on under The Cemeteries Act. Are those problems now totally resolved or do they continue?

**HON. J. BUCKLASCHUK:** On Page 31 of the Annual Report there is reference made to The Cemeteries Act, and I am informed that the board has continued to monitor the maintenance of, and passing of accounts, by a judge in respect to perpetual care funds. Yes, I'm led to believe that problem is under control.

**MR. G. FILMON:** Mr. Chairman, were there any hearings held under the determination of beer prices during the past year?

**HON. J. BUCKLASCHUK:** On Page 3 we are informed that there were five Board Orders pursuant to The Liquor Control Act. I don't know how many of these involved the price of beer. I'm sorry, they all involved the price of beer. I believe there was some decision made as to the 18-pack, as well, wasn't there? That was referred to the Public Utilities Board.

**MR. G. FILMON:** Just for the Minister's information, all of the pricing under the Liquor Control Commission that The Public Utilities Act has jurisdiction over is just beer. The government regulates the price on the other types of spirits by virtue of its budget every year.

**MR. CHAIRMAN:** Pass?

**MR. G. FILMON:** Mr. Chairman, I just wanted to make the point here that the Minister of Urban Affairs had indicated there was a parallel between what I perceive to be the conflict-of-interest position that this Minister has been put in with respect to being responsible both for MPIC and the Superintendent of Insurance in the regulation of the insurance industry.

The Minister of Urban Affairs made the point that the Minister of Energy and Mines has traditionally been responsible for Manitoba Hydro, but it's very clear that with respect to rate setting and adjudicatory authority, it comes under the Public Utilities Board, so that he's not in a position to get involved in a competitive sense with the gas companies. In fact, the rates are set by the Public Utilities Board for those competing forms of energy and, indeed, for Manitoba Hydro now that the freeze has been lifted, the rates will be appealable to - I'm sorry, the Minister of Natural Resources wasn't here so I'll repeat because he's making a retort to that response.

I'll make the case again that this Minister was put in a position of conflict of interest, where he became the chief legislative officer responsible for the Manitoba Public Insurance Corporation, which is a competing general insurance company competing with the companies in the private sector that he has jurisdiction over as a regulatory authority as the Minister responsible for the Superintendent of Insurance's office, which I say is a direct conflict of interest.

Now, the Minister of Natural Resources may well disagree with that, but I say that the Cabinet and the Premier have put this Minister in a conflict-of-interest position, and we'll cover that as we get into the Minister's Salary. I just wanted to point out that the situation does differ as compared to the Minister of Energy and Mines, because he does not have the kind of regulatory authority over pricing and other major factors which would be able to put him in a position of competing with the companies that are providing energy to the public of Manitoba such as the gas companies and the oil companies and so on. He does not have that ability as Minister.

**MR. CHAIRMAN:** What is the pleasure of the Committee?

**MR. G. FILMON:** If there are no further questions on the Public Utilities Board, Mr. Chairman, by other members of the Committee, I am prepared to have Items (d)(1) and (2) pass.

**MR. CHAIRMAN:** 3.(d)(1)—pass . . .

**MR. G. FILMON:** Sorry, just one question. I don't think the Minister indicated why there is a reduction in salary cost for the Public Utilities Board, the only one that we see in all of his Estimates — (Interjection) — oh, yes he did, I'm sorry. He talked about the fact that the three staff people are no longer needed since the PUB is not going to have jurisdiction for the communication side of things.

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

Resolved that there be granted to Her Majesty a sum not exceeding \$2,466,300 for Consumer and Corporate Affairs.

Now we come back to the Minister's Salary, Item No. 1.(a).

The Member for Turtle Mountain.

**MR. B. RANSOM:** Thank you, Mr. Chairman. One issue I'd like to raise with the Minister that would better have been dealt with earlier but it has only been brought to my attention since we began the Estimates review and I'm sure the Minister won't mind dealing with it.

This has to do with insulation companies that are active in various parts of the province. It is my understanding that they have to be licensed by the Federal Government in order to do work for which people can then qualify for the Federal insulation grant through CMHC. I realize this isn't the Minister's responsibility but I think it has to do with consumers in Manitoba in that we find that because the licence fee, I believe, is something like \$1,700, that many of the local contractors are not licensed to do the insulation work, consequently it is only outside companies that are doing it in some of the rural towns. The fees that they are charging in some cases are rather high and it is alleged that the work quality is not that good and there are no inspections carried out afterwards.

My question to the Minister would be whether or not he has had a discussion of this problem within his department and whether or not he has made any contact with the Federal Government and CMHC to see if they might change the licensing criteria so that there could be more competition in the area of insulation, so that consumers might be able to shop around and get a better deal on the insulation of their homes.

**HON. J. BUCKLASCHUK:** In response to the Member for Turtle Mountain, I will concur with him that we too would like to see the insulation contracts carried out by local contractors.

I've heard this figure raised of - the member had raised the figure \$1,700 for licence fee - I had heard \$3,000.00. We did check into that and my understanding is that the actual fee is more like \$300.00. I don't know where that information is coming from, these exorbitant licence fees, but I can certainly check that again.

I do recall quite clearly that this question was raised at a meeting we had at Neepawa last fall and we did follow it up and we found that the information was erroneous. For the members benefit I can pull my correspondence on that and check that. If, in fact, it is that high then I certainly would agree that there is need to make representation to Ottawa, but my understanding was that that really was not the problem.

With respect to the lack of inspections, again, I would have to agree. My understanding is that many of these Federal programs undergo random inspections and I have a feeling that there is a considerable amount of sloppy work being done, or not up to the standards that one would expect.

**MR. CHAIRMAN:** Before I give the floor to the Minister of Urban Affairs. Does the Member for Turtle Mountain have any question on the same point?

**MR. B. RANSOM:** Yes, this had just been brought to my attention recently. I attempted to check with CMHC

this afternoon and was not able to get in touch with them to confirm the licence fee but I have had previous discussion with the local contractors, for instance, and they have regarded it as being expensive and bothersome to them to have to get a licence and a great many of them have simply not done it, for whatever reason. So they have the situation of, primarily, outside contractors coming in to the rural towns and doing the work and there has not been any really competitive basis available to the people who want to have work done. So I would appreciate it if the Minister could look into that and see if anything could be done to make the licensing requirements easier because it doesn't appear to me that the licensing requirements have resulted in any high standard of work being attained - any sort of standard that could not be attained by local contractors. So I think anything the Minister could do in that regard would work in the interests of consumers.

**HON. J. BUCKLASCHUK:** Yes, I will certainly follow that up and I can appreciate the viewpoint that has been expressed by the Member for Turtle Mountain.

**MR. CHAIRMAN:** The Minister of Urban Affairs.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman, I wanted to just comment a bit further - and I know we'll have an opportunity to discuss this issue when we deal with the legislation - but I can't help but comment with respect to some of the comments made by the Member for Tuxedo in his somewhat unique interpretation of conflict of interest in the reflection he put on the present Minister. In fact, on Thursday, March 17 it was recorded in Hansard that he reflected on conflict of interests of the previous Minister of Consumer and Corporate Affairs and if one were to take his argument to its logical conclusion then the member who was a former Minister of the previous government and was involved in a number of decisions - both in respect to the portfolios that he had responsibility for and as part of Executive Council - made decisions with respect to the City of Winnipeg, as an example, and to take the kind of argument that was presented by the member to its extreme because that member was a former city councillor, then he was in a conflict-of-interest position because he was now making determinations with respect to the City of Winnipeg, and he formerly was a member of that council. I suppose if one would take it to its further logical conclusion that as Minister of Affairs, and because I'm responsible for grants to the City of Winnipeg, because I'm a resident of the City of Winnipeg that I'm in a conflict position when I make recommendations to Executive Council with respect to grants to the City of Winnipeg.

On Page 820 and 821 of the current Hansard, he suggested that because I was a volunteer board of director member of an organization called the Community Credit Counselling Service, that I was in a conflict-of-interest position because a year and a half subsequent to my leaving that board I was Minister of Consumer and Corporate Affairs, and was involved in a recommendation to Cabinet which resulted in a grant to that organization. Because of volunteer involvement a year-and-a-half previous he suggested that that's a

conflict of interest. I suggest to you, Mr. Chairman, that that's somewhat a perverse interpretation of conflict of interest - just to help the Member for Tuxedo with his memory, because I noted that on Page 821 of Hansard, he was suggesting that the announcement of that particular grant was made subsequent to the Estimates tabled last year.

I would suggest that he review his comments in Hansard of May 31, on Pages 2851 and 2852, at which time he commented on the grant as it was announced at the commencement of Estimates with respect to that organization. and some time later he suggested that was done at some other time. I'll just put that on the record because there was some suggestion it was done in a manner different than what the record shows.

I suppose we'll have the opportunity, as the member indicated, because he said that in discussing the alleged conflict of interest of the present Minister because he's responsible for the Superintendent of Insurance and The Insurance Act, and also the Minister responsible for the Manitoba Public Insurance Corporation, that he's in conflict, and the member suggested he was going to raise these issues when we deal with that legislation. I certainly look forward to the comments that he's going to make. I certainly do not agree with the perverse interpretation that he puts on conflict of interest.

**MR. CHAIRMAN:** The Member for Thompson.

**MR. S. ASHTON:** Yes, just one general comment in regard to this department, actually a very favourable comment for myself, that is, that I'm very pleased to see the expansion of activity that has taken place in a number of areas over the past year. In fact, I'd congratulate the Minister for his part in increasing that activity; it's a very critical area.

What I think the department is doing is responding to the tough economic times we're faced with in a number of areas. I'd be very pleased with the quick response to my own concerns about gas prices in the North; very pleased with the outreach that has taken part under this present Minister by the department in terms of Consumer Affairs, generally, because that certainly is an area that's taken on a higher profile with the poor situation of the economy.

In fact, I'd say that's the bottom line of the Department of Consumer and Corporate Affairs in these tough times, and that is, that when people are feeling the pinch, they need that protection that much more. They need to know their rights. They need to have an accessible Department of Consumer and Corporate Affairs that will react to their concerns. I must say that under the present Minister I've been very impressed by his reaction to those concerns and his department's reaction to those concerns.

**MR. CHAIRMAN:** The Member for Tuxedo.

**MR. G. FILMON:** Well, Mr. Chairman, I hate to inject a note of rain on this garden party that we're having here, as all the various members of government pat each other on the back. I'll proceed to make my objective comments, notwithstanding the political hyping that's going on across the table.

The Member for Thompson has made some interesting remarks about the quick response that the Minister has shown to his concern for high gas prices in the North. I suppose that involves the increase in rate of return that the Public Utilities Board gave to the Steelgas Company, so that his constituents now pay more for their gas prices as a result of this increase in rate of return under this Minister. I'm sure that he's very pleased about that.

So far, in respect to gasoline prices, there's been absolutely nothing done other than instituting some research. I'm sure that the member will find that there's research that was done during those four years as well with some information. I'm sure that won't turn up anything that hasn't been known in the past, but if the member is satisfied with the institution of a little bit of research on his behalf, then I'm sure that he's very easily satisfied because that will always take the place of action as far as this government is concerned and it's pretty evident in the two Throne Speeches in the first year-and-a-half of government that we've endured.

Mr. Chairman, I'm also pleased to hear the Minister of Urban Affairs sensitivity to the suggestion that I made that he had a conflict of interest in approving a grant to an organization of which he had formerly been a director, to his friends and I suppose political supporters on that organization who hadn't heretofore gotten such a grant from the Provincial Government, but were very rapidly repaid for their loyalty and support of the Minister by a grant to do something that they're largely not qualified to do, and I'm sure that would be of great satisfaction to that Minister. If he doesn't see it as a conflict of interest, that's fine, I'm sure that there are other members of the public who recognize it as a conflict of interest.

**MR. CHAIRMAN:** The Minister of Urban Affairs.

**HON. E. KOSTYRA:** Mr. Chairman, the Member for Tuxedo suggested and stated, as I recall his words, that the grant to the Community Credit Counselling Service was a payoff for political support by members of that organization. I would suggest that if he'd like to make that allegation and put some evidence to that I'd be pleased to deal with it, but otherwise, it's a smear, not only on my own credibility but that of the people of that organization.

**MR. G. FILMON:** Does the member have a point of order? — (Interjection) —

**MR. CHAIRMAN:** This is not the forum for points of privilege which will be dealt with in the Chamber.

May I remind the members that the item under consideration is the Minister's Salary.

The Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, getting back down to the affairs of this Minister and his responsibilities in this department, there are a couple of items that we weren't able to raise during the course of the Estimates, or at least we passed over as we went through the Estimates. I'm wondering if the Minister can indicate whether or not he's satisfied with the actions of the Federal Government with respect to the urea-

formaldehyde foam insulation problem as it affects the consumers of this province.

**HON. J. BUCKLASCHUK:** We have not expressed any great satisfaction although we are pleased that the Federal Government is moving in the direction of assisting those homeowners who want to remove UFFI from their homes, to some extent, certainly more than was available a year ago. That isn't to say that more wouldn't be appreciated.

**MR. G. FILMON:** Mr. Chairman, is the Minister looking at various changes with respect to the procedures for testing and licensing of insurance agents in the province? I know that the Minister has had a number of recommendations put before him by the Independent Insurance Agents Association. Some of them they feel have to do with errors and omissions in insurance, and others that have to do with the method of testing and licensing procedures, that they would like to see clarified and improved in their view. Is the Minister planning on any moves in this direction?

**HON. J. BUCKLASCHUK:** Yes, I received a copy of a report from the Insurance Agents Association, I believe, about a week or two ago. I haven't had time to review it. I believe a similar report was presented to the Superintendent of Insurance, I will be discussing it with him once I have an opportunity to go through the material and we will review the matter.

**MR. CHAIRMAN:** What is the pleasure of the Committee?

The Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, in wrapping up the comments that I have to make about this department and the Minister's actions, I want to just, in summary, say that with respect to the Minister's actions on the Northern Union Insurance Company, I feel that it's evident from the questioning and the discussion here in Committee that the Minister and his colleagues made a decision without having a great deal of information or without pursuing all of the relevant information that was necessary to arrive at that decision.

Their decision has resulted in the closure of an insurance company which, I think the Minister indicated, employed some 45 people; had a fairly significant payroll with its inter-related companies who, I think, are involved in that closure and will also probably be dragged down with the company as part of the whole package. There will be a significant loss of employment in the province.

I'm disturbed at the fact that in cancelling the license the Minister left a gap of information, a gap of knowledge, out of the whole picture before he took his decision. I say that it was the responsibility of this Minister to bring the bank involved in this to the table so that he could determine whether or not they were in a Catch-22 situation, where the bank acted, perhaps, because they were unsure as to the Minister's motives in having a show cause hearing with this company.

The Minister then, pursuant to the bank's action, felt that that was evidence of the financial instability of the company and pulled the license thereby plunging them

into receivership. I wonder why the Minister didn't bring all parties to the question to the table or, indeed, at least give some reasonable time - as I said before whether that be seven days or ten days or two weeks or a month - to allow for the principles or the financial backers of this company to come up with sufficient assets to satisfy him as to the solvency question, if that were possible.

From what I've heard from the Minister that kind of discussion did not take place; that kind of opportunity did not take place. There was a technical question involved and the decision was based on the technical situation of whether or not they, in effect, met the solvency requirements of the Act.

It seems to me that where you have the case of an operating company that's generating income, that's generating premiums, that has some value and you take the decision to cancel its licence, you immediately reduce that value, in fact, destroy whatever goodwill and worth it has and like any operating company, its goodwill and the paper upon which it traded was worth value, and this Minister, by his decision, instantly destroyed any value that it had in all of the interrelated operating companies involved.

It seems to me that regardless of whether or not the Minister was legally in the right to make that decision, I think he had a moral obligation to, at least, bring various parties to the table to try and salvage the existence of the company. If he was concerned as to the financial viability of the company, that concern wasn't going to mushroom overnight or the risk that was out there to the various policyholders was not going to instantly multiply two or three times overnight. If the company were given some time, whatever the Minister thought was reasonable, to be able to sort these things out, it would have been a decision in which I would have had confidence. But I believe that the Minister didn't call in all the relevant parties and, therefore, didn't give an opportunity for his concerns to be met. Rather he acted in response to what authority he had, and that isn't always the best response, because as I say, I think he put the policyholders in a far worse situation, where now they have no hope of getting full value for the investment they had made in that company by virtue of their premiums paid or by virtue of the claims that they have outstanding against the company.

I think he plunged them into a far worse situation virtually overnight by canceling the licence than he would have by waiting a short period of time and allowing for various things to happen: (a) a clarification by the bank of what their concerns and requirements were; (b) an opportunity by the shareholders to come up with additional capital.

Finally, Mr. Chairman, I'm very very concerned about the Minister's inability to explain in detail and justify his actions in respect to the changes that were made in the powers and authorities of The Public Utilities Act as they deal with their adjudication of disputes on the cable highway, with respect to ownership of control devices, with respect to all of the various terms, rates and conditions on that cable highway. I think that the Minister has not demonstrated to the satisfaction of the members on our side, that his government knows what their policy objectives are in this regard and because they are confused, so indeed are the various actors in this whole scheme, confused - and I'm talking

about the telephone system, the cable companies and, indeed, now the courts having to try and sort out just what is the proper way to go. I believe that the Minister and his government have not acted from a point of view of information and of having some firm policy directions, but rather from a point of view of confusion and it's evident from the discussion we've had here this evening.

**MR. CHAIRMAN:** What is the pleasure of the committee? 1.(a)—pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$730,200 for Consumer and Corporate Affairs for the fiscal year ending the 31st day of March 1984—pass.

Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Committee come to order. We are considering the Estimates of the Department of Agriculture, in particular, Item 1.(d)(1), Manitoba Natural Products Marketing Council, Salaries.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, before we broke at dinnertime, it was disclosed by the committee that the Minister of Agriculture had an individual who falls within his authority, an appointed member of the Natural Products Marketing Council, who could be, and not any indication at this point that it had actually happened, but an individual who could have a direct conflict because of his job with the Manitoba Beef Commission being an inspector. We had requested that the Minister during dinner hour make a decision on removing that individual, either as an inspector who - I would compare it this way, Mr. Chairman - the individual who is an inspector for the Beef Commission could go out like an RCMP officer and write a speeding ticket for an individual; when that individual goes to court finds out that the individual who is sitting in the judgment chair, or the jury, is the person who wrote the ticket out to him; a direct concern or possibility of a conflict with that individual on the Natural Products Marketing Council.

We requested that the Minister take under advisement and to correct the matter during dinner hour to remove the individual, either from the job as a Natural Products Marketing Councillor, or as an inspector under the Beef Commission. I would hope the Minister at this point would be able to give us an indication that he has made a decision to correct the possible difficulties that could be incurred within a conflict of interest that this particular member has.

The other concern, I guess - it's really not a matter of major concern - but due to the fact, as well, that it is a political appointment, the individual being the President of the Birtle-Russell, I believe, constituency, and NDP president for that constituency. How many jobs do they have to give one of their supporters? I've been informed, and I withdrew that possibly he's not a candidate. — (Interjection) — Well, he's from Binscarth, I know that, Mr. Chairman. — (Interjection) — so he's the — (interjection) — well, I think it's

probably from the constituency of Birtle-Russell; but the point is, we have a potential conflict of interest with an individual that's been appointed by this Minister. He can try to divert it all he likes. The question has to be to the Minister, how much does that member get paid as the Member of the Natural Products Marketing Council, and what are his expenses, and how much does he get paid as an inspector under Beef Commission, Mr. Chairman? Does he really need that work as well as being the President of the NDP Association in that area? How much does he get paid as a Commissioner for the Natural Products Marketing Council, and how much does he get paid as an inspector for the Beef Commission?

**HON. B. URUSKI:** Mr. Chairman, first of all, now we are really getting ourselves into the gutter about individual Manitobans who serve on the boards. Mr. Chairman, before the supper hour, I had indicated to the honourable members that anyone - anyone, because I have met with all boards and commissions - that anyone, and I have instructed all boards and commissions, shortly after their appointment, that if anyone involved on any board and commission who may be involved in a potential conflict of interest, that they should absent themselves from any decision making on that board.

Mr. Chairman, secondly, any producer that is appointed to any board or commission is in a potential conflict of interest, depending on which commodity he or she produces. Any producer that is serving on a board, with the exception, of course, of a total grain producer, would be the only one type of a producer who could say that there is no chance of being involved in a potential conflict of interest. Any producer whom you appoint to, whether it be the marketing council - especially the marketing council which supervises all boards, all marketing boards, Mr. Chairman, even the Hog Producers' Marketing Board, the Beef Commission, all the regulated commodities, all those boards - any producer that you put on those boards is in that position, Mr. Chairman. Maybe the former Minister of Agriculture doesn't realize it but I am sure that the Member for Morris, who served on that kind of a board, realizes that is the case, Mr. Chairman. Even the Member for Morris knows that may be the potential situation.

Mr. Chairman, what I also did say, before the dinner hour, is that I intended to follow up, to make certain that there are no conflicts of interest and I have given that direction as a policy within the department. I intend to follow it up specifically in terms of a letter to all members of boards because I don't know on which board there may be a potential conflict of interest because there could very well be. You have, for example, as was questioned by your colleagues, as to the backgrounds of individuals serving on the Milk Prices Review, whether they had any knowledge of the milk industry. Well, Mr. Chairman, when you go that far potentially you have someone who is in the industry who will be supervising the very kind of a board that deals with it; another potential conflict of interest situation, Mr. Chairman, very much so; it's an industry-wide situation.

In terms of the Beef Commission, the honourable members don't want to accept what the role of those

inspectors are, Mr. Chairman. They don't want to accept what their roles are; their roles are strictly to do one thing, they are there on a part-time basis. There are, I believe, seven of them, as I mentioned earlier, and they are there to do a sampling count of the contractholders only within the Beef Commission, to make sure that the animals enrolled are actually there; to make sure that the contracts are being adhered to. What should be remembered is that when that assessment and inspection is made the producer, to whose farm the inspector comes, is identified and there is a document that has been provided by the commission to seek the verification and the concurrence, or nonconcurrence, of the information that the inspector sees, so that both individuals know what the situation is. That deals with respect to the numbers of animals on the program, Mr. Chairman.

That is the only area of inspections that those members are involved in, nothing else to do with the marketing or any other aspect of the commission, Mr. Chairman.

The honourable members may not like that — (Interjection) — Well, Mr. Chairman, I have told the honourable members what I intend my actions to be and they can make whatever comments that they wish to make.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I don't accept the Minister's response when he says that there's a possibility that other appointed commissioners could have a conflict as producers. That has never been any problem, Mr. Chairman, within the agricultural industry. It's been very acceptable, Mr. Chairman, that if an individual who is a dairy producer sits on the commission. That isn't the kind of conflict that we're dealing about, Mr. Chairman. We're talking about, Mr. Chairman, an individual, under the Natural Products Marketing Council has - and here are the Orders-in-Council that gives the commission the power and it's 1208 for those that are interested, Order 1208 - that has very severe penalties and this inspector, I would think - and I ask the Minister, does he not have the authority to act under the regulations that were passed by him in Order-in-Council, does he not have the full authority to enforce the regulations under the Beef Commission that he put in place, Mr. Chairman? He is trying to gloss over it by saying that he just has to count the animals and make the person live up to the contract. He says that is all. I don't accept that, Mr. Chairman. I believe the commission may cancel or suspend the registration or the licence of a producer — (Interjection) —

**HON. B. URUSKI:** On the recommendation of the inspector.

**MR. J. DOWNEY:** That's right, the recommendation of a producer. Why would he have cause to do that, Mr. Chairman? If the inspector went out and found that there was a different count there than what should have been there, then he has the power to suspend the registration. That producer doesn't accept that inspector's role. The inspector is the man who puts

the penalty on him because under the regulations written by this Minister, he's given authority to the inspector.

The inspector has a free hand to prosecute, to give him what he wants - the inspector and then he goes and sits as a Natural Products Marketing Council Commission and passes judgment. Well, is he going to change his decision when he's now a councillor on the Natural Products Marketing Council? It doesn't wash, Mr. Chairman, and we have a Minister of Agriculture who says, well, I'm going to deal with him. I'm going to write a letter and clearly outline what their responsibilities are. That won't wash, Mr. Chairman.

You know, he bragged about 4,000 producers or something being signed up in the Beef Producers Program. Those 4,000 producers have to account for their actions. They have to account to an inspector who goes to their property to either count livestock or . . . and I do question him, does the inspector not have the authority to enforce the regulations as written by him as the Minister? If he doesn't, Mr. Chairman, then what has he got him hired for? He still hasn't answered the question as to how much money this man is making as a commissioner, this President of the NDP Association. How much money is he making as a commissioner? How much money is he making as an inspector? Does he really need that kind of help because he's the President of the NDP Association in that constituency? Talk about pork barrelling, Mr. Chairman, pork barrelling twice over and that's why we want to know how much money is he making. How much public money, your and my tax dollars, is he giving to his President of an NDP Association that could, in fact, treat a farm person unfairly when it came to judgment day, if there was an inaccuracy? — (Interjection) —

Mr. Chairman, the Member for Morris did a very acceptable job. The Member for Morris was not an inspector hired by that same commission. Don't give us that. And he wasn't President of a Conservative Association either. We now have the President of an NDP Association getting a commissioner on the Natural Products Marketing Council.

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

**MR. J. DOWNEY:** Thank you, Mr. Chairman, I appreciate your concern for getting facts on the record.

Mr. Chairman, as I've indicated, there are several pages of regulations which the producers have to adhere to. I again ask the Minister if the inspector does not have these to back him up? How can he send an inspector onto the yard of a farmer to do certain things for him, if he doesn't have the regulated authority to do it? That's why I'm asking him again. How much money is he paying him as an inspector? How much money is he paying him as a Natural Products Marketing Councillor? And does he not have the authority to enforce the regulations, 1208, that were passed by this Minister of Agriculture that has complete control over those producers who were signed up in the Beef Commission?

Well, Mr. Chairman, I ask the Minister those questions. I would hope he could clarify it for us.

**HON. B. URUSKI:** Mr. Chairman, first of all, the honourable member should know that the rates for



commissioners - the Honourable Member for Morris will know that; he can tell the Honourable Member for Arthur - they receive \$80 per day when they are meeting, and the chairperson receives, I think, \$100 or \$105 per day. The part-time inspectors of the Beef Commission receive \$62.40 per day worked as an inspector on the commission.

Mr. Chairman, the honourable member attempts to make a case that the inspector becomes the prosecutor in the work that they are doing. That is totally inaccurate. What happens is, the inspector is given the power of doing one specific job of verification that the number of — (Interjection) — Mr. Chairman, just let the honourable member listen and let me finish. I didn't interrupt him when he was speaking. — (Interjection) — When the inspector makes the verification in terms of the inspection, he reports to the commission. The commission then decides whether or not this is a legal matter, whether the Attorney-General's department and/or the RCMP are involved, or whether it's strictly a legal matter between the commission and the farmer and they handle it on that basis, Mr. Chairman. Well, Mr. Chairman, the honourable member says fudging it. Let him realize what the role of the inspectors are. He doesn't appear to want to realize the procedure of investigation - there are no powers of implementing any penalties whatsoever - any decision making with respect to any reports are not made by the inspectors, Mr. Chairman; they are made by the commission in terms of the work that he is doing.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, under what legislative authority has the Minister of Agriculture introduced the Beef Marketing Commission in the Province of Manitoba?

**HON. B. URUSKI:** Mr. Chairman, under The Natural Products Marketing Act.

**MR. J. DOWNEY:** Mr. Chairman, then the Minister has now admitted that has in fact got a regulated commodity which is under the authority of the Natural Products Marketing Council which has now got an appointee to operate and to be the last basis of appeal for a farmer if there is a judgment made throughout the Beef Commission. If the farmer has an appeal to make who does he make that appeal to?

**HON. B. URUSKI:** Mr. Chairman, first of all, anyone that has a problem with any one of the inspectors first of all goes to the commission. The commission then makes a determination. When the commission makes the determination, if the producer is dissatisfied with that determination, then that appeal goes to the Natural Products Marketing Council.

**MR. J. DOWNEY:** Mr. Chairman, then we have directly a possibility of a conflict of interest admitted by the Minister. We pleaded with him, Mr. Chairman, by his own admission, we pleaded with him before dinner to deal with the situation. To either remove this man, Mr. Spencer, as a Natural Products Marketing Commissioner, or as an inspector of the Beef

Commission. That's all we've asked, Mr. Chairman, so that the possibility of a conflict does not prevail. We've asked him to do it and he has refused to do it, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Lakeside.

**MR. H. ENNS:** The Minister of Agriculture is having some trouble but perhaps the Minister could tell me. For instance, could an active working city police detective, working on the narcotics squad or the homicide squad or something like that, could he also be at the same time a Member of the Manitoba Police Commission, or the Winnipeg Police Commission? That's what my friend, the Member for Arthur, is asking. How can you serve in both capacities? Can you imagine the outrage that would take place if an active member of the City of Winnipeg Police Force that is busy out there prosecuting and doing his job as a police officer is also going to sit on that independent Police Commission that is from time to time supposed to judge whether or not the force is carrying out its responsibilities properly? Surely, Mr. Chairman, one doesn't have to draw a picture.

**MR. D. ORCHARD:** Thank you, Mr. Chairman. Under the regulations of that Order-in-Council 1208, Manitoba Council under definitions means the Manitoba Natural Products Marketing Council. I refer the Minister to section 13 of the Order-in-Council where it says, any producer, transporter, stockyard, commission agent, or processor, who or which objects to the cancellation or suspension of his or its registration or licence by the commission, may notify the secretary thereof. If he is not satisfied, he may refer the matter to the Manitoba Council; the Manitoba Council being the Manitoba Natural Products Marketing Council. It goes on further to say, which may hear the producer or the commission, or both of them, and may confirm the cancellation or suspension, or order the reinstatement of the registration or licence of the producer, and here's the catchall, Mr. Chairman, and the decision of the Manitoba Council is final; namely, the Manitoba Natural Product Marketing Council.

Now, any action brought before the Beef Commission in all likelihood is going to be brought to them on the basis of a report by one of the seven inspectors appointed by this Minister of Agriculture to administer the regulations of the Manitoba Beef Marketing Plan. He has appointed those inspectors; they rove the province; one of them just so happens to be a member of the Manitoba Natural Products Marketing Council. So he brings an action against a Progressive Conservative supporter. Take the example to the extreme. You have a beef producer who is identified with our party. The president of the NDP Association, who happens to be the inspector, goes out, lays a charge, cancels his ability to be a producer under the plan; the producer appeals it to the Beef Marketing Commission, doesn't get satisfaction there, and appeals it to the Manitoba Marketing Council. And is he going to get satisfaction there when this inspector, who laid the original charge, is also an appointed board member of that?

Mr. Chairman, if this was in any other place but a democracy we would expect it but, theoretically,

individual rights are to be protected by government agencies, not go full circle and have an inspector being the judge and the prosecutor as this situation has developed. The Minister clearly has a man who has a conflict of interest within his Beef Marketing Commission. He can't serve in both capacities. Either the Minister should make him resign from the Manitoba Marketing Council or he should fire him as an inspector under the Beef Commission, because the man cannot sit in both when the final judgment, the final appeal, is made to the board that the inspector is a member of. He can't have it both ways, Mr. Chairman.

This is an incredible scenario and members opposite are laughing this off as some sort of a joke. Mr. Chairman, this cannot exist in a democracy unless we have lost some of our freedoms, and that is exactly what the Minister of Agriculture is doing when he has the inspector also as a member of the council. The inspector can lay the charge and, in the final appeal, the producer must go to the council of which that inspector is a member. You cannot tell me for one minute, Mr. Chairman, that this letter instructing this particular inspector not to be present in any conflict-of-interest situation is going to suffice, because you have to remember, this Minister has replaced most of the members of that council. Do you think for one minute that if this inspector has a grudge against an individual beef producer that he isn't going to make sure that the other appointees, which we have to assume, as the Premier has said, are politically in tune with the NDP, are not going to carry out the prosecution in absence of this inspector who is going to say, well, I've got a conflict of interest and I am going to absent myself from the decision.

Mr. Chairman, that's hanging post-justice, and this Minister of Agriculture is going to let that obvious conflict of interest exist in the Province of Manitoba. Well, you know, fine. Well, the Member for Thompson put it in a nutshell, he called it gulag justice, and we are going to see more of it, Mr. Chairman. The Member for Thompson has finally said something credible in this House when he called this inspector being a member of the Marketing Commission, gulag justice. If this Minister doesn't act on it, all confidence in that board is shot. You can't exist with a conflict. Surely, there is more talent amongst the NDP Party supporters out there in the province, that he doesn't have to have the same man as an inspector plus a member of the Marketing Commission. Surely, he can dig up some talent someplace so that he can split the jobs and avoid a conflict of interest which is obviously there even though you won't admit to it.

It's an obvious conflict of interest and, if you don't rectify it, you destroy your credibility.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, the Member for Pembina doesn't seem to want to understand or doesn't understand, or else he's malicious, to say the least, in terms of his analysis. The Member for Pembina, while he wants to draw up a straw man and say this is what will happen if this is the case. Mr. Chairman, first of all, an inspector in the role that he is performing has no authority to lay a charge, he has no authority to

cancel any contracts — (Interjection) — Well, of course, he reports to someone. Mr. Chairman, he reports to a commission. The commission is the individuals who make any decisions or recommend any follow-up on the basis of an inspector's information.

Now, let's get back to the scenario that I said before. Any producer, other than a grain producer, sitting on that council is in a potential conflict . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. B. URUSKI:** Mr. Chairman, they are in a potential conflict of interest in dealing with members of their own industry. That's the potential conflict of interest that one faces; where I have said that if, in fact, there is a case that this inspector should have been involved in where a commission makes a decision, I have told all boards and commissions, because there is potential conflict of interest with any producer sitting on any boards and commissions dealing with their own industry, to absent themselves from any decision-making.

The honourable member shakes his head, he doesn't like it. The fact of the matter is that is the rule I operate on. If, in fact, there is evidence that has happened, Mr. Chairman, then I will take the responsible action and remove that individual from that board, but until such a time as there is, in fact, a true conflict of interest that someone has sat on and got themselves into because of some scenario painted by the Honourable Member for Arthur, the Honourable Member for Pembina, the rules that are in place now shall apply.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. W. MCKENZIE:** I thank you, Mr. Chairman. Mr. Chairman, I would strongly urge this Minister to go and talk to Mr. Spencer, who is my constituent, and I am sure he is an honourable gentleman and a respectable person in the agricultural field of this province. There is no way, Mr. Chairman, that Ray Spencer wants to have this cloud of suspicion hanging over his head or his family as such, because I suspect that Mr. Spencer will be the laughing stock of every coffee shop in this province if this Minister is going to pursue and keep him locked into both those positions, which is untenable because it is conflict of interest.

Agriculture, our No. 1 industry - the beef industry doesn't need that kind of a problem today. They've got enough other problems which this Minister and his government has refused to deal with, without now having another cloud of suspicion and another conflict, political pork-barrelling, thrown into the mix of trying to put the beef industry in this province back into the rails, Mr. Chairman. I'm sure the NDP Party doesn't want to have this cloud of suspicion in the Birtle-Russell Constituency hanging over their heads because of the decision that this Minister has made.

Mr. Chairman, it's untenable. Read what the First Minister of this province said - guaranteed - he says, we can improve the quality of life in small towns and rural communities. Can you imagine what the community and the tenor is going to be in Binscarth today after hearing what's going on in this Chamber about our friend, Ray Spencer? He is a heck of a nice guy, Ray, a topnotch guy, and I respect him, but this

Minister has put him in the most untenable position and he's not going to be able to live with it. He can't live with it.

Then he goes on and says, Manitobans are great people. I agree with that. He says, together we can build a great future; that's a promise we can guarantee. You're going to tear the guts out of Birtle-Russell Constituency - the NDP Party - and Ray Spencer's heart by carrying on with this type of absolute junk. It's uncalled for. Put him on the Arts Council, put him on the Water Board, put him someplace else, but don't put my constituent in that untenable position which he can't live with or the people can't live with in this province. It's absolutely pork-barrelling at the worst. I can't believe it. I've been here a long time. This is the most blatant example of pork-barrelling I've ever seen in my life in this Legislature.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Chairman. I'd like to make a couple of comments and then end it up in a question. — (Interjection) — Harry, at least I can start something and finish it.

Mr. Chairman, something of what the Minister said regarding conflict of interest of members on the council, he was halfway true but only that far. There's an industry conflict at times. Individuals by their very nature and their backgrounds come from some sector within agriculture, and I suppose that's what was so good about the council named through the previous four years, that all their backgrounds were unrelated to the regulated products. There were grain producers and there were basically cattle producers, individuals really that had no tie-in to the Natural Products Marketing Council, to the Act.

In the past, those individuals that were once producers, for instance, in the milk industry were for the large part retired, so their interest, although it was tied into some past experience, was still not active. Now, the Minister attempts to use that as part of his explanation in saying that's there's always some conflict. Well, up to this point in time, there hasn't been in any sense an active conflict specific to an individual, specific to an individual farm, specific to an individual case, and as close as he can come is the fact that there may have been an industry conflict because some individual has had a background within, for instance, the milk industry.

The case, as stated by both the Members for Arthur and Pembina, are very accurate when they say in effect that an individual can go out and make an inspection and it's on the basis of that that the commission makes a judgment. It's no different as when I was sitting as a member on the Natural Products Marketing Council, who has their own inspector by the way, for inspecting those situations, those cases, where there has been a charge made against, for instance, an over supply or an over number of chickens. That inspector goes out and makes that count. Those of us who are on the council, that sat in a quasi-judicial position, had no other choice but to accept the count of that particular inspector, and that on the basis then of the Act and the specific information brought to us, we had to judge.

Now that is the conflict the members on my side, my colleagues, are making reference to, that this very

same individual who makes recommendation to the commission by way of a count can find himself conceivably, in some specific situation, also acting in judgment of that very same case, that very same farmer, he in fact inspected some time previously. I submit that there is a potential for a conflict of interest and I think that any individual should only be doing one of those particular tasks.

**MR. CHAIRMAN:** The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, the Minister made a statement just before he sat down which rather disturbs me. He said that if he would have any evidence whatsoever that this person was not treating the people who were appealing the process fairly, then he was going to remove that person. In order for the Minister to do that, it means the Minister will pretty well have to be involved in every appeal process in order for the Minister to determine whether this person is doing a good job out there. This rather concerns me because I don't think that the Minister really should be involved all that much in the appeal process, and he should have people in there that he would have confidence in that they would adjudicate properly and that they would not have a conflict of interest.

I would just like to relate an experience I had with a certain inspector and, unfortunately, I think that the term "inspector" is the most unfair term you can put on any particular person because for some reason or other, once you start calling a person an inspector, the next day they seem to have two-inch horns, the day after they're four-inch horns and . . .

**A MEMBER:** And pretty soon they grow the tail.

**MR. A. BROWN:** Yes, but this happens, and this particular inspector that I'm going to be talking about was a federal inspector, he was a meat inspector, and he got to be a very sarcastic person. Nobody could really seem to get along with him anymore. He was getting to be very picky. He had the most obnoxious attitude when he went to see the people in the industry and this got from bad to worse. I know at this one time when he was visiting this particular plant, they were loading meat on the truck; they had the meat in paper boxes, they were loading it on the truck. He was standing there watching all the time. After the truck was completely loaded, he says, okay, fellows, now you are going to unload that truck and you're going to put brown paper in the bottom of the box and then you can load again. That is the type of thing that inspectors are prone to do.

This person complied. He was very, very angry but he complied. But he knew where the next stop was going to be where this inspector was going to go, so he phoned that person and he told him what he just had done to him and already he was disliked by the other person as well as at this particular plant where he'd been. So he went to that plant and again in the same obnoxious, sarcastic way started picking around at things until this fellow over there couldn't stand it anymore and he hit the fellow. They took him by his collar and hung him on a meat hook and let him hang there for a while trying to squirm out of it, but he couldn't

because his feet couldn't touch the floor. That's when I became involved with this case.

**A MEMBER:** You took him off the hook.

**MR. A. BROWN:** I had to try to get the fellow's licence back. But under circumstances such as that, if that inspector would have been on the appeal board, do you think that person who had the problem with him would have received a fair hearing? There's just no way. There's no way, can you tell me, that there is not going to be a conflict of interest appearing.

**HON. B. URUSKI:** How many members on that council?

**MR. A. BROWN:** Even if we have one person on there who is biased, who is not impartial, then that by itself could throw out your whole case. This is all I'm saying - that the problem could arise out of a situation such as this.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I again request that the Minister give us some indication that he's not going to allow this. It's been very well explained by my colleagues. It points out that there is a very serious possibility that could develop, of having a conflict. We're not particularly out to get one particular individual, as my colleague indicates. It would certainly take a cloud off his head. We have to ask the Minister, Mr. Chairman, how many others. How many other potential conflicts are there within his appointments of boards and commissions? How many other people inspect, and are also involved in boards of authority or these kinds of judgment calls that will have to be made after the inspection is made? Are there other particular appointments that this Minister has made? Does he accept this as a principle? Does he support the principle of appointing inspectors to judgment decisions on their actions at a further date? That's what we're establishing here. It's not the individual so much; it's the principle of allowing an individual to be in that kind of situation.

Do members of all that side - I challenge them - how can they sit there and allow this to take place.? Should they not encourage their Minister of Agriculture to change his mind, Mr. Chairman?

You know, the other thing is that this individual may have to come to the City of Winnipeg or wherever the hearings are taking place; he will now get paid \$62-and-something a day as an inspector; he will be paid \$80 a day plus expenses for a Natural Products Marketing Council hearing. Is he going to get paid double for that particular day? — (Interjection) — There's lots of opportunity there. He can act as an inspector and a councillor the same day and be paid double by the taxpayers. This whole thing has far-reaching repercussions if this is the way this Minister of Agriculture in the New Democratic Party Government are going to administer the affairs of the province. He should change his mind, Mr. Chairman, and tell this committee that he's prepared to remove that individual from one of those jobs. If he won't, we can't support the passing of this resolution.

**MR. CHAIRMAN:** Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Chairman. I'm not going to add too much. I agree with most of what has been said by my colleagues, but I just can't understand the Honourable Minister being so stubborn.

The Honourable Minister has taken one of his friends, one of his supporters and put him in a position of jeopardy that is almost untenable. It would be so easy to correct the situation without making any accusations, without pointing a finger. We agree that most of these positions are political appointments. The people are very qualified. Why do you put this Mr. Spencer in such a position of jeopardy, criticism and humiliation from everybody who knows that he has these two positions?

All you have to do, Mr. Minister, is appoint him to another board. Let it be some other board, the Crown Lands Appeal Board - anything else. Give this man the opportunity to come to you, Mr. Minister, and say, look, I don't need all of this hassle. Why did you put me here? Am I the only one that can serve in this position? You have put me in a position of such humiliation, I cannot accept the position. Please change me, Mr. Minister. Let us remain friends — (Interjection) — I would like to be a friend to this fellow, but the Honourable Minister has put him into a position where I cannot accept what decision has been made. Please, Mr. Minister, do your friend a favour; change his commission; change his job. Don't take away his job completely; change it with something else. I know of somebody in the Crown Lands Appeal Board that would be happy to change positions. So please, would the Honourable Minister consider it?

**MR. CHAIRMAN:** The Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, I have some concerns about the approach that's being taken by members opposite, and their seeming unwillingness to understand what the Minister has said several times over since 8 o'clock, and before 5:30 when I listened to this debate. I have some concern that they persist in launching a smear campaign against one individual based upon an alleged, potential conflict of interest.

The Member for Morris hit the nail on the head — (Interjection) —

**MR. CHAIRMAN:** Order please. The Member for Niakwa on a point of order.

**MR. A. KOVNATS:** I think the honourable member has just made a statement about using the word "they", meaning all of the people on this side, embarking on a smear campaign. That is not what has been said. I think the Honourable Minister would agree that the Member for Niakwa certainly didn't make any smear remarks. I want that to go onto the record.

**MR. CHAIRMAN:** The Member for Rhineland on the same point of order.

**MR. A. BROWN:** Point of order, Mr. Chairman. I don't know the gentlemen in question. I've never met him, to my knowledge. I have no bad feelings or good feelings about him. I just don't know the gentleman. I certainly had no intent to get personalities involved with this. I'm just stating that there is a potential for conflict.

**MR. CHAIRMAN:** The Member for Pembina on the same point of order.

**MR. D. ORCHARD:** The Member for Springfield is alluding to a smear campaign. I don't recall any of us on this side of the House making a smear campaign or an individual attack. The attack we have made is on the integrity of the Minister of Agriculture for putting an individual who is a member and a supporter of that party . . . Pork-barrelling is accepted in this day and age, Mr. Chairman. We recognize that he's appointed a politically in-tune person to the board, but he has put him in a position of conflict of interest.

It is the Minister who is smearing Mr. Spencer, not any members on this side. The matter would never have been raised, had not the Minister put this gentlemen in a conflict of interest. There is no smear campaign against Mr. Spencer. The smear campaign, if there is one, is against the Minister of Agriculture for playing sleazy politics.

**MR. CHAIRMAN:** The Member for Arthur on the same point of order.

**MR. J. DOWNEY:** Mr. Chairman, it's been pretty clearly stated by my colleagues that it was not a smear campaign on one particular individual. However, if I'm recalling what the debate has been, it's been the fact that he's the President of the New Democratic Party of the constituency in which he is now an inspector of the beef industry. That's no direct attack on any individual. The attack is the acceptance of that job, or the position that the Minister has taken that he's going to hold them to those particular jobs or not prepared to remove from either one of those positions. It could be cleared up in a matter of minutes, if the Minister would make that decision and back off, but he won't.

So, as my colleague for Pembina has indicated, it's the Minister of Agriculture that has that decision to make. We're not trying to make a personal attack on any particular individual. It's the Minister who is not using a wise choice of people to administer the Natural Products Marketing Council. At the same time, they have them as an inspector under that council. That's the point. It's not a personal smear; it's strictly a matter of pointing out that there is a direct possibility of a conflict, which we would not like to see happen, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Roblin-Russell on the same point of order.

**MR. W. MCKENZIE:** Mr. Chairman, on the same point of order. I certainly pleaded with the Minister and the government to not smear my constituent and have his name blazened across the newspapers of this province because it is quite easy to solve it. So, I asked and I pleaded to not have his name smeared across, while I, in the heat of my anger because of what is happening I may have said that he was a Member of Birtle-Russell constituency, it is Roblin-Russell constituency and I regret very much that his name will be smeared across; not by us, it is by the actions of this Minister and this government, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, I would like to apologize to the Member for Rhineland and the Member for Niakwa. I believe they were sucked in by a smear campaign launched by three of their colleagues and I certainly don't want to intimate that those two members in any way attempted to smear Mr. Ray Spencer.

**MR. A. DRIEDGER:** That's a cheap shot.

**MR. A. ANSTETT:** But, in this Chamber and in its committees, we have always abstained from referring to individual members of the public when we wanted to direct our attacks against Members of the Treasury Bench, and we've avoided naming civil servants and people who fall into categories such as Mr. Spencer. Only when someone has wanted to directly discredit an individual member of the public has his name, his political affiliation, any other allegations, with regard to that individual, been dragged into this Chamber. For those members to suggest that they have not engaged in a smear campaign is reprehensible; to suggest, as well, that they've engaged in a smear campaign against the Minister, which is what the Member for Pembina admitted, is even more reprehensible. I expect the Member for Pembina to come to this House with constructive criticism, to do analysis of the Estimates. But, to admit in this House before all of us, that he is engaged in a smear campaign on the Minister tells me how low he will grovel. I have some real concerns about what is happening here.

But, Mr. Chairman, let's analyze what the allegation really is. The allegation that's made by the Members for Pembina, Arthur and well, Roblin-Russell as of late; is that an individual has an appointment . . .

**MR. J. DOWNEY:** Is the member on a point order or is he debating the Natural Products Marketing Council?

**MR. A. ANSTETT:** I finished my comments on the point of order. Would you like the Chairman to rule at this point or may I continue?

**MR. CHAIRMAN:** The Member for Rhineland.

**MR. A. BROWN:** Yes, Mr. Chairman, I would like to go on a point of order. The Member for Springfield said that I have been sucked in by my colleagues into making these comments. I certainly was not sucked in by my colleagues into making those comments, I honestly believe that the Minister is going to create a conflict of interest somewhere along the line by the procedure that he is taking. We are just trying to tell the Minister that he can avoid that particular conflict if he acts now.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. W. MCKENZIE:** On a point of order. In response to the comments from the Honourable Member for Springfield. We would not have known the name of this gentleman until we raised the question today as to who were the members of these various boards. The Honourable Minister is the name of the one who put this name on the record, not us.

Don't make those allegations and charges that we were at fault. The question was raised by my honourable

colleague, the Member for Morris, as to who were the members who were appointed to this board. This name that surfaced was on both boards and that's what caused the controversy.

**MR. CHAIRMAN:** The Member for Springfield.

**MR. A. ANSTETT:** If I may, I would like to continue my remarks. I would like to apologize to the Member for Rhineland, as I did to the Member for Niakwa. I am not suggesting for a minute that they were engaged in a smear campaign. If that suggestion in any way sits uneasily with them I certainly, not only apologize but withdraw it completely.

But, I do have a concern about what's being alleged by his colleagues. What they're saying is that no one, who might potentially have a conflict of interest on any subject in which he has any personal interest, can sit on any public board, can be engaged in any public activity, can seek elective office, because anyone who potentially might have a conflict of interest would not be given the option under the theory advanced by the Members for Pembina and Arthur of disqualifying themselves, of saying they want to sit out that discussion, of removing themselves from the item under consideration, or whatever. No, they must choose in advance not to run for public office, not to offer to serve on a public committee or board or agency, not to get involved at the municipal level. That's the theory they're advancing in this committee tonight, that if there's any possibility that your service could result in a conflict of interest then a person should resign.

Mr. Chairman, I commend to the attention of the Members for Pembina and Arthur, Section 19 of The Legislative Assembly Act and I expect them, by 8:30 tomorrow, to have their on the Clerk's desk for transmittal to the Speaker because they are in potential conflict of interest positions in accordance with Section 19. Now, I don't believe that, I don't believe that any such case can be made — (Interjection) — but your worse, your legislators, you're making the laws, you're voting on matters which affect the people of Manitoba and yourselves. Now, for these members to suggest that under Section 19 they would have a potential conflict of interest; for me to suggest that would be irresponsible, Mr. Chairman. I don't suggest that, but I say the same logic can be extended to the Beef Commission and the Natural Products Marketing Council. That's the kind of logic they are applying here in this House.

Now, the other thing that the Member for Morris knows and he didn't tell the House, is the Natural Products Marketing Council has their own inspectors. — (Interjection) — Yes, and that they do the inspections anytime there's an appeal. They don't accept the results of the local boards. So the allegation — (Interjection) — Oh, but the Member for Morris didn't make that clear. The allegations made by the Members for Pembina, Arthur and Roblin-Russell are that an individual, who is an inspector for the Beef Commission, would be sitting in assessing evidence that he collected; that's not the fact. The Natural Products Marketing Council sends out their own inspector to collect their own evidence. They do their own counts when there is an appeal. Okay — (Interjection) — Yes, they've got

an appeal, there's an appeal to the Natural Products Marketing Council. They send out their own inspector when there's an appeal. The members can check that. I am advised that they send out their own inspectors when there is an appeal.

Now, furthermore, if there was going to be a conflict, it would certainly be a conflict if the inspector was on the Beef Commission, but to have it one full step removed, with the option that a person can sit out any issue on which there is a potential conflict, there is no problem whatsoever. But, Mr. Chairman, what I am concerned about here is not the mechanics, okay, because the mechanics are set up to safeguard the kinds of conflicts, and the Member for Morris claims that he advised the House that the council does its own counts on an appeal.

**MR. C. MANNES:** Up 'til now. We've got a new player in the game.

**MR. A. ANSTETT:** If the council has its own inspector and does its own counts on an appeal, the counts done by an inspector of the Beef Commission are not going to be there; they're not going to be part of the appeal to that council. The Member for Morris can tell this committee how that council has worked in the past on appeals.

But, more importantly, Mr. Chairman, the problem here is the games that are being played and the attempts, I suggest, to smear an individual who's been asked and has consented to serve in two roles that are at least arms length removed from each other, and to which his role in one position cannot be used in appeals to the Marketing Council.

That's the bottom line and any attempt to play games with that is just that, an attempt to smear a dedicated Manitoban who is willing to serve his fellow citizens.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Mr. Chairman, I hadn't intended to get into this particular discussion till the Member for Springfield rose. I have to remind him that he's been in this Legislature - not as a member for a long time, but serving in a different capacity - and he forgets and he overlooks one basic difference between somebody who's appointed by a Minister and is a civil servant or has a job in the government, and an elected official. If I say something in this Legislature, if I do something that is contrary to what the public believes is in the best interests of the public, my constituents have the right every four years to boot me out and I answer to them.

Now, I ask you who this individual, who's been appointed to a board, and who's also serving in another job is responsible to? Only one person and that's to the Minister that appointed him. That particular individual does not have to go back to the people, never has to. So let the member not indicate that this situation is the same as ours, because it's not. If the people think I'm not doing a good job and if people catch me with my hands in the cookie jar, I'll tell you they're going to kick me out just as fast as anything and they have a chance of getting at me. But the public has no way of getting at this particular individual except

through the Minister who has appointed this person to two different positions.

Now, Mr. Chairman, we are being asked in Bill 18, coming up in this Legislative Session, to deal with conflict of interest. One of the things that we have learned as politicians through many years - at least you'd hope you'd learned it - is that not only must justice be done, it must be seen to be done. That's an overworked phrase, but here we have a classic example of where an individual who is a politically appointed person, has been appointed to the board, he's been paid off for the dues that he's paid to this particular party and that's why he's there. The Minister removed other people from the Milk Control Board and everywhere to put his own people on. That's a fact of life, that's number one. But you've got a situation here where this person, as pointed out by a number of speakers, is in a definite position to have a conflict. With members opposite asking all the Members of the Legislature not only to disclose what their assets are before any conflict can arise, you are also going to ask us to disclose what our spouses have. If we have more than a 5-percent interest in anything, we, as Members of the Legislature are going to have to disclose, even though, Mr. Chairman, if I do something wrong, the people have a right to kick me out next time. If the indiscretion or the thing that we do is large enough, public pressure will be built and people will have to resign because of it. It's happened in this Legislature before and those people then have to go back to the people and run again if they want.

So you are, on the one hand, asking us as legislators who are directly responsible to the people, to provide you with the type of information that is going to be public information - information about our spouses holdings, information about all our holdings. But you have an individual here now who is appointed by the Minister, who has another job on the side, who can be caught with a conflict and the Minister is saying that's okay, when it comes that far, he'll recognize it and he'll absolve himself.

Mr. Chairman, that's not good enough. In this day and age when we are concerned about the way people are carrying on their jobs and conducting their affairs of government, this Minister should have no alternative but to make sure that that particular individual has one job. Mr. Chairman, he has admitted there could be a potential conflict; he is aware that this person could have a potential conflict. I want to say to the Minister, if there is a chance of having a potential conflict, if you've recognized it, this is a politically appointed person, do yourself a favour, do the people of Manitoba the favour and get rid of him off one of the boards or one of the jobs.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I have to take issue with a couple of comments made by the Member for Springfield. He would appear to be an expert in this whole area and as is his characteristic at times, he jumps into some areas of which he knows very little. He made the comment, in fact, that I did not make reference to the fact that the council had an inspector. I think I explicitly said that. As a member of council

that was on the basis of which we made many of our decisions, on the basis of the council's own inspector. What makes this different is that, obviously the information that will be used by the council in its ultimate decision certainly would have to be the preliminary information as brought forward by the original inspection, in this case, the particular number of animals that were on that farm at the time, the original numbers that that original inspector employed by the Beef Commission saw by his eyes at that particular time. The council is not going to send their own inspector out some month or two months later to verify because situations change, of course. That's like ignoring preliminary information at a hearing and going out for some more information.

I want to, again, indicate to the Member for Springfield that naturally the information brought forward from the original inspector, the one hired by the commission, is the information that'll be used in judgment by the council and not information that is brought forward by additional inspection from the council's own inspection.

**MR. A. ANSTETT:** Mr. Chairman, the Member for Morris suggests that the system he just outlined would be the system employed by the Marketing Council on appeals. I'd like to ask him if, when he was a member of the board, the system he just described was the system that was followed by that council.

**MR. C. MANNES:** Mr. Chairman, I don't think it's the place for me to answer this. I'll gladly answer that in the hall in front of any number of people but I don't think this is the place.

**MR. A. ANSTETT:** Well, Mr. Chairman, I find the Member for Morris's comments lack credibility then, if he suggests that the council will proceed in a fashion today that he's not prepared to acknowledge or repudiate as the manner in which the council operated when he was a member of that council. If he's not prepared to say that that's how the council operated, then he's trying to tell this Committee that the council will operate in a fashion today which is different than the fashion in which it operated over the last four years.

Mr. Chairman, I don't think that's responsible. If the member doesn't want to answer questions then he shouldn't be prepared to get into debate.

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

Order please.

**MR. J. DOWNEY:** Mr. Chairman, it is not the habit of this committee that the members of the backbench of the government should be asking my colleagues to answer questions in this chamber. If they want to ask us questions then he should resign, Mr. Chairman, and allow us to be the government. That's when we'll answer questions. They'll be straightforward and honest answers too.

**MR. A. ANSTETT:** Mr. Chairman, I'm amazed at the opposition's sensitivity on this question. Mr. Chairman, I chose to get into this debate hopefully to shed some light on the arguments that are being made opposite.

If I want to get into the debate and ask real questions or rhetorical questions I'll feel free to do that; that's a back-and-forth exchange with unlimited speaking privileges allowed in this Committee to all members. If the Member for Morris under a challenge from me to state the position of the council of which he was a member refuses to do so then, Mr. Chairman, I have to have . . . — (Interjection) —

**MR. CHAIRMAN:** Order please. The Member for Rhineland.

**MR. A. BROWN:** In the ten years that I have been in this House, never has a backbencher asked any questions from anybody else on the opposition side, never ever. The questions are being asked of the Minister.

**MR. CHAIRMAN:** Order please. Are you ready for the question? Item 1.(d)(1)—pass?  
The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, we will not pass this appropriation. We want to have a counted vote on it, Mr. Chairman. Ayes and Nays, Mr. Chairman.

**MR. CHAIRMAN:** Yeas and Nays. Item 1.(d)(1), all those in favour? Opposed? It's my opinion that the Yeas have it.

**MR. J. DOWNEY:** I'd like a counted vote, Mr. Chairman.

**MR. SPEAKER:** Is the member for Arthur requesting a formal count or a recorded vote?

**MR. J. DOWNEY:** A count, Mr. Chairman.

**MR. CHAIRMAN:** All those in favour, please rise - Item 1.(d)(1).  
The Member for Springfield on a point of order.

**MR. A. ANSTETT:** Mr. Chairman, a recorded count can only be taken if you're going to do a count of the members after the bells have been rung and the Whips have given clearance.

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

**MR. J. DOWNEY:** On division.

**MR. CHAIRMAN:** Order please. It has been the custom that there be a counted vote in this section first and then an appeal to the full committee. What is the pleasure of the . . .  
The Member for Springfield on a point of order.

**MR. A. ANSTETT:** Mr. Chairman, the only way we've had counts in the past, where you've taken a formal count of the committee, is to call the two committees together. If you don't do that, you can have counts one way in the half a committee and the other way in the full committee, and you can get into a log jam repeatedly with votes after votes. If the members want a recorded

vote, we should call all members together and, as I understand it, that's what our rules provide.

**MR. CHAIRMAN:** If it's the wish of the committee, then call in the members.

Order please. The Item under consideration is Item 1.(d)(1) in the Estimates of the Department of Agriculture. All those in favour of passing this item, please signify by saying Aye. Those opposed, say Nay.

In my opinion, the Ayes have it. Yeas and Nays.

**MR. J. DOWNEY:** Count, Mr. Chairman, please.

**A COUNTED VOTE** was taken, the result being as follows:

Yeas 26; Nays 14.

**MR. CHAIRMAN:** I declare the vote passed.  
The Minister of Health.

**HON. L. DESJARDINS:** Can you now please tell me what I was voting for?

**MR. CHAIRMAN:** Continuing then, Item 1.(d)(2) - the Member for Niakwa.

**MR. A. KOVNATS:** Mr. Chairman, I would imagine that 1.(d)(2), coming under Other Expenditures, would be the expenditures of these inspectors travelling to committee meetings. I would hope that the honourable Minister would be prepared to answer the statements that I had made previously under this Other Expenditures. Would he consider changing this particular person to another commission to relieve the pressure on his friend?

**MR. CHAIRMAN:** The Minister of Agriculture.  
The Member for Springfield on a point of order.

**MR. A. ANSTETT:** Mr. Chairman, I draw your attention to our Rule 10(3) and point out for your benefit that the Member for Brandon West was in his seat during the vote but did not vote.

**MR. CHAIRMAN:** I'd like to bring it to the attention of the committee that the Member for Brandon West was present during the vote but did not vote. There is no remedy in the Rules of the House for this situation, in that Item 10(3) in our Rules specifically states every member present and in his seat shall vote. What is the will of the House for proceeding on this matter?  
The Member for Niakwa.

**MR. A. KOVNATS:** Mr. Chairman, I don't want to be foolish about it, a by-election; it seems to be kind of ridiculous just because the honourable member sat in his chair. Might I make a suggestion that the government resign and we hold a complete election.

**MR. CHAIRMAN:** The Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, I think it would be in order for the Chair to ask the member to state his intention and vote on the matter at this point.



**MR. CHAIRMAN:** Is that agreed?

The Member for Niakwa.

**MR. A. KOVNATS:** Mr. Chairman, on a point of order, all the member had to do was move over one chair and no conflict would have resulted. I think if we just let the matter lie and get down to the business at hand, and we don't have to punish anybody or make any special rulings. I think that what has happened, the vote has been taken; it's over with, let's carry on with the Estimates of the Department of Agriculture. The Honourable Minister of Agriculture is waiting to answer my question.

**MR. CHAIRMAN:** The Member for Rhineland.

**MR. A. BROWN:** On the same point of order, Mr. Chairman, I truly believe that the member was not aware that if he was in his seat that he was required to vote. So, at least as far as I'm concerned, I'm willing to overlook it at this time, and hopefully, next time, he's either going to vote in his seat or move over.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, on the point of order. I do not believe that it is a good precedent to set that we have members sitting in here and not making a decision on the vote, either in committee or in any other process of this House, and would think that the member should indicate how he would have voted, as has been indicated by the Member for Springfield.

**MR. CHAIRMAN:** It seems to be the opinion of the House that the Member for Brandon West should indicate how he would like to vote on that matter.

The Member for Brandon West.

**MR. H. CARROLL:** Mr. Chairman, I have no problem on that particular item. If the vote had been close, as it appeared to have been before we called in the committee from the other group, I would have voted with the government.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, the Honourable Member for Niakwa posed a couple of questions. I'm not sure that I caught the full import of those questions.

I should advise honourable members, the fact of the matter is - I did state that initially - I didn't want to make it any kind of a major issue because we were discussing the principle of the matter of possible conflict of interest. I indicated to the honourable members that work that the seven people who were hired on was part time and was to probably end this spring.

**MR. CHAIRMAN:** The Member for Niakwa.

**MR. A. KOVNATS:** I'm not trying to drag this through, Bill. I just want what is right to be done. I would hope that if I could have any kind of assurance - I'll sit down right after I make this statement - from the Honourable Minister that he will speak to the person who is involved, find out the intentions, whether in fact this person wants

— (Interjection) — It's not over with because we're talking about the expenses of this person coming to meetings - under Other Expenditures. If the Honourable Minister would just consult with this particular person and come up with an agreement; give this man the opportunity of helping to make the decision whether he wants to stay on the board or not; let him leave with pride or stay on with pride.

**HON. B. URUSKI:** Mr. Chairman, first of all, I want to tell the honourable member that I accept everyone who has served on any board or commission with pride and I hope that they will, as Manitobans, do their utmost in the services that they perform on behalf of all the citizens of this province.

Mr. Chairman, I cannot accept the suggestion of the Honourable Member for Niakwa. If I accept that suggestion, I intend to write every member of the commission, as I said before supper and I've said since supper - not only the commission, of every board; every member that was appointed to every commission, this matter was raised by myself personally. I said that before supper hour that I expected, themselves, as a matter of course, that should, at any point in time, a situation arise that there could be a potential conflict of interest and I don't know what scenarios any board or commission might arrive at, I expected them to absent themselves from any decisions they make.

I said to this committee, and I say it again, that I intend to correspond, not only of what I had done verbally, I intend to carry that out in letter form. In terms of this situation, I didn't want to make any spectacle of it. I said, and I repeat it again, that those positions - in fact, I didn't hire the individual - the Beef Commission hired seven individuals which, if the fact be known, I had no direct influence on. Nevertheless, the fact of the matter is that these positions are temporary and they will be phased out once the jobs are over.

**MR. A. KOVNATS:** Just as a closing remark, to the Honourable Minister, I was trying to be helpful. I'll just cite one story. I was refereeing a football game up in Edmonton. It's so close to me, this conflict of interest because I've had to be aware of it for such a long time. I was coming off the field and, you know, you had to make decisions whether the decisions you were making were a conflict of interest, and there I was coming off the field at the end of the game and somebody's yelling at me, Kovernats, you homer. I got to think to myself, homer. Am I favouring the team that they consider me to be a homer — (Interjection) — The biggest problem was in Edmonton was playing B.C. and I was from Winnipeg, so I couldn't be a homer.

How do you make these decisions as to whether there's conflict? It's got to be within yourself. The Honourable Minister will be taking an awful lot of remarks. I'm trying to save the Honourable Minister some of the condemning remarks that are going to be coming, not because we don't like this particular person, I don't even know him, I'm just trying to save a very touchy situation somewhere in the future. I hope that I'm never going to be in a position to say I told you so, Mr. Minister. I wouldn't anyway, but I wouldn't want to be in that position.

**MR. CHAIRMAN:** 1.(d)(2)—pass; 1.(e)(1), Manitoba Agricultural Lands Protection Board, Salaries.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, the Minister has made a lot to do recently, since coming into office, with the Manitoba Agricultural Lands Protection Act. He is, in fact, now reducing the amount of money that is available to the Farmlands Protection Board; the salaries increased.

What specific information does he have from the board, from the Inspection Department, or from the Director of the Agricultural Lands Protection Board that would give him reason to move the kind of legislation that he is proposing? Does he have a full report from the Agricultural Lands Protection Board. I believe there is a report made by them which I think has been traditionally been tabled, or is it available to us? How many actual contraventions of the present Act have taken place in the last year?

**HON. B. URUSKI:** Mr. Chairman, the honourable member knows very well what the position of the board which he appointed was to him with respect to his legislation. I need not explain it in this House.

His own board told him in 1980 that the legislation was not worth the paper it was written on, let's put it that way, Mr. Chairman. His own board told him that. Mr. Chairman, I believe that the honourable member, if he thinks back and looks at his own records, that he will find that he even told his own colleagues that his own legislation wasn't worth the paper it was written on. He will have to check that out, notwithstanding the statements that he made publicly in this Chamber. — (Interjection) —

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

**MR. J. DOWNEY:** The Minister of Agriculture is putting again on the record something that I did not say, did not indicate, and I would ask him to withdraw the statement he just made; that is not correct.

I don't know where he's coming at with those comments. If he has proof of them, I would ask him to table it. What I've asked him to table, Mr. Chairman, is the report from the Manitoba Agriculture Protection Board. There is a report comes forward every year to the Minister. Is he prepared to provide us with that report?

**HON. B. URUSKI:** Mr. Chairman, that report, I don't believe, first of all, has been printed as yet for this year. Those reports have not been distributed in the past. However, Mr. Chairman, the purpose of the legislation - and it's well-documented - the member attended some of the public meetings that I had and he should have read the statements I made in this Chamber dealing with the second reading of the bill. He will have ample opportunity to discuss and put forward his party's position with respect to this legislation, Mr. Chairman. The member well knows that there have been court cases dealing with the present legislation. More than 76 investigations were made regarding individuals suspected of contravening the Act,

using the loopholes. The board was successful with the prosecution of two companies who would not provide satisfactory information for the investigation. A fine of a total of \$1,000 was levied for the offences that the board took to court. Mr. Chairman, as well, the member knows that the case that was prosecuted in the courts, the board lost on the basis of the present legislation and that is presently some of the work that the board has undertaken.

Mr. Chairman, it appears that the honourable member is suggesting or intimating that this is all the board has done and that this is the basis for the legislation going into being and coming forward. The honourable member really - I'm not sure that I know where's he's coming from.

**MR. J. DOWNEY:** Mr. Chairman, I have even more difficulty now and I'm sure the people of Manitoba and my colleagues will have a lot more difficult time now. We haven't even got their last year's report from the Agriculture Protection Board; there have been 76 investigations; two prosecutions and the Minister said one court case that they lost. Well, we've lost one out of three; there were two prosecutions. That's talking in a total of transfers of land of thousands in this province, and we have massive legislation to deal with which we'll have an opportunity to debate.

But I'm disappointed, Mr. Chairman, that the Minister hasn't provided us with the kind of documentation from the Farmlands Protection Board for which he's now asking for funds with which to carry on the administration. He hasn't put more money in place; in fact, he's taken money out of it. Is he sincere about really controlling the foreign ownership of land or is he just applying his philosophical approach to the ownership of farmland in Manitoba? That's the question. That's the question today.

He doesn't have one documented scrap from the Farmlands Protection Board to substantiate his case. He's got less money in place in which to operate under this coming year. He's got two cases which they have prosecuted, one which they lost and there were 76 investigations. Yet he's putting less money in place. I would have thought, Mr. Chairman, this Minister would be able to further explain at the time of Estimates so that my colleagues and all of us would have had a little more material to deal with during the debate on the bill that he's introduced, the bill on which he said he is going to have amendments, which we haven't seen yet; a major piece of legislation for the Province of Manitoba; not justified; there aren't funds put in place which the board are going to be able to operate it with.

I, Mr. Chairman, am totally at a loss for what this Minister is trying to do. He's applying his philosophical approach on the ownership of farmland in Manitoba. He really is not trying to do anything else, Mr. Chairman. I challenge him, Mr. Chairman, to give us the information, the report. In fact, I request it; I request the report from the Farmlands Protection Board for the last two years and he says he can't provide it because it isn't ready yet. Well, Mr. Chairman, we're now at the Estimates of the Department of Agriculture, why isn't it ready?

**HON. B. URUSKI:** Mr. Chairman, first of all, the report has never been tabled in this Chamber — (Interjection)

— Mr. Chairman, it doesn't matter. The honourable member was Minister for a number of years. He knows what the legislation calls for. Mr. Chairman, when we discussed it I'm sure we asked for that report when we were in Committee. I will go back to my records and check, because I recall discussing this very issue. In fact, Mr. Chairman, the former Minister should well realize that the former commission, the former board, wrote the Minister asking him for action because they felt that the legislation was unenforceable, with no action by that Minister. I have to say they really didn't want to make that board and that legislation work, Mr. Chairman, they really didn't want to make that legislation work.

So, Mr. Chairman, for the Member for Arthur to get up now and say, look, what are you doing? I will show the honourable member at the appropriate time, statements that he made publicly as to the effectiveness of that Act and what information he gave to his colleagues with respect to his own information. He will then realize how ineffective that legislation was to his own colleagues.

**MR. J. DOWNEY:** Mr. Chairman, I would hope that information would be brought forward by the Minister. I have no difficulty with substantiating any of the positions that I've taken. He says, well, I didn't table that when I was a Minister. That's not the question today. I don't believe, Mr. Chairman, I was ever asked for it and at the same time I wasn't asking the Legislative Assembly to pass such massive, heavy-handed legislation as he is asking the Legislature to pass. We just want some backup material which we're asking for, the reports from the board to be brought forward. If he's not going to provide them, then it has to be taken that there isn't information that will substantiate what he is doing. That's all. We're prepared to pass this item; we'll be in full debate in The Farmlands Protection Act and proceed on.

I just say the Minister is not prepared to provide information because he hasn't got it to substantiate what he wants to do, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, I don't expect this board to substantiate any legislation that we bring forward. I do not expect them to print an annual report to substantiate the legislation that we'll bring forward, Mr. Chairman. We know, and the member should know in terms of the advice that that board gave him, that that legislation was ineffective, totally ineffective. Obviously, he didn't want to read the mail that he received in 1980 with respect to this, Mr. Chairman, he has some problems. I certainly don't expect an annual report of a board to confirm the legislation that we're bringing forward. Mr. Chairman, then I could really be accused of politicizing a board, to have a board print an annual report. Mr. Chairman, when the information that board prepares is printed, I'll make sure the honourable members receive a copy.

**MR. CHAIRMAN:** The Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, to the Minister then. Under the Agricultural Lands Protection Board and their functions as such - and I believe they have discussion

with the Minister once in a while - has this board at any stage of the game recommended that, in the legislation that has been forthcoming, the Minister restrict the ownership of Canadians in Manitoba? Has this board at any stage of the game given that recommendation to the Minister?

**HON. B. URUSKI:** The Honourable Member for Emerson should be aware of the recommendations made to his colleague where they indicated that restrictions should be placed on corporate ownership.

**MR. A. DRIEDGER:** No, that doesn't quite answer it. I should be fully aware of all the things that my Ministers did, which I probably necessarily wasn't. The Minister is telling me now that this board has recommended that there should be a restriction on corporate ownership. Did they also recommend that there should be a restriction on Canadians owning land in Manitoba?

**MR. B. URUSKI:** Mr. Chairman, if the honourable member wants a copy of that information, of what the former board wrote to his colleague, I will be pleased to get it for him.

**MR. A. DRIEDGER:** Further to that then, to the same Minister, I wonder if this board that has been set up, aside from dealing with transactions that take place, been involved in any degree with hearings of any nature to get a reaction from people, or do they strictly deal just with the transactions themselves.

**HON. B. URUSKI:** Mr. Chairman, there are basically no rules of operations that the present board operates under. We hope to change that with the new legislation.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. W. MCKENZIE:** Mr. Chairman, before we pass this item, can I ask the Honourable Minister if he'd be kind enough to either table or read into the record the terms of reference of this board?

**HON. B. URUSKI:** Mr. Chairman, the honourable member should read the Act. As I've indicated to the Member for Emerson, there are really no formal rules that the present board operates under other than the legislation, and the board sets its rules. We will check to see what kind of terms of reference there are for this board. If there are I will bring them for the honourable member.

**MR. W. MCKENZIE:** I would ask the Minister one other question. Has the board commented at all on the fact that the Minister pulled the bill last year?

**MR. CHAIRMAN:** 1.(e)(1)—pass; 1.(e)(2).  
The Member for Niakwa.

**MR. A. KOVNATS:** Mr. Chairman, just a couple of small questions here. On Other Expenditures, I see it was \$34,500 last year and \$32,200 this year, which is a very slight decrease. When I was asking about the Salaries, I was told that there was an extra payday which extended and partly showed why there was such a

large increase in the Salaries over the previous year. Is this based on the same length of time?

**HON. B. URUSKI:** Mr. Chairman, the assessment of global salaries where I indicated 1982-83, 1983-84 and 27th pay period and all other increases that would be there, it varies from branch to branch depending on the staff that are there, at their level, and this would be the same. It goes throughout the entire department but it will vary from branch to branch, depending on the scope and the level of staff in terms of their - not qualifications - but the classification they are in.

**MR. A. KOVATS:** That's satisfactory, Mr. Minister. There's only one other thing and if you could only put my mind at ease. I just can't understand how there can be a decrease from \$34,500 to \$32,200.00. It's just beyond any reasoning that I can contemplate at this time, that there could be a decrease when everything is going up in price and all expenses are increasing. Is the Honourable Minister telling us that he has cut down on the expenses of this department when in fact, with a new bill coming through, the expenses should be, in all reality, increasing. Can the Honourable Minister justify that to me?

**HON. B. URUSKI:** Mr. Chairman, in terms of the new commission, if he's talking about the new legislation, we don't know when the new legislation will actually take effect because there will be regulations, there will be a time span. We will be putting forward rules of operation of the new commission, that the commission will operate for public comment.

In terms of the slight reduction, Mr. Chairman, overall in all the Estimates, as I've indicated earlier, out of every component there is totaled up within the department \$370,000 to cover the Health and Education levy; there's a slight reduction in every operation of every branch to cover that, in MACC and Manitoba Crop Insurance and the Department of Agriculture. These kinds of numbers are taken out of every line to cover that levy. In terms of the expenditures we have been able to, as I understand it, operate well within the existing budget and the budget that is in place should be sufficient.

**MR. CHAIRMAN:** 1.(e)(2)—pass; 1.(f)(1) Research: Policy Studies.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, maybe the Minister could just give us an outline of any policy studies that he's prepared to do under his direction. That's, I understand, what this money is for. I see he's not going to do very much, because he cuts the figure by some \$75,000 and there aren't any payroll costs or Education and Health charges in that one because there isn't any labour. Does he have any policy studies and what are they?

**HON. B. URUSKI:** Mr. Chairman, we have reduced this area of ongoing research. We have done more work internally in terms of our policy branch and policy studies in policy and economic division, we are doing more there internally. However in terms of this past

year's studies, if the honourable member would like a rundown, we have had a number of policy studies totaling just under \$200,000 in the past year, ranging from the butterfat evaluation to ecological agriculture, beef stabilization, cheddar cheese and milk study. We assisted MANCO through the University of Manitoba in terms of some of their accounting measures and assistance in their management areas.

**A MEMBER:** Dick Martin's scholarship fund.

**HON. B. URUSKI:** No, Mr. Chairman, that comment is not . . . It varies with a total of \$198,000.00. We intend to reduce that amount this coming year and we feel that we should be able to live within the budget of \$175,000.00.

**MR. J. DOWNEY:** Mr. Chairman, we've been asked in opposition to present some positive comments to this government. I would like to recommend that this Minister do some policy work when it comes to the difficulties that the farm community are having, particularly with their financial status, as well as before he introduces more ill-conceived programs like the Interest Rate Relief Program of last year and the Beef Support Program that he's put in place, he would spend some money so that he doesn't bring in ill-conceived programs that are of very little use to the farmers of Manitoba.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. W. MCKENZIE:** Mr. Chairman, I just wonder can the Honourable Minister advise if any research money has gone into why that cheese plant closed up in Rossburn?

**HON. B. URUSKI:** Mr. Chairman, we've done some work on the cheddar cheese in terms of industrial process and designed some money there, but the honourable member's question is quite facetious. We are all very concerned as to closures of any plants. Our work through our department and through Economic Development was to attempt to lower those excess inventories to a manageable level and reopen those plants, which Pilot Mound has reopened.

**MR. CHAIRMAN:** The Member for Niakwa.

**MR. A. KOVNATS:** Mr. Minister, under Agricultural Research Grant, \$850,000, and it's got in brackets University of Manitoba. Is any of this amount recoverable from Canada?

**MR. CHAIRMAN:** Mr. Minister.

**HON. B. URUSKI:** No.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Are we debating (f)(2) now, Mr. Chairman?

**MR. CHAIRMAN:** We are on (f)(1). (f)(1)—pass. (f)(2) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I have a major concern that the Minister has not seen fit to increase the University of Manitoba Research Grant which has been increased over the last few years. We made an attempt to increase the amount of financing that the university gets to carry out work at the Glenlea Research Station, as well as any other projects which the university, I feel, could have carried out particularly at a time, Mr. Chairman, when we are seeing such a high unemployment rate with the student group at the university.

We know that the unemployment percentage in those individuals 25 and under is something like 17.5 percent and this would have been a good opportunity for the Minister of Agriculture to provide additional funds to provide employment opportunities for summer field projects, for crop programs, for livestock programs, and could have, in fact, had some really meaningful employment opportunities and dual results, Mr. Chairman. Here, the Minister could have, in his way, supported the students to provide them with job opportunities and at the same time provide meaningful research to the farm community of Manitoba. That would have been a golden opportunity, Mr. Chairman, for him to do it, but he has just glossed over this particular item, I am sure, and hasn't spent any time in really looking at whether it should be increased or not.

I feel, Mr. Chairman, that this would have been a good opportunity to show his sincerity about helping the unemployed students at the universities of this province. Well, Mr. Chairman, I would like to know why the Minister didn't increase this funding to the university, why he hasn't increased it so as to provide for employment opportunities. It's a golden opportunity, Mr. Chairman, for the Minister to put in meaningful programs to help the unemployed students. We know that the rate is astronomical, and those people who are unemployed in the 25 and under, I would daresay that those students who are now at university, that probably 25 to 50 percent of them will have a very difficult time in getting employment this summer.

I think, Mr. Chairman, that the Minister could have shown his support for those people who are in bad need of employment so they could help themselves with the higher tuition fees that they are going to be faced with and all those other expensive inputs that they have, because this government has placed an increased gas tax, an increased sales tax, a payroll tax, hydro increase.

In fact, Mr. Chairman, I have to tell you that I met with some rural students the other night who said this is the first year in the last four that they have had to ask their parents - and there is nothing wrong with that - for financial aid to help them through this particular year. They were pretty proud of themselves up until now because they said, we didn't have to go to our parents to ask for funds to help us through university, but we do now have to ask, because the cost under the New Democratic Party — (Interjection) — That's right, the first time in three years we've had to go to our families or our parents. But what about those students that haven't got parents or families that are able to support them, Mr. Chairman? Do they drop out?

Here this Minister could have particularly helped those people who wanted to be involved. It doesn't have to

be agricultural students. It could be art students; it could be any student at the university could have gotten employment in the crop section, in the livestock section, in any area where the university could carry meaningful research programs that this particular Minister could have helped, and he didn't, Mr. Chairman. He has failed to support research and he has failed, through his department, to help employment opportunities for the high unemployment rate within the university students.

The NDP times are tough times, Mr. Chairman. The students of this province, I will tell you, are going to remind this government about it next election because they know precisely the lack of job opportunities that have come about because of this government. They know that their tuitions are unable to be managed and they have had to go to their parents or other sources to get support to help themselves through university.

So, Mr. Chairman, I want it to go on the record that this Minister has not helped the research of the agricultural people of this province. At the same time, he could have helped the unemployed students. — (Interjection) — That's right, Mr. Chairman, he could have helped very many people. He could have helped the total picture by going to his Cabinet and saying, rather than putting \$200 million into a Jobs Fund, by the way in which they haven't really got, if they'd have gone and said, we want a meaningful amount of money to put to the university to help with agriculture research over the longer term, then, in fact, Mr. Chairman, we could have accepted it. It would have been meaningful work and we'd have had some useful research and some meaningful jobs for the young people of this province.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, here we go again. The Honourable Member for Arthur gets up and speaks about something he really doesn't know what he's talking about. Mr. Chairman, he really speaks and he doesn't know what he's talking about. Mr. Chairman, what the member is speaking about, and I would urge him - when the Minister of Labour, the Minister of colleges and universities gets up and brings the budget forward for the STEP Program dealing with student employment, that's where those kinds of funds will be coming from, Mr. Chairman.

The member well realizes - and maybe he doesn't realize that the amount of funding has been fairly consistent of what has been in the past - three years at 800,000, Mr. Chairman, during the Tory years; three years now at 850,000 in terms of consistent approach. We have used the consistent approach in terms of the Estimates for the university. Mr. Chairman, the Member for Arthur, when he talks about employment projects, these funds do not come through this grant. When he talks about student employment, they do come from another budget and they are not debated even here. So I know the honourable member may be confused in what he is speaking about, Mr. Chairman, that he really is confused about the whole issue of research. This is the core funding to the university, Mr. Chairman, which is supplemented by the Agro-Man Agreement that is in place, but in terms of student employment, the issue that he was touching upon, is not funded out

of this core grant. If the honourable member wants me to list the number of studies and research that is being done, I'll do that, but I am sure that he receives the Annual Report as well as we do in terms of the university's proposed projects.

**MR. J. DOWNEY:** Well, Mr. Chairman, the Minister, he really never ceases to amaze me. Here was a golden opportunity for him to go forward to his Cabinet colleagues and do something not only personal, but do something that is profitable for the whole of Manitoba, for those people who are unemployed, meaningful jobs, and I'm sure if he put the proposal forward that he could have got support, particularly when they're putting a phantom \$200 million just willy-nilly up that really isn't there.

He could have put a lot more money into that research grant, and he doesn't need to say that we're trying to make something out of nothing — (Interjection) — because we're not fudging, Mr. Chairman, the Minister could have done this. He has complete control over the proposal that he puts forward to research that block grant.

Another point, Mr. Chairman, he refers to something else that I think is important to refer to, to the Agro-Man Agreement, Mr. Chairman. When we were in government we phased out their program that was in place known as the FDP Program - it was almost NDP - which he . . . . The FDP Program was to help a few people in agriculture and it did help a few people, a very few. Mr. Chairman, we went to Ottawa as a government and we signed an agreement with Ottawa to bring in the Value-Added Agreement which was \$18.5 million, 60 percent federal money, 40 percent provincial money. Yes, Mr. Chairman, and that was pointed at research and the whole development of crops all over Manitoba, just not in this one part of the Red River Valley. The Swan River Valley, they went to the southwest corner, to the southeast corner, we went all over the province with these projects and we hired people, yes, Mr. Chairman, we hired people to do the research work. There's a place in these to debate them but what I'm trying to say, Mr. Chairman, is that there is a capacity for the Minister to apply meaningful employment opportunities through agriculture research. Almost unlimited, Mr. Chairman, if he really wanted to apply his thoughts and really, truly meant, as a government, that they wanted to support the unemployed people in this province.

Mr. Chairman, he didn't do it, he didn't increase it one nickel in either one of them. In fact, in constant dollars there is a decrease, Mr. Chairman, and I don't mind admitting that we didn't increase it the way in which he felt it should but we did put \$18.5 million in through the Agro-Man Agreement, of which the university contracted a lot of that work. Here was a golden opportunity . . .

**MR. H. ENNS:** And those were times of flood and drought.

**MR. J. DOWNEY:** That's right, there were many difficult years with the drought and the flood and we want to make sure - but that isn't the only problem. Today we are faced with such a high unemployment rate that the

Minister could have truly said to his Cabinet, to his caucus and to the university students who are going to be very hardpressed for jobs this summer, here's my real sincere attempt to help you. But he didn't do it, Mr. Chairman. I'm suggesting that he does, in fact, reconsider his position on research at the university, in fact, put more funds in place so that we can employ more people and come out with meaningful results for the building of our agricultural base.

**MR. D. ORCHARD:** Thank you, Mr. Chairman, the Minister is, by their own admission in government, they're dealing with the No. 1 industry in agriculture; by their own admission there's the highest unemployment of students in Manitoba; by their own admission value-added production, crop research is very valuable to the Province of Manitoba. They've got a \$200 million Jobs Fund. They're asking us always for concrete proposals on how to better the province, where better to spend the money. Mr. Chairman, my colleague, the MLA for Arthur, has just indicated one place, they don't have to increase the deficit one nickel; all they have to do is transfer some of the funny money out of the Jobs Fund, put it into agricultural research. They benefit the number one industry in the province; they come up with new crop development that's going to be a value, not just in the coming year but for every year in the Province of Manitoba; they employ students who need work over the summer that can be getting jobs in relation directly to agricultural research projects.

Mr. Chairman, the Minister gets this kind of a wise suggestion from us, it's not going to cost them 5 cents, it's a proper direction of job creation funds of a long-term benefit to the Province of Manitoba, but what does the Minister do? No, he's going to sit on his hands and going to say, go to another department, go somewhere else, and in the meantime he's not going to increase research one nickel. As a matter of fact, when you factor it out the \$850,000 that he's budgeting this year will buy approximately 9 percent less research this coming year than it did last year so he's decreasing the research budget. There are going to be fewer students hired this year because of this effective decrease in the research budget. All this to an industry that, by his own admission, by his government's admission, is very important to the province.

The Minister can't justify what he's doing here, he is allowing his colleagues to get away with a \$200 million Jobs Fund. We ask his colleague, the Minister of Labour, name us some projects that are going to qualify under this. She can't do it, she can't tell us a project, she's announced one or two, she can't tell us how many people are going to be employed. If this Minister just had the wherewithal and the influence in Cabinet to say to his colleagues, cut the Jobs Fund down to \$199 million and give me \$1 million of it, I'll put it to work in agricultural research at the University of Manitoba, I'll employ another 200 students out there in the summertime and I'll give you long-term benefits to the Province of Manitoba. But, no, this Minister neither has the clout in Cabinet to do it, and what is even more damning, Mr. Chairman, is this Minister doesn't have an original thought in his mind to be able to develop that kind of a concept and sell his Cabinet on it. It never occurred to him that that was a way to alleviate

unemployment and create jobs. He doesn't understand what agricultural research can do for this province. Therefore, he's gone for a status quo on the research, \$850,000 which will buy less research this year than last year because of inflation.

So, Mr. Chairman, this Minister has failed the students out at the University of Manitoba and, once again, he has failed the agricultural community by not providing them with needed backup for agricultural research. This Minister is a failure, he doesn't understand the agricultural community, he doesn't understand his portfolio, and he doesn't understand the work that's being done out at the Faculty of Agriculture, University of Manitoba. With those kind of failures on his mind we have to question what this Minister does as the Minister of Agriculture. He certainly isn't supporting the No. 1 industry in the province, nor providing support to the students that can work in that industry in meaningful research projects; he's a dismal failure, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, I have heard some rubbish in my day in this House but tonight's message from the Honourable Member for Pembina really takes the cake. If ever there was rubbish spread in this House we have it, in spades, from the Honourable Member for Pembina. Mr. Chairman, 1978-79 - \$800,000; 1979-80 - \$800,000; 1980-81 - \$800,000 - three years. Three years of what kind of inflation, Mr. Chairman; what kind of inflation rate did we have - 1981-82 - \$850,000; 1982-83 - \$850,000; 1983-84 - \$850,000, in terms of research. Very consistent, albeit, Mr. Chairman, anyone will acknowledge that the amount of money is not what we would like to see. But in no year, in the Budget of this department, was there student employment projects funded in the research grant. There were student temporary employment projects funded through a central agency which the honourable members want to debate and discuss, that all of a sudden there's some kind of untowards. Mr. Chairman, the honourable members opposite would not do for agriculture what the members on this side have done in terms of providing income stability for the agricultural industry. They now want to carp and bitch and say, here's where you failed, but you haven't provided the necessary basis for the agricultural industry.

Mr. Chairman, the honourable member doesn't want to realize that in terms of the Agro-Man Agreement, we're increasing the Budget there for the university by just under 75 percent in terms of funding. That still does not include any funds for student employment, Mr. Chairman, because that whole issue is nonsense. It's drivel. It's a red herring in terms of the Estimates of this department. The former Minister, again I say - and even his colleague - really don't know what they speak of. They've never had funding put into these departments for temporary employment, Mr. Chairman. It is just a shameful exhibition of grandstanding in this Legislature.

**MR. CHAIRMAN:** The Member for Gladstone.

**MRS. C. OLESON:** Thank you, Mr. Chairman. I just wanted to ask the Minister, since the Federal Government has cut funds for agricultural research,

what steps have you, as Minister, taken to ask the Federal Minister of Agriculture to reconsider that position; the federal cuts to agricultural research?

**HON. B. URUSKI:** Mr. Chairman, in terms of that issue - I should correct something that I mentioned to the Honourable Member for Pembina - I gave the figure of 75 percent; it was a \$75,000 increase. I apologize for that. It would be over last year's figures, the amount that I've said is just under \$75,000, rather than 75 percent. It would be about 14 or 15 percent increase over last year in terms of the amount of money.

However, Mr. Chairman, the question of the research reduction of staff years in Western Canada was raised long before the issue became public by our staff at the Outlook Conference in Ottawa. In fact, my Deputy Minister attended there and was given the assurance by, I believe, the Deputy Minister of Agriculture, that there would be no reduction in staff. When we had heard about it, we immediately raised a protest with the Federal Minister and there is correspondence on record to that effect, but at this point in time, there is no change in terms of their position vis-a-vis the research positions in Western Canada.

We have deplored their moves to cut staff positions in research in Western Canada, which we have raised with them. They have tried - (Interjection) - well, Mr. Chairman, the Member for Lakeside says, co-operative federalism. Mr. Chairman, we will not stand idly by at any point in time when we feel that the interests of Western Canada and western Canadian producers are in jeopardy, and we have stated our case very clearly.

**MRS. C. OLESON:** Mr. Chairman, I'd ask the member would he table any correspondence that would be pertinent to that. We, on this side would be very interested in seeing it because there are a number of research stations in the province which are very important to the agricultural community. We, on this side are most anxious that keep on.

**HON. B. URUSKI:** Mr. Chairman, I'll make that correspondence available for the honourable member.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Chairman, I'd like to ask the Minister whether this grant to the university was a block grant, or did it carry with it some stipulations as to departments and to projects within departments to which it was to be directed?

**HON. B. URUSKI:** Mr. Chairman, the grant is a block grant. There is a liaison committee between the department and the university, an ongoing committee.

**MR. C. MANNES:** Mr. Chairman, I'm wondering if the Minister could indicate whether the specific areas of research are covered anywhere in print for our edification?

**HON. B. URUSKI:** Mr. Chairman, the university publishes an annual report that I distribute in the Assembly to all members on an annual basis. When that report is available, it will be distributed. It's usually

a year late, but that report is available to all members and is distributed.

**MR. C. MANNES:** Mr. Chairman, I'll ask a final question in this area. It has to do with the constant figure of \$850,000 over the last two years. Can the Minister indicate the number of positions that have been cut? Has the university given him any indication as to the decrease in researchers that can be funded with a constant number, with the same number of dollars?

**HON. B. URUSKI:** Mr. Chairman, we have no information that there are any research positions being cut. This amount of money is over and above the regular operating budgets that they receive. The research money is exactly that in terms of research. The university also does contracts all over the area in terms of commercial, outside the university, governments. They do many research projects and this would be only one source of their funding.

**MR. CHAIRMAN:** The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, I would like to continue along the same line of questioning as the Member for Gladstone did.

I am very much concerned with the cutbacks by the Federal Government in research in agriculture — (Interjection) — I beg your pardon.

**HON. B. URUSKI:** How about your own cutbacks when you were in government?

**MR. A. BROWN:** The Minister has asked what about our own cutbacks. This cutback by the Federal Government was announced just recently, last fall, I believe. That's when it was announced. We certainly were not government at that time. We could not really address ourselves to that particular problem.

The problem is that the Federal Government were doing a lot of research in some of the special crops; corn; sunflowers; beans especially — (Interjection) — No. Sugar beets, I would like to advise you that the Manitoba Sugar Beet Growers Association along with the company are doing their own research and are spending quite a bit of money. I forget the figure, I think it's around \$60,000 a year, some of which also goes to the university.

I'm very much concerned that some of these areas of special crops are going to be dropped. I would like

to see the provincial Department of Agriculture taking a very close look at what programs are going to be dropped by the Federal Government. Hopefully, they at that time then, will be able to move in and take over some of these programs. Some of these special crops are very important to all of southern Manitoba, really.

**HON. B. URUSKI:** Mr. Chairman, I share the concerns that the Honourable Member for Rhineland has raised as well, in terms of any decrease in activity in federal research funding and positions. We have been advised by the Federal Government that there will be no decrease of activity. We have yet to see how they have rationalized their position vis-a-vis those positions that they have cut.

We have made our concerns known. In fact, in the early part of December of last year, we raised this matter, and we followed that up with formal correspondence from my office in the new year which I will make available to the Honourable Member for Gladstone.

We are, as well, very concerned as to the ramifications of those kinds of changes in terms of research, and whether or not those positions are actually being shifted to another part of the country, those are the kinds of statements and information we have requested from them. They have steadfastly indicated to us that there will be no diminution of activity in Western Canada. We have yet to see whether that, in fact, will be the case.

**MR. CHAIRMAN:** 1.(f)(2)—pass; 1.(g)(1), Management and Operations Division: (1) Salaries—pass; 1.(g)(2), Other Expenditures—pass; 1.(h), Canada-Manitoba Waterfowl Damage Compensation Agreement—pass;  
The Member for Minnedosa.

**MR. D. BLAKE:** I just don't have my notes with at the moment, I'll have them when we get on this tomorrow. I would, at this time, move that the committee rise.

**MR. CHAIRMAN:** The Minister of Agriculture.

**HON. B. URUSKI:** Did the honourable member have questions on the waterfowl then?

**MR. D. BLAKE:** Yes.

**HON. B. URUSKI:** Fine.

**MR. CHAIRMAN:** Committee rise.