



**Third Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

---

**DEBATES**  
and  
**PROCEEDINGS**

---

33 Elizabeth II

---

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



**VOL. XXXII No. 28B - 8:00 p.m., THURSDAY, 24 MAY, 1984.**

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

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Hon. 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
<b>BUCKLASCHUK, Hon. John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Q.C., Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	IND
<b>DOLIN, Hon. Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virden	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Hon. Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNESS, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, Hon. John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Hon. Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

Thursday, 24 May, 1984.

Time — 8:00 p.m.

**CONCURRENT COMMITTEES OF SUPPLY  
SUPPLY - NORTHERN AFFAIRS**

**MR. CHAIRMAN, C. Santos:** Committee please come to order. This section of the Committee of Supply shall be dealing with the Estimates of the Department of Northern Affairs.

We begin with the opening statement from the Minister responsible for the department.

**HON. J. STORIE:** Thank you, Mr. Chairman. I haven't prepared any formal statement that I can provide to the Member for Swan River, but I did want to, by way of opening remarks, touch on a couple of the, I suppose, major undertakings of the department in the coming year and to reflect, for a moment at least, on some of the activities over the past couple of years.

I think before beginning I should say that I would like to personally thank members of the Department of Northern Affairs for their diligence, their hard work, for their continuing enthusiasm for the task of developing and improving the circumstances of northern residents. I think that, despite the fact the department has not grown, the number of tasks that they have undertaken, their willingness to stretch themselves and go beyond the immediate terms of their tasks has been remarkable. I know that while any time there is change in a department and a change of emphasis, a change in direction, it creates some tension, I think that this staff, in general, in the Department of Northern Affairs have responded with enthusiasm to new responsibility and new challenges.

I suppose, if I could just itemize a number of the things that I think were particularly successful in the past year and that we are pursuing with vigour in 1984-85, I might focus first on the continuing emphasis that we are placing on the development of local skills, the emphasis we are placing on training of local people so that they can continue to enhance their ability to govern their own affairs.

I think, significantly, over the last couple of years, we have brought a number of communities - I believe it's nine - into a position where they are now collecting their own property taxes. That is a significant achievement and something that we will be working with other communities to do.

In a similar vein, the department has moved a number of communities into self-administering status, and I think the communities themselves look upon this as a matter of pride and we certainly are encouraging communities to develop those skills.

As the Member for Swan River knows, from time to time there are problems in terms of the administration, but I am certainly one who believes firmly that one doesn't learn without making mistakes and that, while we have to provide direction and encouragement, we can't be overly pessimistic about mistakes that are

made. I think we have to look at them as learning opportunities and experiences and continue to allow the communities to grow in their own way.

Another undertaking on the part of the department to encourage improved local autonomy was the recent signing of the block funding arrangement with the Community of Cross Lake. While that may seem like a minor achievement in terms of the amount of dollars that are being administered, it's a major incentive, I think, for local communities to improve their administrative skills because it gives them an opportunity to allocate funds as they see fit.

In addition, Mr. Chairman, we have encouraged and supported the delivery of our Capital projects in the community. We have encouraged local delivery which, of course, enhances the possibilities for the employment of local people and a significant number of the projects were delivered in that fashion. Others were delivered with assistance in varying degrees, but I think it's something that's looked on with favour in the communities, something that they have been asking for, something which I think, by and large, has been a very successful experience and I think, almost without exception, the projects that we're talking about were delivered on time and on budget, and I think the communities gained a certain amount of satisfaction from that.

The second area that I think the department is going to be emphasizing more in the coming year and in years to come is the question of both human and economic development. On the human side, I think the Northern Development Agreement has probably been most successful. I believe by the fall of 1984-85, there will be approximately 400 Northern people involved in para-professional training, basically through the Northern Development Agreement training programs that are offered by various departments.

I think that, in terms of the communities that have offered up their students for training, this is a tremendously important fact. One of the things, I think, that have been overlooked, in terms of economic development - not only human development, but economic development - in Northern communities is the fact that, by and large, the majority of employment opportunities are provided by our institutions, by our educational institutions, health care institutions; and, secondarily, by service industries, whether they be the local grocery store or local convenience store or whatever. But those employment opportunities are the ones that exist, and have existed, and will continue to exist in Northern Affairs communities, and the fact that there are that many young people - not just young people, but people - Indians, Metis and other Northerners involved in training to that degree, I think bodes well for the future.

I think what we'll see is that those individuals will be most willing and ready to return to their communities to take up their professional roles and maybe we will get away from the kind of transfer of talent from the south to the North that occurs in our school system

and in our other professional areas, whether it be nursing or whatever.

I recently attended the official opening ceremonies for two of these professional training programs, the Northern Nurses Education Program and the Northern Social Work Program. I was pleasantly surprised by the variety of communities which were represented by students and in the enthusiasm those students had for the particular career they had chosen. That's something that I think is exciting, something that has been a hallmark of success with respect to the Northern Development Agreement and something that the department, I think, will encourage wherever it can.

The issue of economic development, of course, is something that Northern Affairs communities have felt is a priority, I'm sure, since Day 1. The potential right now, it seems to me, has improved remarkably over the last couple of years in terms of programs that are available for access by Northern communities, Northern individuals, to develop local enterprises. One that comes to mind, of course, is the Native Economic Development Program that is funded by the Federal Government. It's a \$345 million program. It's headquartered in Manitoba and I think it's important that our Northern Affairs communities have access to that. That is only going to happen if they have expertise available for the development of projects for pursuing particular interests in the community.

So, those are a couple of things that I think the department is excited about, prospects that are important and positive in terms of Northern Affairs communities.

I think that's basically all that needs to be said with respect to the future and perhaps we could begin with the formal part of the Estimates.

**MR. CHAIRMAN:** As is customary with this Committee, the Chairperson calls upon the leading opposition critic to give his reply if he so desires.

The Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I thank the Minister for his opening remarks and I must say at the outset that my comments are not as complimentary as what the Minister has just indicated with respect to activities in the Department of Northern Affairs. The NDP while in opposition prided themselves on being the great saviours of Northern Manitoba and I have to give them credit. They were successful in getting elected in five of the Northern constituencies. However, after approximately two-and-a-half years in office, they have recorded a dismal display on their lack of accomplishments in Northern Manitoba, in my opinion.

For instance, the Northern Development Agreement the Minister has made reference to. Such a display of fanfare was created in the signing of the new Northern Development Agreement in 1982. As I understand it, some eight Cabinet Ministers from the province and the Federal Government, including the Premier, took part in a ceremonious agreement signing at Thompson. Various community and Native leaders were assigned to various advisory committees to review projects proposed under the new agreement. So many committees and advisors, such red tape was created

that Native leaders have been questioning the government as to what has happened with the concrete activities or economic developments or, in fact, the development of human resources.

Native leaders have become so frustrated that they called a special meeting amongst their people in Norway House last Fall and requested elected government officials to come and explain what has happened to the great promises that were made earlier at the ceremonious fanfare that was held at Thompson, as I indicated earlier. But the government Ministers, the deputies or other senior officials, refused to attend to explain the reasons for the lack of action at that meeting at Norway House.

A recent news article in the Winnipeg Free Press headlined, "Northerners To Get First Crack At Limestone Construction Jobs." I don't think this is any big deal, this kind of priority has been in place for the benefit of northerners for several years. As a matter of fact it was the last Conservative administration that created the Career Resources Centre in Thompson with Outreach workers to advise and promote job opportunities and retraining programs for northerners to take advantage of opportunities in the North. This included relocation and on-site apprenticeships.

Northern Chiefs that I've talked to doubt the sincerity of this government. They are not at all happy with the track record of this government to date. No doubt this government will endeavour to maximize its spending and project approvals during the final months of their term in a desperate effort to salvage some northern support. But, in my opinion, northerners are not going to be fooled by this Minister or this government.

This Minister and his colleagues in government give lip service to providing self-government to Aboriginal people, including the Metis. They've made so many commitments to these people that the MMF organization went on record, prior to the last election, officially supporting the NDP. The leadership of the MMF was bought by the NDP through promises and provision of non-conditional grants to bail out a bankrupt MMF organization.

With respect to the self-government situation, I think the government and this Minister have certainly made a lot of promises to the various Metis communities and we see evidence today of the frustrations in Camperville because of the lack of meaningful dialogue with the government to get on with the self-government that has been talked about, so they are trying to force their own version of it. Whether we like it or the government likes it or whoever may not like it, the situation has to be dealt with and I think the longer the situation is left, the worse the situation grows.

I had the opportunity to attend the First Ministers' Meeting on Aboriginal Rights in Ottawa in March and the Mayor of Camperville, Mr. Guiboche, was one of the representatives in attendance at that meeting. This Minister has indicated on many occasions the frustrations, the lack of discussion that took place at the First Ministers' Meeting in Ottawa and particularly towards the Metis situation.

I understand that Mr. Guiboche headed up the MMF Organization on a consultation process, to bring forward a position for the Metis people. I don't recall if any report was tabled in the Legislature, I might be wrong, on their findings through the consultative process. But

I believe that something like \$80,000 was provided to these people to make their position known.

But, certainly, these people are becoming frustrated in Northern Manitoba because of the promises that have been made, whether it be in the Northern Development Agreement, whether it be towards the establishment of Native self-government, or what have you. They are seeing a lack of action on the part of this Minister and on the part of this government.

Well, I mentioned the MMF went on record as supporting the NDP just during the last election campaign, and we all know that the government bailed out the MMF who had been driven into bankruptcy only a short time before. But who did this Minister appoint as his Deputy Minister? The same individual who drove the MMF into financial chaos and bankruptcy only a few years earlier. As far as I'm concerned, this was strictly an IOU awarded to a political hack. There is not one shred of evidence to indicate that this Minister's present Deputy has the capabilities or competence to administer this very important department of government.

As I see it, this Department of Northern Affairs should function in two areas: one, as the largest geographic municipality in the province. The department has to relate to over 50 Northern and remote communities with a total population of over 10,000 people, covering the northern 2/3 of our province.

In its role as a municipality, the department's key responsibilities are the political developments of the communities such as locally elected councils, local autonomy and responsibility, the provision of local services to those communities, and the collection of local taxes and lease fees where applicable.

Funding totalling several million dollars, in addition to locally-raised revenues, will be expended this year, as has been in the past, in fulfilling the responsibility that I've indicated to these various communities; and 2) I see this department operating as a government department as well. As a department of government we must ensure that the public purse is protected, as most of the funds are expended in Northern and remote communities is public funding. However, there is some degree of local taxes and money-raising projects. We must ensure that access to services is available to all residents in the Northern jurisdictional area.

The Minister has indicated that the Provincial Auditor reviewed the Deputy Minister's situation and cleared him of a conflict-of-interest situation. However, the Minister has never tabled the report or told the Legislature what is in that report. In any case, the facts are clear.

As this Minister is well aware, the Deputy Minister of this department is responsible to see that people are treated fairly and equally; that taxes are to be collected by the department just like a municipality would do. As indicated, it serves as a municipality in Northern Manitoba, so the responsibility is to collect taxes, and why shouldn't the Deputy Minister be expected to pay his property taxes like everyone else or appropriate action should be taken?

Mr. Minister, your senior administrator does not have the confidence of the people in those communities with which the department has responsibility, in my opinion. The Department of Northern Affairs, in my opinion, has deteriorated immensely under this Minister and under

this government. Many competent, loyal civil servants have been forced to leave or quit; many have jumped ship to other departments because they didn't like what was happening.

I appeal to this Minister to clear up his administration in that department. Morale is at a very serious low, many key positions, in addition to the Deputy Minister, have been filled with incompetent personnel, and I don't say it's their fault that they're in those positions. This then becomes a serious drain on those that are competent and dedicated. I, therefore, challenge this Minister to replace his senior adviser and other personnel in key positions, who lack capability.

The Minister knows himself this has to be done because of commitments made and embarrassing situations that have no doubt been created and placed before this Minister. If appropriate action is not taken promptly to correct this situation, we will witness even greater decay and chaos, not only within this department and in this government, but throughout the vast Northern Affairs community.

Mr. Chairman, with those opening remarks, I would be pleased to proceed with the line-by-line Estimates.

**MR. CHAIRMAN:** Thank you. Before we do, the Chair invites the members of the departmental staff of the Department of Northern Affairs to kindly take their respective places.

**HON. J. STORIE:** Mr. Chairman, before we begin, I'll just make a few comments on the remarks made by the Member for Swan River.

I have to say that, in all honesty, I think his remarks were personally distasteful and probably the most ill-informed, misguided, inappropriate remarks I have heard in any set of Estimates. I find it disgusting that the personal character of members of the department would be slandered in that way and I think it's an unfortunate reflection on the Member for Swan River that those kinds of issues and remarks are made when we're here to discuss the Estimates of the Department of Northern Affairs. I think it's an unfortunate precedent - perhaps it isn't a precedent, I don't know. Certainly, in my opinion, it's an unfortunate precedent where that kind of vitriol is directed at people who cannot defend themselves and I just want to be on the record as having said that.

**MR. CHAIRMAN:** We have certain rules to operate under, according to Beauchesne, Citation 359, Paragraph 7: "The question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it," more particularly so, people who are not present to defend themselves. We should be careful about disproprieties.

The Member for Swan River on a point of order.

**MR. D. GOURLAY:** The Minister had the opportunity to give his opening statement, are you now allowing him to give a second statement?

**MR. CHAIRMAN:** No, I'm not allowing anybody to make a second statement. We haven't started our proceedings yet. Shall we go to the item or do we have to continue discussing personalities?

There is no item yet under discussion. I would like to call Item 1.(b)(1), because we have to defer the Minister's Salary as the last item for consideration.

May I note that Item 1.(b)(1) Executive Support: Salaries and Wages and Other Expenditures is broad enough to include those broad areas of concern that are of particular interest to the members of the Committee.

The Member for Rupertsland wants to say something.

**MR. E. HARPER:** I want to respond to the remarks that were made by the Member for Swan River.

I think those remarks are a reflection on the Native people and they're not here to defend themselves. The allegations that are made that especially the Metis people can be bought off, I don't think that's true. I think that's an insult to the Metis people and also the Native people.

I don't think our government and the people in our party work along those lines and I can't speak for the Conservative Party. I think it's an insult to the Aboriginal people in Manitoba. If we are to work together with any government in Manitoba, we need the respect of each other and those kinds of comments should not be tolerated and I would ask you, the Member for Swan River, that those remarks be withdrawn because it reflects on the nature and the respect of the Aboriginal people in Manitoba.

**MR. CHAIRMAN:** The Members of the Legislative Assembly, whether they are in the Chamber or in Committee, enjoy absolute privilege. They have that freedom of speech to say anything without incurring any libellous or slanderous liability. However, it is on the basis of our self-restraint that we have to consider all the Rules of the House so that our proceedings may operate properly. It's just a reminder.

The Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I have no intentions of withdrawing anything I've stated, I stated they were in my opinion. I recall, in 1981, during the election campaign, the President of the MMF went on public record as saying that he supported the new ND Party. Is the Member for Rupertsland saying that is not a factual statement?

**MR. CHAIRMAN:** Is the question directed to the Member for Rupertsland? The member who is responsible for answering questions is the Minister of the department.

Would the Member for Rupertsland like to answer that question?

**MR. E. HARPER:** I didn't say that. What I said was that Native people, in your allegations you said were bought off. I don't think that's true. That's what I said.

**MR. CHAIRMAN:** We have to get to the Minister who's responsible for the department.

The Honourable Minister.

**HON. J. STORIE:** I've made my comments on the member's remarks and I think they're on Hansard for everyone to see and I'm sure that members of the

Native community will be truly enlightened by those remarks.

**MR. CHAIRMAN:** I thank all the members of the Committee. We shall now proceed with the consideration of the item and we'll stay relevant to the items under discussion.

1.(b)(1) Executive Support: Salaries and Wages;  
1.(b)(2) Other Expenditures.

The Member for Swan River.

**MR. D. GOURLAY:** Mr. Chairman, I wonder if the Minister can indicate to us any changes in the SMY's from last year in this whole section.

**HON. J. STORIE:** Mr. Chairman, there is an addition of a half-staff year for the Minister in that last year's Minister operated it from two departments, and the reduction of an Administrative Assistant to the Deputy Minister.

**MR. D. GOURLAY:** Mr. Chairman, how many assistants or Special Assistants does the Minister have?

**HON. J. STORIE:** I have two, a Special Assistant and an Executive Assistant.

**MR. D. GOURLAY:** Mr. Chairman, could the Minister indicate, are these people both located here in Winnipeg?

**HON. J. STORIE:** Yes, they are.

**MR. D. GOURLAY:** The Minister had indicated that he had received a report from the Provincial Auditor regarding the Deputy Minister. Is he prepared to table that report?

**HON. J. STORIE:** Mr. Chairman, I'm not sure that this is part of the Estimates review, however I did indicate, I believe in the House, although it may have been in the press that, no, the remarks that were made to me in a report that came from the Provincial Auditor included some detail of the financial situation with respect to the bankruptcy that was announced by my Deputy Minister.

The question was posed to the Provincial Auditor whether there was a conflict of interest, and the answer was no, and the personal detail, I think, is not touching upon the affairs of the Department of Northern Affairs. It's a personal matter that needs no further public review.

**MR. D. GOURLAY:** Mr. Chairman, we are discussing the administration of the Department of Northern Affairs, which deals with the administration, and the Deputy Minister being the senior administrator, I feel it is appropriate to have this kind of information in view of the fact that the Deputy Minister, being the senior administrator, is responsible for the various communities of Northern Manitoba which, in essence, is one large geographic municipality. He is responsible for the collection of taxes and these fees where they are applicable.

Does not the Minister feel that this is appropriate for this information to be available to the members of the Legislature?

**HON. J. STORIE:** Mr. Chairman, I think, in fact, the information has been made available, it was published in the media. In addition, I would indicate to the Member for Swan River that the Deputy Minister is certainly not being treated any differently than any other Manitoban. In fact, assurances have been given that the back taxes owing would be paid when the bankruptcy was resolved.

I should indicate that the treatment that the Deputy Minister received in the instance of his personal bankruptcy or corporate bankruptcy, is no different than any other individual, and the facts of the matter have been reported a number of times. I don't know that there needs to be any further clarification with respect to the Deputy Minister's role as a senior administrator in the department. It is certainly not at issue. There is nothing exceptional surrounding a personal bankruptcy.

**MR. D. GOURLAY:** I am not concerned about the Deputy Minister's personal business. I am concerned about his ability to function within the Department of Northern Affairs where he has the responsibility to see that taxes are collected, that people do not get into arrears on their property or leaseholdings, and the situation that he finds himself in creates in my opinion, some degree of difficulty. If his own taxes are in arrears, how can he function properly within the department to ensure that other people's taxes are paid?

**MR. CHAIRMAN:** It is also a rule that questions should not deal with matters that are not officially connected with the government or Parliament, or which are of a private nature. I wonder if these are in his official capacity or in his private capacity, these kinds of questions.

The Member for Swan River.

**MR. D. GOURLAY:** Mr. Chairman, in my opinion, this is appropriate questioning because this is a senior official of the department who is faced with the responsibility of collecting those taxes from people who live within the Northern Affairs jurisdiction and if he himself is in violation, then therefore it creates a conflict-of-interest situation apart from the report of the Provincial Auditor.

**HON. J. STORIE:** Mr. Chairman, I don't know how one relieves the Member for Swan River of his particular obsession with personalities. I will indicate to him that the issue of bankruptcy is quite apart from the ordinary and, as the member should know, bankruptcy is usually a result of a number of financial problems and the symptoms of those include the non-payment of taxes.

It had been made clear that the taxes owing to the department will be paid. It is not a normal arrears situation, it was a matter of arrears owing and not being paid as a result of a bankruptcy, which is something that I think probably in the course of events is fairly normal, that taxes would be in arrears when there's a bankruptcy.

I should indicate as well and I haven't done beforehand because I just don't think it's appropriate, that the previous Minister of Natural Resources, the Member for Lakeside, was significantly in arrears in his payment of . . .

**MR. CHAIRMAN:** This same rule applies. The Member for Lakeside is not here to defend himself.

**MR. J. STORIE:** Well, Mr. Chairman, I'm simply pointing out - the Member for Swan River is trying to make the case that a personal bankruptcy, which had as a fact of that bankruptcy arrears, somehow indicates that this particular civil servant cannot function in a certain capacity.

I'm bringing to his attention that a Minister, the Minister of the Crown was in a similar situation and was a number of times. I haven't brought that out, I haven't flagged that for the press. I haven't brought it up in the House because really I think it's not an issue, but I wanted the member to be aware of that.

**MR. CHAIRMAN:** The Minister of Co-operative Development.

**HON. J. COWAN:** Yes, I'm not certain I'd seek your guidance, Mr. Chairperson, but the issue of taxes has been discussed. I'd ask if the collection activities of the Department of Northern Affairs, in respect to taxes which it collects under the legislation, is collecting more taxes this year than the year previous, than the year previous, than the year previous and, in fact, if there isn't a considerable improvement on the part of communities and individuals throughout the Northern Affairs area to participate in that process.

**HON. J. STORIE:** Yes.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** Mr. Chairman, can the Minister indicate how many property owners in the Northern Affairs jurisdiction are currently in arrears, if any?

**HON. J. STORIE:** Mr. Chairman, off the top of my head, I don't know if we have those statistics available in that particular form. I would certainly hazard a guess that there are some. I understand as a rough guesstimate it would be in excess of 200 individuals in arrears.

**MR. D. GOURLAY:** What length of period of those 200 have been in arrears for more than one year?

**HON. J. STORIE:** I would expect a good percentage of them. Again, I couldn't nail down a figure but I would suggest a good percentage of them have been. I would add, in anticipation of the member's next question, that they were in arrears not because of a personal or a corporate bankruptcy.

**MR. D. GOURLAY:** What action does the department take then, when the department cannot collect those taxes? What action does the department take to try and recover those monies?

**HON. J. STORIE:** I suppose, Mr. Chairman, that like all departments, staff use some discretion with respect to the collection of arrears. There are all kinds of extenuating circumstances and I think opportunities are given and there is some coercion, some threats, a liberal mixture of a number of methods to encourage people to pay. But as the member knows, many of the people in Northern Affairs communities have no steady employment and once an arrears situation develops, it's very difficult for them to correct that situation.



Fortunately, as the Member for Churchill has indicated, the Minister of Co-operative Development, that situation is improving. There is and continues to be an improving record with respect to the payment of taxes. That may be because some of the communities have been delegated the authority to collect those taxes. I think that's probably one of the reasons for the improvement that there has been in certain instances.

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

**MR. A. BROWN:** Thank you, Mr. Chairman. I am a little concerned about some of the statements that have been made in the last while, especially when we're talking about items concerning the Member for Lakeside. If I remember correctly, the Member for Lakeside was in a position where he could have declared bankruptcy at any time. He certainly qualified for it because he was in serious financial difficulty.

**HON. J. STORIE:** The Member for Lakeside? That's interesting.

**MR. A. BROWN:** But, well, okay, according to the Minister . . .

**MR. CHAIRMAN:** The item seems to be not relevant to the item under discussion. The Member for Lakeside is not at all related, I suppose, to the administration of Northern Affairs.  
The Member for Thompson.

**MR. S. ASHTON:** If we insist on getting into this kind of discussion, we're going to get further and further away from what I thought was the purpose of this Estimate's discussion. There is a lot of things happening in the North right now, a lot of policy questions - I think that could be asked - a lot of administrative decisions were made in determining the administrative makeup of the department. That surely is what we should be discussing, not the personal affairs of the Deputy Minister, or the personal affairs of the Member for Lakeside, or of any other member. I would urge you, Sir, to call members to order. I would submit that the Member for Rhineland is clearly out of order.

**MR. CHAIRMAN:** That's what I've been trying to do politely.  
The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, at the same time then, the Minister should have been absolutely out of order when he referred to the Member for Lakeside because he specifically mentioned there the Member for Lakeside and some of the difficulties that he had been experiencing when he was discussing the Deputy Minister.

**MR. CHAIRMAN:** I don't know if the Member for Rhineland remembers, but I said that the same rule applies to the Minister as well as any other member of the committee.

**MR. A. BROWN:** Then on the same point of order, Mr. Chairman. Then you, however, let the Minister continue

and make whatever statement he wanted to make. I just wanted to put a little bit of clarification onto some of the statements that the Minister was making.

If the Minister was out of order and he was allowed to continue . . .

**MR. CHAIRMAN:** Order please.

**MR. A. BROWN:** . . . then, surely somebody ought to be able to clarify some of these statements that the Minister made.

**MR. CHAIRMAN:** Order please. We stick to the item under consideration. Administration and Finance, Executive Support: Salaries, Wages and Other Expenditures in the Department of Northern Affairs. Any questions on this item?

The Member for Swan River.

**MR. D. GOURLAY:** Yes, Mr. Chairman, through you to the Minister, what is the situation in the Thompson office? Has the Minister appointed an Assistant Deputy Minister in charge of the department out of Thompson or for the department?

**HON. J. STORIE:** No, Mr. Chairman, there is an Acting Assistant Deputy Minister who is in attendance this evening.

**MR. D. GOURLAY:** Excuse me. Acting Deputy Minister, did you say?

**HON. J. STORIE:** Assistant.

**MR. D. GOURLAY:** Thank you. Mr. Chairman, does the Minister have a chart showing the staff locations and responsibilities?

**HON. J. STORIE:** No, Mr. Chairman, not one that is together. I can list the staff as we go through the various areas if the member wishes. I can begin with the Executive Support section and we can go through them.

The Deputy Minister, John Morrisseau; there is a secretary to the Minister; assistant secretary; secretary to the Deputy Minister; assistant secretary and Special Assistant.

Under Research and Planning - perhaps the member can just follow . . .

**MR. CHAIRMAN:** Well, we haven't called that item yet.

**HON. J. STORIE:** I'm just going to list the members for you, quickly.

**MR. CHAIRMAN:** Okay.

**HON. J. STORIE:** The Director is Brenda Kustra. There is one position currently vacant in Planning. In Audit Services, there are three staff, Senior Auditor, Mr. Ireland, and two auditors. I missed Financial and Administrative Services. The Acting Director of Administration is R. Gagnon. There is a secretary to the Director, a personnel administrator, personnel payroll clerk, assistant payroll clerk, accountant budget officer, budget clerk, voucher clerk, another voucher



clerk, voucher typist, machine operator and a receptionist in the Administrative Support area.

Northern Affairs Fund - three staff, the senior tax clerk is Prenevost. There is a revenue clerk and a tax clerk.

Then we move into Local Government.

**MR. D. GOURLAY:** Maybe we can leave it there and deal with Local Government when we get to it.

Can the Minister outline any departmental policy changes that are in place now that weren't a year ago?

**HON. J. STORIE:** I suppose one of the major ones that is currently being developed by the Planning and Research group, along with people in Local Government Services, is the preparation of maps to be used in establishing resource boundaries for Northern Affairs communities. As the member may know, some of the provisions of the Northern Flood Agreement have created a problem on Northern Affairs communities that are adjacent to Northern flood communities in that because of the terms and conditions of the Flood Agreement, the flood communities are entitled to certain exchange areas and certain hold areas which are impinging upon the ability of the local communities, the Northern Affairs communities, to access resources.

We have met with the Northern Flood Committee chiefs and discussed this particular problem and there is, I think, a willingness on the part of the flood communities to encourage and support the development of these resource boundaries for those communities so that they won't be completely enclosed by the fulfilling of the terms and conditions of the Northern Flood Agreement. So that's one of the major things and that's a policy that we're following and will be following with other Northern Affairs communities as well.

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

1.(c)(1) Research and Planning: Salaries, 1.(c)(2) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could give us a brief resume of what's taking place in this section?

**HON. J. STORIE:** Mr. Chairman, Brenda Kustra, who is the Director of Planning, has just recently assumed that position and is working on a number of issues, not the least of which is one I just outlined to the member. In addition, the department, as I mentioned in my opening remarks, is moving ahead with the transfer and the development of local autonomy issues and the issues of block funding, increased autonomy in other spheres, is being investigated. So that's what those two issues I think are assuming most of the time currently in terms of Research and Planning Staff. As I had indicated, there is one vacant position as well which we are hoping to fill shortly.

**MR. D. GOURLAY:** Mr. Chairman, the Minister indicated that Cross Lake was the only community that would be receiving block funding this year. In this section of Research and Planning, is some of the activity of the personnel in this section looking at block funding for other communities? Is that part of their role? Is that what you were saying?

**HON. J. STORIE:** Not specifically. There are other avenues that need to be explored with respect to local autonomy. The question of developing a balance, a mechanism for the department to deal with the communities who are now collecting property taxes, because if the member will recall from his days in Northern Affairs, right now there is very little incentive for Northern Affairs communities to increase their local tax revenue, because the formula that's used as a matter of policy is such that wherever there are increased local revenues generated, the department's operating support is decreased by a like amount.

What we have to do is develop a system which will encourage the seeking of ways to generate revenue locally and the planning staff are working to develop those kinds of mechanisms. As I've indicated and as the member will know, there is such a variety of skills in the communities. You know, some communities are ready, willing and able to adopt and move more quickly in terms of some of the issues than other communities. So it's a question of finding the community that's ready, has the skills and is prepared to move in that direction.

I would like to correct one other thing. It is possible that other communities will be moving to block funding in the second half of the year or at other points in the year, but Cross Lake is the only one to this point which has made that step. I don't know whether the member had an opportunity to read some of the comments that were made by the Mayor of Cross Lake, Mr. Smith, with respect to the feelings that the community had about the significance of this achievement. I think it was looked on very positively. We have had a number of other communities who have enquired about what it's all about and how they can be moved to a situation where that's a possibility for them.

**MR. CHAIRMAN:** 1.(c)(1) to 1.(d)(2) were each read and passed.)

1.(e)(1) Northern Affairs Fund: Salaries; 1.(e)(2) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** I wonder could the Minister briefly tell us what takes place in this section?

**HON. J. STORIE:** Mr. Chairman, there are three staff in that particular section and the staff look after the Northern Affairs Trust Fund.

**MR. CHAIRMAN:** 1.(e)(1)—pass; 1.(e)(2)—pass; 1.(f)(1) Audit Services, Salaries; 1.(f)(2) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** I wonder, in the Audit Services conducted by the department for the various communities, has there been any change in the number of auditors? I believe Mr. Ireland is in charge of that section?

**HON. J. STORIE:** Yes. There are two other auditors, Mr. Chairman.

**MR. D. GOURLAY:** Do they go out to the various communities and audit or are the books all brought in?

**HON. J. STORIE:** Mr. Chairman, they are attending the communities.

**MR. D. GOURLAY:** Has that been creating any problem with this Minister, has it been working fairly smoothly, or has there been many complaints from the communities with respect to the Audit Services?

**HON. J. STORIE:** Mr. Chairman, not that I'm aware of unless the member's going to surprise me. I'm informed that the only problem that we have in that regard is that they all want theirs done first.

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

**HON. J. STORIE:** Mr. Chairman, if I might just add to my remarks. The member asked if there were any problems. I should say that reports coming back in from the auditors indicate that there were a number of improvements that they see in the communities in terms of their own management and following of procedures, and there's some very good remarks coming back from the auditors in terms of their ability to cope with the procedures.

**MR. CHAIRMAN:** 2.(a)(1)(a) Local Government Development, Local Government Services: Northern Development Agreement, Salaries and Wages; 2.(a)(1)(b) Local Government Development, Local Government Services: Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** Yes, I believe the Minister was going to give us a breakdown of information in this section.

**HON. J. STORIE:** Mr. Chairman, there are 19 staff in Local Government Development. The Senior Co-ordinator is called Carl Marcinyshyn. The Senior Co-ordinator in Selkirk is Mr. Wallace; and the Senior Co-ordinator in Dauphin is Mr. Ford. There are 10 other co-ordinators, 4 regional clerks and a Fire Program manager.

**MR. D. GOURLAY:** There's a Senior Co-ordinator in Thompson, one in The Pas did you say?

**HON. J. STORIE:** No, there is no Senior Co-ordinator in The Pas.

**MR. D. GOURLAY:** And Dauphin and Selkirk.

**MR. CHAIRMAN:** 2.(a)(1)(a) - the Member for Minnedosa.

**MR. D. BLAKE:** Mr. Chairman, I imagine this takes in the Camperville area. I wonder if the Minister might . . .

**MR. CHAIRMAN:** Is this under this item?

**MR. D. BLAKE:** . . . for the benefit of the - not under this item?

**HON. J. STORIE:** No, I don't think it matters, Mr. Chairman.

**MR. CHAIRMAN:** The Minister is willing to answer questions.

**MR. D. BLAKE:** If the Minister would bring us up-to-date on the fishing licences that are being issued by the new self-appointed Cabinet there.

**HON. J. STORIE:** Mr. Chairman, there are no fishing licences being issued by anyone in Camperville. I met with the Mayor of Camperville on Tuesday and discussed the press reports on that issue and there is no truth to those issues.

**MR. D. BLAKE:** Commercial or sport fishing?

**MR. CHAIRMAN:** For the purpose of record - the Member for Minnedosa.

**MR. D. BLAKE:** Commercial or sport fishing, there's no licences being issued except for licences outside of the Province of Manitoba licence?

**HON. J. STORIE:** No, Mr. Chairman, there are not. The issue, in terms of a commercial licence, I think may have been misread, I'm not sure how it happened, but the Community of Camperville has taken it upon themselves to sort of organize, to collect the names of individuals who are interested in commercial fishing, and they are going to send them on to the Minister of Natural Resources. That's what those reports, I gather, were about.

**MR. D. BLAKE:** Mr. Chairman, he kind of lost me there. They're going to collect the licences and then forward them on to the Minister?

**HON. J. STORIE:** Mr. Chairman, they're not collecting licences, they're collecting names of individuals who would like to have access to commercial fishing licences. They're basically using it as an interest group or a focus for individuals in the area who are interested in commercial fishing, but there's no licences being issued.

**MR. D. BLAKE:** Well how does one go to obtain a commercial fishing licence? I understood that there was only so many commercial fishing licences issued and there's been problems over the years in obtaining or transferring fishing licences. How will this help those names that they collect to obtain a commercial fishing licence?

**HON. J. STORIE:** Well, Mr. Chairman, they apply through Natural Resources to obtain fishing licences and, as you correctly suggested, there are a limited number for each lake based, I presume, on the capacity, and they will be either approved or disapproved on the basis of the ability of the lake to maintain a certain number of licences.

**MR. D. BLAKE:** That is only for that particular area, it's not for other areas?

**HON. J. STORIE:** No, I presume there's other groups that probably may do the same thing, I'm not sure.

**MR. CHAIRMAN:** 3.(1)(a) - the Member for Swan River.

**MR. D. GOURLAY:** Yes, I wonder if the Minister could bring us up-to-date on the staffing with respect for the

administration of the Northern Development Agreement out of the Thompson area, I understand the federal people have some personnel working with the Development Agreement in co-operation with Northern Affairs staff.

**HON. J. STORIE:** Mr. Chairman, no. The Northern Development Agreement Office that is staffed by the Federal Government was established and is maintained by the Federal Government and, in my belief, in the mistaken assumption that they can deliver effectively some of the programs that they feel should be delivered. The Provincial Government delivers its own programming through departmental staff, but we maintain no presence in that office because it was established by the Federal Government for delivery of some of the 100 percent federally-funded programs.

When the member, in his earlier remarks, was referring to the difficulties that some chiefs have expressed with respect to the Northern Development Agreement, I can assure the Member for Swan River that those statements do not reflect on the Provincial Government. There has been a serious lack on the part of the Federal Government with respect to attending meetings and to seeing that the Agreement Advisory Committee functions in a useful fashion, but I would like to set the record straight for the Member for Swan River, that it is not the Provincial Government where the problem lies. The Agreement is functioning, but in some sense it isn't functioning as well as it should be, but the lack is on the part of the Federal Minister who has not been able to attend a number of scheduled meetings and that has certainly created frustration.

I have made it clear that I have been available. The province has met unilaterally with the Advisory Committee when there was no federal presence, but a federal presence had been requested or anticipated.

**MR. D. GOURLAY:** Well, that is interesting, Mr. Chairman. I attended a meeting at Norway House, called by the chief there, Walter Monias, and he indicated that Ministers from the province as well as the Federal Government, had been invited to attend last October, I believe it was.

No one from the government showed up, not even the senior administrator from the department. I think there was a junior co-ordinator who was not in a position really to answer any of the questions that the chief had there.

**HON. J. STORIE:** I think it is a little misleading to say that the government refused to attend, which was a remark the member made earlier. The Minister of Co-operative Development isn't here presently, but I believe if he were, he would put on the record the fact that he was invited some few hours before the meeting, told them that he could not attend and indicated that there would be departmental staff there to answer questions. It was not a formal agreement Advisory Committee meeting. It was deemed to be a consultation meeting called by the community, I understand, and in many respects was deficient in terms of the planning and a recognition of how difficult it is for Ministers to get away at the drop of a hat.

I know that the Minister and other members, including myself, had indicated that we are prepared to go

anywhere any time to meet on virtually any issue, and certainly the Northern Development Agreement, which is an important one, there are occasions and times when we simply cannot be available, but those are few and far between.

**MR. D. GOURLAY:** Then, briefly, the federal people have a presence in Thompson and they are delivering some programs that they are funding 100 percent?

**HON. J. STORIE:** Yes, the major one, I gather, is the Economic Development - I am not familiar with the exact term - but it's Program 2 of the agreement.

**MR. D. GOURLAY:** How many co-ordinators are there working out of the Thompson office?

**HON. J. STORIE:** You are referring to departmental co-ordinators?

**MR. D. GOURLAY:** Yes, covering the various committees from Thompson.

**HON. J. STORIE:** There is one senior co-ordinator and five co-ordinators, Mr. Chairman.

**MR. D. GOURLAY:** How many communities do those co-ordinators look after?

**HON. J. STORIE:** Fourteen.

**MR. D. GOURLAY:** How many positions are vacant in this 2.(a)(1) at the present time?

**HON. J. STORIE:** There are no positions vacant at the current time.

**MR. D. GOURLAY:** I see the amount of money is down slightly. Is that just because of the one less pay period this year?

**HON. J. STORIE:** That's the majority, yes.

**MR. D. GOURLAY:** What do Other Expenditures include here?

**HON. J. STORIE:** The Other Expenditures fall under the categories of transportation, communications, operating supplies, office supplies, repairs and maintenance, other fees, other operating, for the total you see.

**MR. CHAIRMAN:** 2.(a)(1)(a)—pass; 2.(a)(1)(b)—pass. 2.(a)(2)(a) Northern Development Agreement, Emergency Response Program; 2.(a)(2)(b) Less: Recoverable from Other Appropriations - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister would give some detail as to what is involved here.

**HON. J. STORIE:** This is the Fire and Emergency Program, and the co-ordinator is Mr. Stagg, I believe, Roger Stagg. Basically, this section deals with the maintenance of our volunteer fire brigades in our

Northern communities. It works to establish and maintain the equipment that they utilize, develop training programs, ensure that the volunteer fire brigades are trained in an ongoing sort of fashion.

**MR. D. GOURLAY:** Can the Minister report the number of fires that have occurred this past year, the capability of the local fire departments to handle the situations, and whether or not there are any serious losses of life or injuries in any of the communities as a result of fires this past year?

**HON. J. STORIE:** There was no loss of life in Northern Affairs communities. I am sure that the member is aware of the limited firefighting capability of particularly the smaller communities, and the major role of the volunteer fire departments is to prevent the spread of fires. There is virtually no community that is - well, there are a couple of communities that have pumper trucks but it is a limited ability to do anymore than prevent the spread of fire. We have, in the previous year, been rather fortunate that there has been no loss of life. The volunteer fire brigades in the various communities are improving and the equipment that they use is maintained well, but it's a pretty limited fire protection capacity.

**MR. D. GOURLAY:** I have always been amazed at the interest and the effort, the achievements that the local fire departments have attained in the various Northern Affairs communities, and have done an excellent job with fairly limited equipment at their disposal. I know that there has been an ongoing upgrading program with respect to training and supply of equipment to the various communities.

I wonder if the Minister could indicate what has taken place this past year with respect to new equipment in the various communities, or pumper trucks or firefighting equipment.

**HON. J. STORIE:** The member is quite right. There actually has been a good deal of activity in terms of the fire program. There was a new fire hall constructed at Granville Lake, one at Duck Bay, one at Pelican Rapids, one at Fisher Bay, one at Wabowden and a number of others that were renovated and improved. In addition, there was equipment - a fire truck to Manigotagan, one to Norway House; a support vehicle to Pelican Rapids; a couple of trailers; miscellaneous equipment to a variety of communities. As well, there was training, both locally and at the fire colleges.

**MR. D. GOURLAY:** Does the Department of Northern Affairs have a satisfactory working arrangement with the Department of Indian Affairs, or I should say, the various Indian Bands adjacent to Northern Affairs communities with respect to fire protection?

**HON. J. STORIE:** I suppose the short answer is that there are some that are working and there are some that aren't and it very much depends on the personalities involved in the council and the Band. There are some that are working and we have sort of a shared service arrangement where we provide service and are paid on a call back basis. We're working with the

Department of Indian Affairs and Northern Development to establish a consistent policy.

Having said that, there's still the difficulty that sometimes exists between the two groups in the community, but we're certainly working on that to improve that because there are situations where the community has the only firefighting capability, and we certainly are prepared to co-operate and lend assistance wherever we can.

**MR. D. GOURLAY:** Are there any communities that are serviced by fire equipment from the Indian bands in a reciprocal agreement?

**HON. J. STORIE:** No, Mr. Chairman, I don't believe so.

**MR. CHAIRMAN:** 2.(a)(2)(a) - the Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Chairman. I'm not going to carry on too long. My colleague has certainly asked some very pertinent questions concerning the firefighting capabilities in Northern Manitoba, but I would just like to ask the Honourable Minister, do we have any associations with the Federal Government in the training and firefighting capabilities in Northern Manitoba, any association at all with the Federal Government?

**HON. J. STORIE:** Not strictly with respect to fire. Apparently the Federal Government does supply some training for disaster emergencies and so forth, but not for firefighting specifically. That's a provincial responsibility and handled by the Fire Commissioner's office and the fire colleges.

**MR. A. KOVNATS:** Just to pursue it a little bit further. I have an interest in why we haven't - this government and the governments before - taken an interest when we talk about Northern Affairs, and I think Northern Affairs includes the Arctic, I'm talking about the Eastern Arctic now which is serviced out of Montreal, out of Quebec, has this government done anything to get any of the servicing of the Eastern Arctic out of Churchill, inasmuch as supply, services and manpower?

**HON. J. STORIE:** I'm not clear on what the member's asking. With respect to what services? The firefighting?

**MR. CHAIRMAN:** Would the member clarify the question?

**MR. A. KOVNATS:** I'll try to clarify it or maybe speak a little bit more slowly, if that's the case.

What I'm thinking about is that there's an awful lot of business that happens into Eastern Arctic that I think can be serviced out of Churchill, firefighting, airport maintenance, supplying of skilled personnel, all that I believe can be done out of Manitoba. Right now the Eastern Arctic is served out of Quebec, and have we done anything to see that we get our share of the servicing of the Eastern Arctic out of Manitoba?

**HON. J. STORIE:** Mr. Chairman, I don't know that that falls under the specific auspices of the Department of

Northern Affairs but I know what the member's getting at and, yes, there are some efforts to develop ties and associations with Eastern Arctic communities.

In fact, in Thompson, the Department of Housing and the Churchill Housing Authority provide housing units to nurses - I think basically nurses - that are servicing the Northwest Territories, so that's an interesting comment.

**MR. A. KOVNATS:** Not to prolong it, Mr. Chairman, but I think that we're missing the boat here because I think that the Eastern Arctic should be supplied out of Northern Manitoba. I think that it's been too long in being supplied out of Quebec. I think that they probably do a half decent job and they probably have a lot of skilled workmen that they can send up to the Eastern Arctic out of Quebec; but I think that with the job opportunities, and particularly the Natives in Northern Manitoba where these opportunities are available, I think that we shouldn't just complain about the lack of job opportunities, we should go ahead and make sure that these job opportunities are available to our people out of Manitoba.

I would recommend to the Minister that he do something about it immediately and see if we can help alleviate some of the unemployment in Northern Manitoba by supplying these people, who are skilled to some degree, and if they're not skilled, let's train them instead of just sitting there worrying about whether we can find them jobs. Let's put them to work and let's train them and let's get them the jobs in the Eastern Arctic that have been available to Quebec for all these years and not to Manitoba.

**MR. CHAIRMAN:** The Minister of Co-operative Development.

**HON. J. COWAN:** I would ask the Minister, although it is not necessarily under his area of responsibility, but I'm certain he does have some information regarding it, if the proposed new Federal-Provincial Agreement for the Port of Churchill contains a study and efforts which will be designed specifically to accomplish - or at least, hopefully to accomplish - and work toward the goal that the Member for Niakwa just expressed and one which we all share and, that is, the greater utilization of the Port of Churchill and the Community of Churchill as a re-supply system for the Arctic?

**HON. J. STORIE:** Yes, Mr. Chairman, I would certainly be remiss if I did not wax eloquent on the significant benefits that are to be had to the Community of Churchill and the many people who live there. However, I'm going to just say that it's an important development and I certainly will deal with some of the concerns raised by the Member for Niakwa.

I think that Churchill is indeed a minor service supply centre for the Northern Arctic, but I think it's quite accurate to say that we could develop that role further. There are opportunities, but I think that when we see more activity in Churchill, by virtue of the Federal-Provincial Agreement and the fact that there'll be some \$37 million spent on port development and so forth, will encourage the use of Churchill.

There is another area that I'm familiar with that is, again, not related directly to my responsibilities and,

that is, the Churchill Interpretive Study Centre - I'm not sure if I have the title correct - which is a unique scientific research opportunity utilized by, basically, eastern universities, so we do have some flow of funds from other parts of the country going to Churchill.

**MR. CHAIRMAN:** The Minister of Economic Services.

**HON. L. EVANS:** I'd like to ask the Minister whether it's not true that the tug and barge operation is still working out of Churchill supplying the Arctic ports, because that was set up in 1974 when I was Minister of Industry. We replaced the boat that came every year from Montreal bringing goods from Montreal with this federal Crown corporation that was to run this tug and barge operation. I don't know if it's still operating. If it is, that was a significant step forward and it channelled supplies from Winnipeg up through Thompson and to Churchill.

**MR. CHAIRMAN:** I think we are getting away from the topic.

**A MEMBER:** It's lots of fun anyway.

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

**MR. A. KOVNATS:** I don't wish to be included in the "we are getting away from the topic."

**MR. CHAIRMAN:** I exclude the Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Chairman. I was aware of the involvement of the Honourable Member for Brandon, because we were discussing the Port of Churchill sometime during the last Session and he spoke concerning supplying Northern Manitoba out of Churchill and I think we all spoke in favour of Churchill. Maybe that had something to do with the big redevelopment plans that finally did come about because we were in complete support, the opposition and the government. I'm not just talking about the North, I think that I'm talking about - in fact I know what I'm talking about - I'm talking about the eastern Arctic that's serviced out of Quebec and I'm even talking about the western Arctic that's serviced out of Edmonton and out of British Columbia. We're getting none of that business.

I think that the Honourable Member for Rupertsland should be very, very concerned because what I'm doing is I'm putting a foot forward and suggesting that people from Rupertsland in the Red Sucker area and places like that should be trained now for the future. Let's not wait until it happens; let's prepare those people now. That's all I'm suggesting.

**MR. CHAIRMAN:** The point is well taken.

2.(a)(2)(a)—pass; 2.(a)(2)(b)—pass.

2.(b)(1) Local Government Services: Salaries and Wages; 2.(b)(2) Other Expenditures; 2.(b)(3) Community Operations - the Member for Minnedosa.

**MR. D. BLAKE:** We thought you were just going to run right through them, Mr. Chairman. There's a decrease in Salaries and Wages of \$61,100.00. I wonder

if the Minister might explain how many people have been laid off and how many are still working.

**HON. J. STORIE:** Mr. Chairman, there's a one-staff-year reduction. The \$61,000 decrease is basically the lack of the additional pay period, less the increase and adjustments - those three items.

**MR. D. BLAKE:** What was the size of the position that was decreased - salary range wise?

**HON. J. STORIE:** The Regional Manager in The Pas was the position that was deleted.

**MR. D. GOURLAY:** Mr. Chairman, this is the area under (b)(3) - the funding to the various communities.

**HON. J. STORIE:** That would be 2.(b)(3), Mr. Chairman.

**MR. D. GOURLAY:** The Minister has supplied me with the list of community funding requirements for the current year showing a total amount of money plus the unconditional grants. I see at the end here it says, unconditional funds are spent in accordance with the budget approved by both council and the department. Now, with respect to the situation at Camperville, where the Mayor there has unilaterally decided to proceed with a self-government and as I understand it has appointed six so-called Cabinet Ministers and are working out of the Camperville Development Corporation building - I believe the question was directed to the Minister in question period with respect to the fact that there was no funding from the province going toward the self-government. Is there any way that the Camperville Community Council could direct some of the unconditional grants to the Metis self-government?

**HON. J. STORIE:** No, Mr. Chairman, not without departmental staff being aware of it. I've indicated on a number of occasions that the Community Council, despite some of the public relations effort, I've heard it called, that surrounded the issue of Metis government, there have been assurances given and the departmental staff assure me that the administrative budget for the Community of Camperville is being administered in a responsible way and in accordance with the original budget that was provided by the community to the department and approved by the department.

**MR. D. GOURLAY:** What kind of checks are placed on the Community Council? I realize, of course, that co-ordinators are in place, but what kind of checks would be put in place to assure that some of this money isn't being used in that matter as I described it?

**HON. J. STORIE:** The normal audits, the monitoring by the co-ordinators.

**MR. D. GOURLAY:** Mr. Chairman, it has been reported that there are many other communities that would like to also proceed with the Metis self-government situation. Have any of these communities - I'm not sure where they are - approached the Minister with respect to proceeding with their own form of self-government?

**HON. J. STORIE:** No, Mr. Chairman, I think it would be somewhat of an exaggeration to say there are a good number of communities who are interested in the particular conceptual framework being discussed by some people in Camperville. Certainly, as I've indicated in my opening remarks, the question of increased local autonomy and increased opportunity to employ local people by delivering departmental capital projects - those kinds of issues are being dealt with. I have said, and made it clear to both the Northern Association of Community Councils, Northern Affairs Communities, the MMF, that that is the direction that the department will be proceeding.

Jurisdiction, authority powers, will be transferred in accordance with The Northern Affairs Act. While we're supportive of the intent of the Metis people in a sense that they wished to have more input in their educational institutions, those kinds of issues have to be resolved using the formal structures that exist to allow for that. There are structures that exist, whether it be - I believe there are some discussions right now about whether the community will transfer to the Frontier School Division. That gives them an opportunity to develop a local school committee and to do some of the things that they feel are important in terms of having some input into hiring and ensuring that some of the teaching staff are Native and reflect the values, generally, of the community. I see that as a supportable principle.

**MR. D. GOURLAY:** Mr. Chairman, I'm not referring to any reports out of Camperville regarding a number of other communities wanting to proceed with self-government. This came out of a media report in the newspapers with respect to the MMF Convention held in Brandon. It was reported that community leaders who attended that convention had condoned the actions of the Mayor of Camperville in proceeding with his self-government and indicated there was a number of other communities would be following suit. I'm wondering whether any of those communities had been in touch with you with respect to their interest in self-government.

**HON. J. STORIE:** None whatsoever, Mr. Chairman.

**MR. CHAIRMAN:** 2.(b)(1)—pass; 2.(b)(2)—pass.  
2.(b)(3) - the Member for Swan River.

**MR. D. GOURLAY:** In the Community Operations funding that's paid to the communities, could the Minister indicate how that money is paid? Is there any change on the funding formula to the communities, or the payout over the course of the fiscal year?

**HON. J. STORIE:** Mr. Chairman, the only change was the change in Cross Lake which I discussed earlier. I could give the member a breakdown of where those funds are spent, the categories under which funds are provided, if he wishes.

**MR. D. GOURLAY:** I'm more or less just interested in the broad formula for paying the communities throughout the course of the year.

**HON. J. STORIE:** It hasn't changed, except for one.

**MR. CHAIRMAN:** 2.(b)(3)—pass; 2.(c)(1)(a) Construction Services: Technical Services, Salaries;

2.(c)(1)(b) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** Perhaps if it's satisfactory with the Chairman and the Minister, maybe we could lump these two Construction Services (1) and (2).

**MR. CHAIRMAN:** Okay, we'll call the other one, too. 2.(c)(2)(a) Community Works, Salaries; 2.(c)(2)(b) Other Expenditures; 2.(c)(2)(c) Regional Services.

**MR. D. GOURLAY:** I wonder if the Minister could give us a breakdown on activities under the Construction Services and Community Works at this time.

**HON. J. STORIE:** Mr. Chairman, there are basically two branches, the Technical Services Branch, which provides engineering and design capabilities for the community projects.

**MR. D. GOURLAY:** Mr. Chairman, I'm familiar with that kind of activity. I'm just wondering about the actual physical projects that are being dealt with.

**HON. J. STORIE:** I'm assuming the member wants to know the actual projects?

**MR. D. GOURLAY:** Yes.

**HON. J. STORIE:** I could outline them for him if he wishes. They are as follows: In 1983-84, the Norway House Sewer and Water, Phase 1; Pikwitonei, Seymourville, with sewage lagoons; Pelican Rapids with a sewer and water line extension; Cormorant Sewage Lagoon. There's a whole list of them. Do you want me to continue?

**MR. D. GOURLAY:** Well, if I could have a list.

**MR. CHAIRMAN:** The Minister may provide the member with a list.  
The Member for Swan River.

**MR. D. GOURLAY:** I wonder, Mr. Chairman, if the Minister could indicate any new installations of water services to communities that did not have this service previously.

**HON. J. STORIE:** In 1983-84, or upcoming?

**MR. D. GOURLAY:** Either this past year, or will be dealt with in 1984-85?

**HON. J. STORIE:** In terms of sewer and water, there was Cross Lake and Norway House and significantly there were, I believe, seven water treatment facilities put in place in 1983-84. I think that covers basically the water and sewer.

**MR. D. GOURLAY:** Has the department experienced any serious problems with any of the sewer and water installations that have been in place for a number of years? I know that in the past we've had some problems at Cross Lake. We understand the reasons for that.

I'm just wondering if there are any other communities that have experienced serious difficulties in this regard?

**HON. J. STORIE:** I see the Director of Technical Services shaking his head, so I assume that certainly none have been brought to my attention, nothing out of the ordinary, that would be beyond the normal operation and maintenance.

**MR. D. GOURLAY:** In Cross Lake, the new school is hooked up to the water facility from the community?

**HON. J. STORIE:** Yes it is, Mr. Chairman.

**MR. D. GOURLAY:** I believe there were some private enterprises that were wanting to be hooked up to the water and sewer facilities. I believe there was a motel, and I'm not sure, there may be other businesses that didn't have this service and wanted to be included. Have they been accommodated in the past year?

**HON. J. STORIE:** Yes, Mr. Chairman. I presume the member is talking about the Hudson's Bay and the RCMP detachment office. Both of those have been accommodated on the system.

**MR. D. GOURLAY:** There was a motel, too.

**HON. J. STORIE:** And the motel as well.

**MR. D. GOURLAY:** The arena at Wabowden and the arena, I believe it was Cross Lake, where there had been serious difficulties structurally, they had been attended to. Are those projects functioning well now, or are there still problems?

**HON. J. STORIE:** I assume that it was Norway House and not Cross Lake.

**MR. D. GOURLAY:** Pardon me. Yes, Norway House and Wabowden.

**HON. J. STORIE:** Yes, Mr. Chairman, both of those facilities are operating and functioning adequately.

**MR. D. GOURLAY:** In the community of South Indian Lake, there were some serious difficulties with the housing units that were placed in there after the community was relocated. A considerable effort has been undertaken by the department over the years to bring those houses up to a better standard.

Also the community store had some serious structural defects, which I believe were attended to in the past year, or maybe it's a little longer than that. I'm wondering, what is the current situation with South Indian Lake with respect to housing and to the community store there? Are those older housing units now in relatively good shape, or are they still deficient in some areas?

**HON. J. STORIE:** I think there are still some deficiencies. The exact nature of them, I think, is a matter for assessment. I believe that the Department of Housing, MHRC, has undertaken to review the exact condition of the houses.



I understand there were some drainage problems that have been cleaned up to improve the situation, but the general structural acceptability of the houses is something that is being assessed. I don't know that they were deficient when they were originally constructed. Certainly the experience in housing, generally, in Northern Manitoba has been less than acceptable, and my own impression of it is simply that the lifestyle did not suit the particular design of the house. It seems that the design, the use of vapour barriers and so forth, in conjunction with a lifestyle that required the heating of water, the lack of sewer and water facilities, just created conditions that inevitably led to the deterioration of the homes.

**MR. D. GOURLAY:** Yes, in addition to that, the foundation under a number of the houses was inadequate, and new concrete foundations were installed. I am sure there were 60 or 70 homes. In addition to that, I guess, as the Minister says, the lifestyles - heating of water, the lack of water and sewer facilities - created some problems within the types of homes that were placed there, but there were also problems with electrical outlets shorting and what not. I think, recently I read some reports about that problem was maybe still causing some concern to many of the residents. I am just wondering if that part of it is being addressed because serious fires, no doubt, could result and it could be quite a serious situation.

**HON. J. STORIE:** As I indicated, I know that the Department of Housing is investigating and I am sure that the unsafe conditions, where they exist, and if they exist, would be able to be cleared up quite quickly.

Again, I assume that the problem with the shorting and so forth is a result of excess moisture, but it is being adequately addressed, I think, by the Department of Housing currently.

**MR. D. GOURLAY:** I wonder if the Minister could indicate whether there is any attempt being made at the present time to design more appropriate housing for the northern communities. I know that when we were in government, at Northern Affairs Ministers' Conferences, we spent some time on this project. I think most provinces attending those meetings showed a lot of interest in designing more appropriate homes for the suitability of the residents in northern communities, and to withstand the rigid climate conditions and so forth. I am just wondering if anything has continued in that line to develop and put in place more appropriate housing.

**HON. J. STORIE:** Yes, there has been a good deal of activity over the past couple of years. It has not been a major thrust of the Department of Northern Affairs. However, as Minister of Housing, I was involved in a Northern Housing Conference and the Department of Housing has continued to pursue some of the kinds of options that the Member for Swan River was discussing.

I could go on at some length if the member would wish, but it's a little outside the Department of Northern Affairs per se, but yes, there are a couple of varieties of experimental housing that are much more suited, in

my opinion at this point, to the lifestyle and the climatic conditions than the kind of housing that has been provided in the past.

There have been a couple of stumbling blocks and, again, although I don't like to point the finger unduly at the Federal Government, they have really proved to be a major impediment in terms of providing that housing quickly. The stumbling block has tended to go along the lines of lack of conformance with the national building codes and product codes. So it has been a problem in terms of their approving funding for it because, as you know, the Federal Government provides a good deal of support in terms of the Rural and Northern Housing Program and some other housing programs. So we need their approval of the design of the buildings and that, while they have indicated support and in fact are testing a couple of these homes in Beausejour, there has been no overwhelming response or indication on their part that they are prepared to move in a significant way to provide this type of housing.

There are a couple of experimental homes, and I am sure the member is aware of them, that have proven to be exceptionally sturdy, at least initial indications, after a number of years of occupancy, have proven to be much superior in their ability to withstand the kind of lifestyle that exists.

**MR. D. GOURLAY:** Is the Minister referring to the Klug Construction type home?

**HON. J. STORIE:** No, not at all. The two varieties of homes that I am talking about are the square poplar logs and what is called the Easterville house, which is basically rough sawn lumber. Both of those particular styles of homes utilize the local resources and are fairly simple to construct.

**MR. D. GOURLAY:** I mentioned the Klug home. I recall that chap in the construction business and was making homes. They had a contract with the Department of Northern Saskatchewan several years back. We had invited northern leaders to look at these homes here in Winnipeg, they were on display. They didn't seem to show an interest in those.

I am just wondering whether the Minister is familiar with that type of home and whether he has any knowledge of how they have worked out in Northern Saskatchewan.

**MR. CHAIRMAN:** This discussion may be very interesting, I don't think it is at all related to the item that we are trying to finish.

**HON. J. STORIE:** It is very interesting. Can I answer that? Yes, I am aware of Klug Construction techniques, and the member is quite right, they have not been widely accepted. I think it's a fairly costly alternative in terms of the other options that we're talking about. Certainly, it provides a greater durability, but I think it has some of the inherent problems of the normal construction in terms of condensation problems and so forth. So I don't think that they have proved to be as dramatically successful as the designer had originally intended. However, I have met the gentleman and discussed it with him.

**MR. CHAIRMAN:** 2.(c)(1)(a)—pass; 2.(c)(1)(b)—pass; 2.(c)(2)(a)—pass; 2.(c)(2)(b)—pass; 2.(c)(2)(c)—pass.

2.(d)(1)(a) Municipal Support Services: Northern Development Agreement - Provincial, Salaries and Wages; 2.(d)(1)(b) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** Yes, I wonder if the Minister could just give us a brief explanation of this section for the benefit of members.

**HON. J. STORIE:** Yes, Mr. Chairman. Basically, the Municipal Government Support Section is involved in the training development of the community clerks that takes on additional responsibilities for developing training programs. There are a number of them that they have delivered over the past couple of years and, basically, their main effort is geared towards developing the expertise in the local communities, to administer the budgets, to develop those skills that they will need as they move on in terms of their ability to govern their own activities.

**MR. D. GOURLAY:** How many community clerks are involved at the present time under this section?

**HON. J. STORIE:** Mr. Chairman, there are eight staff involved and virtually all of the communities have a community clerk, some of which are very experienced and already trained, but obviously there is a turnover and staff are involved in both updating the training of the existing ones and providing training for the incoming clerks.

**MR. A. KOVNATS:** Yes, Mr. Chairman, under (d)(1)(b) Other Expenditures, can the Minister advise how he can justify the doubling of the expenditure of the previous year?

**HON. J. STORIE:** Mr. Chairman, there has been an increase in a number of the categories and I'll just provide for the member the categories. The expenditures occur in these categories, Transportation, Communications, Office Supply Rentals, Other Operating Expenses and Other Fees. The most significant increase in that area is in the Other Operating. That occurs because of the additional responsibilities that we're hoping to move to the communities and the staff are going to be developing and working with those communities to a greater extent and they will need some freedom to do that.

**MR. CHAIRMAN:** 2.(d)(1)(a)—pass; 2.(d)(1)(b)—pass. 2.(e) Grants - the Member for Swan River.

**MR. D. GOURLAY:** Yes, could the Minister give us a breakdown of where these grants and how much?

**HON. J. STORIE:** Mr. Chairman, the grants at this point go to the NACC, the Northern Association of Community Councils; the MMF, the Manitoba Metis Federation; the MKO - I'm not going to try and pronounce that - and there were a number of other grants provided last year.

This year the funding breaks down as \$277,900 for NACC which represents a small increase over the

previous year. The MMF which basically, I think, have had a 3 percent increase over the previous year and the MTO. The remainder of the funding, the remainder \$85,000 has not been allocated at this point.

There were a couple of grants that were provided last year that basically are on hold at this point, so I don't know how the last remaining funds will be allocated.

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

**MR. E. HARPER:** Yes, I was going to ask a question in regard to an unconditional grant. Is this where I could ask?

**HON. J. STORIE:** The unconditional? Mr. Chairman, I'm informed by staff that the particular item that the Member for Rupertsland is referring to actually comes out of the Department of Finance and is provided by that department to reserves.

**MR. E. HARPER:** The reason I asked for that is I know there is a lot of direct information being sought from the Northern Affairs in regard to the unconditional grant. I believe some reserves are having some difficulty in getting their actual dollars on a per-capita basis, I was just wondering if that situation has been rectified.

**HON. J. STORIE:** That would be the Municipal Tax Sharing Agreement, and again is delivered or administered by the Department of Finance. I don't have any other information.

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

**MR. D. BLAKE:** Yes, under Grants the Minister mentioned that there were a couple of grants on hold. I wonder if he could tell us what grants they are.

**HON. J. STORIE:** Yes, Mr. Chairman, the one is to the First Nations Confederacy. There is currently a dispute between the First Nations Confederacy and the Brotherhood of Indian Nations with respect to funding and how it should be allocated. I don't know how familiar the member is with those two organizations. They were all under the umbrella of the Assembly of First Nations and First Nations Confederacy and subsequently split and there's some dispute. So I don't know where and they have not decided how the funding will, or if it will be shared.

The other one, there were a number of grants to outside Native organizations, the largest of which was to the All Chiefs Budget Committee which was set up, or part of their activities was in developing a constitutional position; part of the consultation process. So, those two, I'm not sure whether they're going to be followed through with. Basically, there's some money available for grants.

**MR. D. BLAKE:** Is there any funding in the grant structure here for the Native Council of Manitoba? I understand that's a regional Indian organization.

**HON. J. STORIE:** Mr. Chairman, not within the department at this point. Whether some of this may

at some point, I know that you are quite correct that they are seeking some funding. There are a couple of other groups that are as well and that may be where some of the funds will be allocated in the final analysis.

**MR. D. BLAKE:** There hasn't been a decision made on it?

**HON. J. STORIE:** No, there has not been.

**MR. CHAIRMAN:** 2.(e) - the Member for Swan River.

**MR. D. GOURLAY:** Yes, I don't think the Minister indicated there were any grants being paid to the Northern - was it Northern Communications Incorporated?

**HON. J. STORIE:** Mr. Chairman, the grant to the Native Communications Incorporated in Thompson has been transferred as a communication grant to the Department of Culture, Historical Resources and Recreation.

**MR. D. GOURLAY:** There are no financial monies being paid to that organization?

**HON. J. STORIE:** Not from the Department of Northern Affairs.

**MR. CHAIRMAN:** 2.(e)—pass.  
Resolution 133 - the Member for Minnedosa.

**MR. D. BLAKE:** Payments to Other Implementing Jurisdictions, there's 300,000 there - I'm sorry we're just moving to that.

**MR. CHAIRMAN:** Resolution 133: Resolved that there be granted to Her Majesty a sum not exceeding \$6,641,900 for Northern Affairs, Local Government Development for the fiscal year ending the 31st day of March, 1985—pass.

3.(a)(1) Agreements Management and Co-ordination, Northern Development Agreement: Salaries and Wages; 3.(a)(2) Other Expenditures; 3.(a)(3) Payments to Other Implementing Jurisdictions - Mr. Minister.

**HON. J. STORIE:** Thank you, Mr. Chairman, yes, that \$300,000 represents our share of cost-shared federal-provincial program.

**MR. D. BLAKE:** What type of program?

**HON. J. STORIE:** Mr. Chairman, that is Program I under the Northern Development Agreement which is an economic planning and . . . Planning basically, a planning program.

**MR. D. BLAKE:** That's fine, Mr. Chairman.

**MR. D. GOURLAY:** Yes, I wonder if the Minister could indicate what projects are being looked at under this section at the present time in the various communities.

This is where considerable concern was expressed by many of the northern leaders on the lack of visible activities that had been promised through the Northern

Development Agreement. There have been numerous projects sent for approval but we haven't heard of anything being undertaken up until this point, or very few projects. I wonder if the Minister could elaborate further on some of those activities.

**HON. J. STORIE:** Mr. Chairman, I don't have the details on the \$300,000 - the funding that that was spent for, that's a federally delivered program. But I believe there were some 15 projects - something like that approved - basically, a planning consultant report-type investigation. I think the larger question that you're discussing is the Northern Development Agreement has already expended a good deal of funds, but a lot of it is for infrastructure development and so forth. So a lot of the benefits that have flowed already, in terms of the Northern Development Agreement, tended to be those kinds of things because, obviously, construction projects, major infrastructure are much easier to facilitate than the more fuzzy area of economic development.

The first step, of course, in any economic development, any project, particular enterprise in Northern Manitoba, is the question of what is going to work. That's why most of the money that's been spent has tended to be planning and consultative to this point. We have yet to see, I think, what the results of those investigations will be and whether there will be other opportunities down the road. There is a report for the year '83-84 and one for the coming year available as well. If the member is interested I could make sure that he gets a copy.

**MR. D. BLAKE:** That would list the projects that the Minister mentioned would be under consideration.

**HON. J. STORIE:** Yes.

**MR. D. BLAKE:** That's fine.

**MR. CHAIRMAN:** 3.(a)(1)—pass; 3.(a)(2)—pass; 3.(a)(3)—pass; 3.(b)(1) - Agreements Management and Co-ordination - Salaries and Wages; 3.(b)(2) Other Expenditures; 3.(b)(3) Northern Flood Agreement - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could just give us briefly a rundown on activities in this section.

**HON. J. STORIE:** Mr. Chairman, perhaps I could ask the member for some clarification. Do you want a list of the projects that were undertaken?

**MR. D. GOURLAY:** Yes, the activities that are currently under way.

**HON. J. STORIE:** Basically, Mr. Chairman, the activities fall under these categories and there's a breakdown for each. Surveying and mapping; land exchange; land use investigation; moose monitoring; conservation officer training - that's one of the major ones; the employment task force; arbitrator costs; Cross Lake Arena operating; environmental impact monitoring; human resources survey - those are some of the major categories of expenditure.

**MR. D. GOURLAY:** The Cross Lake Arena was operating and functioning this past winter season.

**HON. J. STORIE:** Yes, Mr. Chairman, it was operating virtually on a 24-hour capacity. I understand that it was utilized to the fullest extent possible.

**MR. D. GOURLAY:** Yes, did the community have an official opening event for that?

**HON. J. STORIE:** I understand the official opening was December 23rd.

**MR. D. GOURLAY:** What would the estimated operating expenses be for the arena at Cross Lake.

**HON. J. STORIE:** The estimated operating expense was approximately \$140,000, I believe. Here it is. Pardon me, Mr. Chairman, it was \$160,000.00. I should indicate that that is, at some point, cost shareable with the Manitoba Hydro. The exact sharing arrangement has not been formerly determined at this point.

**MR. D. GOURLAY:** Under the Northern Flood Agreement, most of the activity there has been under the mapping and the work with the wildlife in that area.

**HON. J. STORIE:** Mr. Chairman, basically much of the activity follows along with claims that have been put forward, so certainly mapping takes a part of that, but other monitoring and surveying, human resource survey kind of thing which is a requirement in the agreement. Basically the department has very little alternative but to pursue those, there's a contractual arrangement there that we have to oblige.

**MR. D. BLAKE:** Mr. Chairman, the Minister mentioned conservation officer training, are these Native conservation officers?

**HON. J. STORIE:** Yes, Mr. Chairman, they are. I believe from Cross Lake and Norway House.

**MR. D. BLAKE:** How many would be involved, Mr. Chairman?

**HON. J. STORIE:** Mr. Chairman, there are seven being trained as resource technologists.

**MR. D. BLAKE:** They will operate in that area, in their own home areas, or will they operate throughout Manitoba?

**HON. J. STORIE:** Mr. Chairman, those individuals, when they complete their training, will be assigned by the Department of Natural Resources. I assume that they would be given priority in their local area.

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

3.(c)(1) Canada-Manitoba Special ARDA Agreement: Salaries and Wages; 3.(c)(2) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** Would the Minister be able to give us a breakdown? I don't necessarily need it this evening,

but on the projects that have been approved under this?

**HON. J. STORIE:** Yes, Mr. Chairman, I can. I can give him a verbal report as well. The grants provided under the provincial part of the Special ARDA, which basically is utilized for Primary Resource Harvesters, went to 2,914 fishermen, 343 trappers and 31 Northern groups for garden projects.

**MR. D. GOURLAY:** I understand the Minister can supply me with a written list of, not necessarily tonight, but

**HON. J. STORIE:** Yes, I can; no problem.

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

**MR. D. BLAKE:** That's fine, Mr. Chairman. I was just going to have the Minister maybe enlarge on the garden projects there because I know at Cross Lake there were some pretty satisfactory experiences with gardening that I believe was commenced by the Mennonite Central Committee a few years ago when I was in their United Church. They sent a couple of girls in there with a couple of rototillers and got things going pretty well and it seemed odd that governments couldn't get it going when a small group like that could, so that will be included I imagine, in the list of projects.

**HON. J. STORIE:** Yes, Mr. Chairman. I just was thinking, there are 2,914 fishermen. Does the member want a list of all those things - 3,000 names?

**MR. D. BLAKE:** Just the last names will be okay.

**HON. J. STORIE:** I don't know what the procedure is on that. Are those normally made public?

**MR. D. GOURLAY:** How many fishermen did you say?

**HON. J. STORIE:** 2,914.

**MR. D. GOURLAY:** No, I don't think it necessary to have . . .

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

Resolution No. 134: Resolved that there be granted to Her Majesty a sum not exceeding \$2,839,400 for Northern Affairs, Agreements Management and Coordination, for the fiscal year ending the 31st day of March, 1985—pass.

4.(a) Corporate Projects, Salaries and Wages—pass;  
4.(b) Other Expenditures—pass.

Resolution No. 135: Resolved that there be granted to Her Majesty a sum not exceeding \$190,800 for Northern Affairs, Corporate Projects, for the fiscal year ending the 31st day of March, 1985—pass.

5.(a) Communities Economic Development Fund, Other Expenditures, no money—pass.

**MR. D. GOURLAY:** I wonder, just for clarification, Mr. Chairman, the Minister may want to indicate what has taken place in this section.

**HON. J. STORIE:** Yes, Mr. Chairman, that's simply the responsibility for providing operating expenses for the fund that has been shifted from the department and assumed by the Manitoba Development Corporation.

**MR. CHAIRMAN:** Item 6, Northern Development Agreement - Canada-Manitoba, (Recoverable from Canada)—pass.

Resolution No. 136: Resolved that there be granted to Her Majesty a sum not exceeding \$8,618,000 for Northern Affairs, for the fiscal year ending the 31st day of March, 1985—pass.

Item 7.(a)(1) Expenditures Related to Capital Assets - Acquisition/Construction of Physical Assets: Northern Affairs; 7.(a)(2) Other Departments - the Member for Swan River.

**MR. D. GOURLAY:** Can the Minister indicate the types of Capital Projects that are contemplated under this area?

**HON. J. STORIE:** Yes, Mr. Chairman, basically the breakdown of expenditures is for roads, water and sewer, waste disposal, buildings, halls, garages, docks, subdivision development and fire program.

**MR. D. GOURLAY:** Could the Minister provide us with a detailed list of those undertakings with the estimated cost allocation? Not necessarily tonight.

**HON. J. STORIE:** We can certainly provide that.

**MR. CHAIRMAN:** 7.(a)(1)—pass; 7.(a)(2)—pass.  
7.(b)(1) Acquisition/Construction of Physical Assets: Other Capital Projects; 7.(b)(2) Northern Flood Agreement - the Member for Minnedosa.

**MR. D. BLAKE:** I wonder if the Minister might do the same under (1), provide us with a list of what activity is taking place there and he might explain the \$1,300,000 under (2).

**HON. J. STORIE:** Mr. Chairman, I would provide that information in terms of the Capital Projects. The \$1.3 million is the interim order being settled from the Northern Flood Agreement, settling Claim 14. That is the building of the Footprint River Bridge and the . . .

**MR. D. BLAKE:** Norway House?

**HON. J. STORIE:** No, Mr. Chairman, it's in Nelson House, in the Nelson House region; and that \$1.3 million will be for the total cost of construction and provision of individual damage claims and to building the bridge.

**MR. CHAIRMAN:** 7.(b)(1)—pass; 7.(b)(2)—pass.  
Resolution No. 137: Resolved that there be granted to Her Majesty a sum not exceeding \$6,417,300 for Northern Affairs, Expenditures Related to Capital Assets, for the fiscal year ending the 31st day of March, 1985—pass.

Back to the Minister's Salary, 1.(a) - the Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I would like to take this opportunity to thank the Minister for

the answers that he has supplied with respect to questions relating to the operation of the Department of Northern Affairs and will look forward to receiving other written detail on some of the projects that we have requested.

However, in summing up the Expenditures for the Department of Northern Affairs, I would like to put on the record that in my travels in Northern Manitoba and discussions with people from the various communities - and I do have a number of Northern Affairs communities within my own constituency - and having attended some meetings in the North recently where there has been great anxiety expressed by many of the Northern leaders with respect to a lot of promises that were being made, maybe not so much by this Minister but by this government, on the activities that would take place in Northern Manitoba and they are not seeing very much activity.

The Minister has indicated the activities under the Northern Development Agreement and perhaps there is a lack of communication perhaps to the various leaders with respect to many of the activities that are contemplated or, in fact, under way through the activities within this agreement. But certainly there are a lot of dissatisfied people in the North.

Another area that is raising much concern by many people in the Northern Affairs community, I think in the province as a whole, and that has to do with the lip service that has been given to self-government, whether it be Metis communities or whether it be Native communities. I think that the Native people have been led to believe that there will be some concrete action taking place in this regard and I have attended the First Ministers Conference in Ottawa and there were two days of discussion solely on this topic.

The Prime Minister indicated his willingness to proceed with self-government. However, there was a lack of agreement between the various Premiers and the Native leaders with respect to what the definition of self-government really was. There was some willingness on the part of the Prime Minister and the Premier of this Province, together with a couple of other Premiers, to proceed on a general topic of self-government, but to leave the details to be worked out later. This was not satisfactory with the majority of the provinces.

I think that this government went on record as wanting to proceed with the general assumption that self-government could be attained and then work out the details later. But we just haven't had any presentations made to us either by this Minister or by this government as to what they really mean when they talk about self-government.

What is the definition that they are giving to self-government? We know that the community of Camperville have proceeded with their own unilateral form of self-government, which is not necessarily satisfactory to many people, including this government, but I think in all fairness to those people that feel that they would like to proceed with some form of self-government, the definition of this term certainly has not been attempted, to my knowledge, either by this Minister or by this government.

So I think those kinds of issues tend to frustrate many of the Northern leaders and the Northern people. Many of the people are afraid that self-government

may mean something completely different to other people and it makes many of the rank-and-file people of the North uncertain as to what the future holds for them. I think that the onus is on this government to try and rectify this situation as quickly as possible before more unrest grows and we experience much more serious difficulties with the people of Northern Manitoba.

I would hope that the Minister of Northern Affairs, and I think the responsibility largely falls on his shoulders, would have this government move quickly to try and resolve this whole question of self-government, not only for Metis communities, but for other Native factions as well.

**HON. J. STORIE:** First of all, I want to make it clear that this government and this Minister do not pay lip service to the issue of self-government or local control. It is something that we are serious about and committed to. I mentioned in my opening remarks some of the things that we have proceeded to do which we see as being movements towards greater local autonomy or greater self-government, those include the nine communities that are currently collecting their own taxes. The fact that the individual communities are delivering capital projects, taking the dollars into their own hands, employing local people, tendering where necessary and so forth, is self-control. It was at one time handled almost exclusively by the Department of Northern Affairs. The block-funding arrangements with Cross Lake; a couple of other things that we're working on include the establishment of a community resource boundaries. Those things will give local people, local community councils access to and some input into the allocation of resources in their area, and again that is certainly another first.

So, I don't think that it's accurate for the Member for Swan River to say that the government is just paying lip service to it, in fact, we're actively pursuing those avenues that are available to us to allocate authority and jurisdiction.

I could mention a couple of other areas where similar processes are occurring; one is in Education and the other one is in Housing. So, I don't accept the fact that it's lip service. I think, as well, that I have been in at least a dozen Northern Affairs communities in the last two or three months, and I frankly don't sense the kinds of sentiments being expressed there that the Member for Swan River has indicated. We have very good relationships and we pride ourselves on being able to maintain the relationships with the Northern Association of Community Councils, the Manitoba Metis Federation, with individual mayor and councils. Certainly, my relationship, I feel, has been cordial, co-operative, and I've certainly not sensed any negativism towards the activities of the government.

Certainly, there are expectations out there. I have, to the MMF, to MACC discussed what self-government means. We have pursued that course. Self-government, of course, means the continuing devolution of the authority of Northern Affairs and the authority of other departments where it's appropriate. I've mentioned a couple of ways that can happen. The Community of Camperville and Ferdinand Guiboche particularly have struck a different chord. That issue surrounded, I believe, some of the frustration that the member was

talking about with respect to the Constitutional Conference, but basically, there are two separate tracks. There is a constitutional process ongoing, there will be another First Ministers' meeting in 1985 and a further one in 1987, and we will have to wait and see what issues can be resolved in that forum.

In the meantime, and quite separately and distinctly, the Department of Northern Affairs will be pursuing its own policy of devolution of its authority and encouraging the communities to accept increasing responsibility.

I have indicated, as well, that some communities are ready to accept it; others are reluctant to for a variety of reasons, including some concern that exists about what additional authority means in terms of their relationship to other departments and other services that are provided, but those are things that we are going to have to work through.

**MR. D. GOURLAY:** The situation at Camperville, I wonder if the Minister can indicate if his department, or the Attorney-General, is looking at the legality of what Mayor Guiboche and his Cabinet Ministers are undertaking.

**HON. J. STORIE:** Mr. Chairman, I have made it clear on a number of occasions that there is no constitution or legal authority for the particular framework that has been presented by the individuals in Camperville. It's a concept only, it has no basis. I believe that it was an expression of frustration and certainly a desire to see a particular issue resolved. The Metis question is certainly beyond the scope of the Department of Northern Affairs, The Northern Affairs Act, to deal with that question, and I have indicated there is a constitutional process which is attempting to deal with it. Whether it will satisfactorily deal with it remains to be seen.

**MR. D. GOURLAY:** After hearing what the Minister has said, it would appear though that the government is prepared to discuss the education system with the so-called Minister of Education from Camperville, who has no legal status.

**A MEMBER:** He's a councillor.

**MR. D. GOURLAY:** He is not a councillor; he couldn't get elected.

**HON. J. STORIE:** Certainly, the Department of Education will discuss school division boundaries with any individual, whether he represents an ad hoc committee, whatever he represents, I think really is for the Community of Camperville to decide. If there is a desire to move in that direction and there is a consensus amongst the people there, then certainly the Department of Education has the authority to review that matter and decide on it, but I would say categorically that any discussions that are taking place are taking place, not with a Metis government, but with individual representatives of the community. When I have met and discussed these issues with the mayor and his councillors from Camperville, I have made it very clear on what basis we were having our discussions.

**MR. D. GOURLAY:** Mr. Chairman, is the Minister aware that the Mayor of Camperville went to Israel to look at the kibbutz system of landholding in that country?



**HON. J. STORIE:** Yes, Mr. Chairman, I was aware that he had done that.

**MR. D. GOURLAY:** Did the Mayor of Camperville request assistance to cover the cost of his trip to Israel?

**HON. J. STORIE:** I believe informal inquiries were made and were quickly dispelled by the department about any possibility of such happening.

**MR. D. GOURLAY:** Was any recommendation made to you by your department to assist in the financing of his trip?

**HON. J. STORIE:** No, Mr. Chairman.

**MR. CHAIRMAN:** 1.(a)—pass.

Resolution 132: Resolved that there be granted to Her Majesty a sum not exceeding \$915,000 for Northern Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 1985—pass.

What is the pleasure of the committee?

**A MEMBER:** Committee rise.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Committee come to order.

We are considering the Estimates of the Department of Agriculture Item 3. Manitoba Agricultural Credit Corporation.

The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, before we begin deliberations on the Estimates of Manitoba Agricultural Credit Corporation, I would like to, at this time, introduce to the members the General Manager of Manitoba Crop Insurance, and the Assistant General Manager, Ron Dalglish and Don Forsberg who have come in.

Mr. Chairman, as we begin as usual, in discussing the Estimates of MACC, I would indicate that in terms of the staff question, there are 52 staff positions in MACC, the same for last year and the same for this year. There is no change in staffing.

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

**MR. J. DOWNEY:** Mr. Chairman, I have a few questions in the Manitoba Agricultural Credit Corporation and I think probably the kind of information that we'll be looking for is to try and determine the numbers of farmers that are still continuing to have difficulty with loan repayments and with the debt refinancing programs and that type of thing. I know that some of the activities that have taken place over the past year I think is worth noting and I know my colleagues may want to make the same comment, that we've found MACC, and the management there, fairly reasonable to deal with in some of the requests that have gone forward.

I would ask the Minister, particularly dealing with the numbers of loans and the kinds of loans that they have,

does he have a list of the numbers of people that are in arrears and are they serious, or what is the status of the Manitoba Agricultural Credit Corporation at this particular time? Are they long-term loans that are in difficulty, are they operating loans, or is there a trend that is taking place? What is the status of the corporation on the lending side of it?

**HON. B. URUSKI:** Mr. Chairman, on the direct loans portion there is approximately 19 percent arrears. The other programs, there may be in some of them slightly higher arrears, but those programs are lesser programs and would have a higher possibility of greater arrears, more in terms of the Farm Diversification Program, Beef Advance Loans, and Mortgage Purchase Loans, those kinds of lesser amounts, they would have a higher, but overall - in terms of dollars, it is fairly significant overlast year; in terms of numbers of farmers in arrears, the number of farmers in arrears had not changed to any significant amount, but in dollar terms it has increased significantly.

**MR. J. DOWNEY:** Just for example, what is the trend? Is there an increase in the percentage of farmers or in the last year or two or the numbers of dollars, is that on a gradual increase, or is it levelling off, or what would be the trend? If there is a trend, I would appreciate knowing that, Mr. Chairman.

**HON. B. URUSKI:** The trends that MACC has as compared to other lending agencies, we would not be that far different. There is an increase in numbers of arrears. The number in terms of dollar amounts as I said earlier, the numbers of clients has not increased. It's those clients who had financial difficulties, are continuing to have and have greater difficulties - some of whom have greater difficulties - and are going further and further into difficulty in terms of their position on the farm, so while the numbers are not significant, the dollar amounts are rising.

**MR. J. DOWNEY:** The concern that I have is with the continued recession in the farm community and in a lot of cases some situations appearing to be - well it's certainly demonstrated publicly that there are certain situations where there could be a time when some of the loans have to be written off or written down or cleaned up in some way. Are there any or could he quantify the numbers of people that the board are making a decision is, there is no hope of repayment, it's a matter of cleaning up the account and taking the loss. Have there been and how many, strict write-offs as far as the corporation is concerned?

**HON. B. URUSKI:** Mr. Chairman, the corporation has set aside reserves at an increase of approximately \$300,000 to \$400,000 over last year, from approximately \$800,000 in 1983 to a reserve of approximately \$1.2 million for this year.

It is a calculated amount and looking generally as to where some of the clients are and it is a fairly significant increase, but in terms of actual write-offs, I don't have the figures here. We'd have to go back and actually give you the exact amount of write-offs that are there, but the contingency liability in terms of



setting aside an amount for reserve for write-offs, we have increased the amount from about \$800,000 to \$1.2 million.

**MR. J. DOWNEY:** How many?

**HON. B. URUSKI:** We'll have to get that in terms of the numbers; we'd have to go through all the accounts.

Of all the loans that the corporation has had, and there were about 400,000 on file that were closed out last spring, which would involve 60 various loans in all categories.

**MR. J. DOWNEY:** In the numbers of write-offs and that type of thing, or difficult loans, he is indicating 19 percent, I believe, of the number of loans are in arrears. Could the Minister indicate to us the type of agricultural production that those people are in? Is there a particular group in the agricultural community that are, through the records of MACC, demonstrating an inability to pay; say, grain farmer direct, strictly grain versus another particular part of the industry?

**HON. B. URUSKI:** Through our Interest Rate Relief Program and some of the work that our staff have been doing in assisting and counselling, and management counselling and negotiations, we have found that the majority of farmers in financial difficulty would be primarily grain related. There would be some in all categories. There are even some in the dairy industry and hog, and it crosses all lines, but the predominant ones are, and it's very clear with the depression in world grain prices and input costs rising, that if the family farm unit is generally grain related those are the farm families who are in greater difficulty than any other type of operation. With the income stabilization in hogs and beef and the supply-managed commodities, while there are some difficulties there the majority of difficulties that those experience would be expansion-related, would be management-related, and the like. In the main the ones who are in financial difficulty would be more so in the grain industry.

**MR. J. DOWNEY:** Mr. Chairman, I think that kind of information is not surprising. I think probably the Minister alludes to some of the other things that have supported, say, the cattle and hog industry, the stabilization program, even though there are only 50 percent of the hog producers in the program and that has dropped, I believe, in the last few years, and probably well under 50 percent of the livestock and beef producers are in the program. I think, again, that it probably would support and I have always felt strongly in this way and I think it has been demonstrated by policies of the Progressive Conservative Party and that is that a diversified agriculture is one which can add stability on its own without additional monies being put in by government, but a better base from which to work from, both grain, livestock, mixed and complementary-type industries.

There's an important area and I wonder how the Credit Corporation and what the government is doing about part-time farmers. I know that there is need for legislative change to accommodate people to work off the farm and earn a greater income off the farm, but

I think in times like this it's essential that the line not be held too firm on that kind of a situation, because if it weren't for some of the part-time work that some farm people do, there'd be a lot worse situations than we now have on our hands; and what is the position of the government and MACC on part-time farmers? Is the Minister proposing a legislative change at this Session or where is he at with that particular part of the program?

**HON. B. URUSKI:** Mr. Chairman, we did begin a review of credit-lending policies of the corporation at the beginning of this year and have just begun. The whole area dealing with part-time farmers is but one of the areas of review, in terms of how effective our policies are and where we should be going in the long term with agricultural credit, whether we should be staying where we are in terms of the scope of the corporation, or whether we should be expanding its mandate and going further and being prepared to be a more significant player in ag lending than we are. That's part of the review that is going on now with corporation staff and with our own departmental staff.

The area of part-time farmers is one of those that I certainly have had representations made to me and to see whether or not we could accommodate part-time farmers. While we do recognize off-farm employments in our lending policies, there may have to be - and we are at this point in time - not certain whether it will require a legislative change or whether it can be done by regulation or administrative by-law to deal with this whole area, we are looking at that now.

If it will require legislative changes, it is not my intent at this Session to be ready with it, because our review will not be complete. We hope that later on this year that review will be done and any decisions, if they require legislative change, would be made at a forthcoming Session.

**MR. J. DOWNEY:** Well, I would hope the Minister doesn't lollygag along on that particular one because I know of certain situations that we've been approached by and it can cause extreme hardship. I would hope, particularly when we're in such a difficult time financially that the Minister, if necessary, would proceed. I don't think there would be any problems in getting support for that particular kind of a change. In fact, I would urge him to give consideration to it, if in fact it is causing the numbers of people problems, because it does.

It does accommodate those people who are desperately trying to make a living, whether driving a school bus or whether they're working in an oil field and particularly the southwest part of the province, or whether they're in the northern region working in the mines to help make their payments and make the thing go. I think it's essential that they be allowed to earn income off the farm and not be restricted from the funds of MACC.

**HON. B. URUSKI:** Mr. Chairman, we recognize and the corporation recognizes that kind of a situation for those who are on the program. Basically indicating that first call, as I would say, first call of the individual's time is to the farm. That being the case, there is no

problem with respect to receiving credit and ability to have a loan. Those who are clients of MACC certainly during the off season, there is no discouragement. In fact, if there is anything, there is encouragement to be able to make that farm unit continue that off-farm employment in the off season is something that certainly is not looked at or frowned upon by the corporation. If anything, it's encouraged.

It is the whole policy area of those who now have full-time, off-farm employment and who may be just beginning into farming, are not able to gain access to agricultural lending through the corporation. That is the area that we are reviewing. Those who are clients now, there is no great difficulty in terms of off-farm employment and continuing with their operation by having - whether it's a school bus or whatever employment - that they can get in the off season. But primarily the criteria is and has been that the first call on time is the farming operation.

**MR. J. DOWNEY:** Mr. Chairman, I would like to know what the percentage of businesses that the business that is now being done by MACC as far as new applications for farm loans versus last year and the year before? What is the majority of the business that the credit corporation is now doing? What are the numbers of applications that are now on the desk of MACC waiting for approval or, in particular, new loans for farm purchases. What are the numbers?

**HON. B. URUSKI:** Mr. Chairman, last year's business - \$13 million - I'll give it in round figures, it's over \$13 million-plus on land purchases; \$2.5 million on improvements to land and buildings; debt consolidation, \$14.5 million; livestock purchases, \$1.5 million.

**MR. J. DOWNEY:** What was that one?

**HON. B. URUSKI:** Livestock, \$1.5 million; equipment purchased, about \$70,000; and other loans, \$400,000; for a total of approximately \$32,200,000.00.

**MR. J. DOWNEY:** And how many?

**HON. B. URUSKI:** 485 loans for last year.

**MR. J. DOWNEY:** What is the application situation at this particular time in the same area? I would hope the Minister would provide that. He's got a sheet of paper there, maybe he'd have it copied or something and have it provided for us.

**HON. B. URUSKI:** All I have . . .

**MR. J. DOWNEY:** It's in the report, I am sure, too.

**HON. B. URUSKI:** It may very well be. I can give you from '74-75 to '83-84 in terms of the loans. We can photostat it and give it to the honourable member.

**MR. J. DOWNEY:** As far as new loan applications, Mr. Chairman . . .

**HON. B. URUSKI:** Applications on hand: 90 in head office and 90 in the field at the present time.

**MR. J. DOWNEY:** So if I understand it correctly, I think he said 450 loans totally last year; 450, in and around that number, of total loan applications — (Interjection) — 485 as opposed to 108 that are now sitting on the desk. What would it compare on a full-year's basis, that's 485 last year, for the same period this year, if we were to take those figures - I can't do it until I know what time period it is - we'd be looking at less than half the amount of loan applications that are on the desk of MACC.

What I'm trying to get is an indication of the mood of the country, if I'm reading it correctly and the message that I'm getting from most people; there aren't many land buyers; there aren't many farm buyers. There's a depression as far as the people of the farm community are concerned in buying farm land and investing in it. It appears here from last year's figures that the majority of the action and activity is in the Debt Consolidation, a program which was introduced in, I believe, the late 1970s, the early 1980s, when we were in office we saw a need for a consolidation of farm debt and by the looks of things it was a good program and a good idea that was started.

I would hope that the Minister could give us comparative figures as to last year's applications and approvals, and he says 485. What are we at for the same period this year?

As well, Mr. Chairman, what are the projections on new loan applications?

**HON. B. URUSKI:** Mr. Chairman, currently till the end of April we've approved 49 loans; last year to the same period we approved 42. Approved an additional 40 in May, for a total of 89 this year right now, that's what's been approved.

**MR. J. DOWNEY:** Are they land purchases, Mr. Chairman? Are they people starting farming, are they people expanding? What would be the nature of that business?

**HON. B. URUSKI:** There would be very few expansions but there is, I'm advised, quite a number of in-family transfers that are going through; quarter-section, half-section transfers that would be being processed at the present time.

**MR. J. DOWNEY:** Well, basically, Mr. Chairman, I guess the question is how many new farmers are starting and being supported by MACC, that's the question? Are there any new loans to new farmers that are wanting to go into the agricultural industry in the buying of farm land and getting into the business, that's the question?

**HON. B. URUSKI:** Well, Mr. Chairman, I guess one would have to look at the files. Any inter-generational transfer would or could be considered as a new farm land. If a son or daughter are coming on to the farm and there is an in-family transfer, these would be new. We would have to go back and look at the actual files as to what portion, or whether you can call it a portion, any inter-generational transfer could be considered as a new farmer. Of the new people getting into agriculture, I wouldn't have those details here. We would have to go through all the files that we would have in terms of

those either beginning or father-son transfers from our records alone.

**MR. J. DOWNEY:** This would only be part of the picture because of the fact that the commercial lending institutes, the banks and the other people involved in the credit unions in farm financing.

There is another area that I am interested in. That is the policy the government has as far as selling of their agricultural MACC lands and their leases. I notice this year in a lot of the papers there were a lot of farms that were advertised for rent, some on a one-year basis with an option to purchase, some on a longer-term basis, some without option to purchase. What is the determination by MACC as to whether or not a particular piece of land will be sold or whether it won't be? It's interesting to note that they separated out, that their policy didn't appear to be consistent.

**HON. B. URUSKI:** All the land that is not under long-term lease with the corporation may be sold, with the exception of one parcel, and that is the Headingley Jail property. Those lands were put up on tender and if it is not leased when the land reverts to MACC, the following procedure takes place.

If the land is not leased, it is tendered for sale; and if unsold, tendered for lease anywhere from one to five years. Where MACC has had clear title to the land, the lessee is given the option to purchase the land at the appraised value. If the lessee declines the option, the land is tendered for sale. The land is sold to the highest bidder if the bid is equal to or exceeds the appraised value as determined by MACC. If still unsold, the cycle is repeated.

**MR. J. DOWNEY:** Well, I am not clear. I was not aware that all land that MACC has for sale - I know there are certain individuals who have only had the opportunity to lease it, that the advertisement was only for lease, and if that's so, then I would advise those people that are strictly under lease that they have the option to buy it. I am not clear, as I am sure the Minister is not clear. There has been advertisements. I can go back into my files and get advertisements that advertise MACC land for lease only without an option to buy, whereas there are some that is advertised for lease that does have the option to buy, and there is a discrepancy.

**HON. B. URUSKI:** I should explain to the honourable member. Some parcels did not have the option to purchase because MACC did not have title to those lands. Where MACC had title to the lands, that option was there and is there. The corporation really couldn't give an option to purchase where title was not vested in the corporation. That is basically the only impediment. If the title is vested in the corporation, eventually those lands would be offered for sale.

**MR. J. DOWNEY:** What will happen, then, to those people that are now leasing it without any options? Will they be given an option to meet the appraised value, or will it be retendered again as a sale program after the title is obtained by MACC? Will it have to go through a retendering process, or will it automatically

be given to them without the rest of the people having an option to buy it, or what is the policy?

**HON. B. URUSKI:** We may have to review that situation. Presently, that land would be retendered because there would have been no option to that individual at the time. Once that option comes up, then the land in fact would be tendered. The persons who did have the option to purchase were given the option at the appraised value. If they, in fact, accepted the appraised value, the sale was consummated. If they did not accept the appraised value, then the land was tendered and the highest bidder over and above the appraised value would be the successful purchaser.

**MR. J. DOWNEY:** I would be interested in knowing what has been the trend or the appraisals on the farms. What do they consider the value of farm land at today, say, as compared to one or two years ago? Is there a trend up or downward on a percentage basis? Is land maintaining its value or what is the feeling of the appraised value at this particular time? Is it, as I say, up 10 percent, down 10 percent, or what are the appraisals doing?

**HON. B. URUSKI:** I am advised that some areas, compared to '81 land values, have dropped; but compared to last year, while the number of transactions have been somewhat down, basically, land values are holding. They basically bottomed out; they are either holding or slightly up for '83-84.

**MR. J. DOWNEY:** That is interesting, Mr. Chairman. I am wondering at the determination of the price that a person is going to pay for the particular land that he is bidding on. When is the price established, when is the land appraised and how are we assured as taxpayers that the province is getting the value out of the land? What is the appraisal time and how do the rest of the people know that they are being treated fairly that have been on the land?

**HON. B. URUSKI:** I am advised that value is established at the time a lessee elects to exercise his option to purchase, and that value is established based on comparable sales adjusted for the condition of the land that they are selling and that is the value that is established.

**MR. J. DOWNEY:** The time that person decides to exercise his purchase, if they lease a parcel of land with an option to purchase it up to six months or up to a year, at that time the person who has already got a lease, the MACC come along and say we appraise it at X number of dollars an acre and that's it, there is no open bidding or tendering on that particular land. How do we know that it is handled fairly? What if there is an individual who has a neighbour who wants to pay more money? It's not very clear as to how the price is established to be fair to the other people who are bidding on the same piece of land.

**HON. B. URUSKI:** The honourable member should be aware that the lands that we are speaking about are not on long-term lease. Those lessees have their own

lease agreement and their own options to purchase. These are the short-term lease lands which have been given up by the original lessee. Those lessees have the first right to accept the value. If they feel that the value that has been established by the corporation is too high, they then have the option of waiting and the lands shall be tendered and bidding on the tender process and competing against anyone else who wishes to bid, so they have the first option to purchase based on the established price by the corporation. If they reject that offer as being too high, then they have the option to go on the tender.

**MR. J. DOWNEY:** I would ask the Minister to - he must have a written policy to table a policy of how they handle these specific parcels of land. I realize it's on a short-term basis but would ask him to clearly state that the system which he's using is fair to all people involved, those people that are not part of a lease arrangement; and I would ask him if he has a written policy, a guideline that they follow, that we would like to have it so that it is public information.

**HON. B. URUSKI:** Mr. Chairman, we will provide the member with the guidelines that are used there and he can see them. Basically, and that's why I differentiate it, it is the short-term lease lands. The benefit given to the lessee, given the first option to purchase, is because initially they were the ones that received the tender or they were the only ones that came forward that wanted to lease that land when it became vacant, and therefore they were given the first option to purchase that land even though there were no long-term commitments, but if they refused that option to purchase, then they had the right to compete against the tender.

If the tendered price did not come in at approximately the appraised value, then the corporation looked at it and said will we allow it to go, or will we receive our price as compared to appraised value? If they received it, the land was sold; if they did not, if the tender amounts were far low, the land was re-leased, tendered out for lease again.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Two things then, Mr. Chairman. Can someone wanting to put in a bid on a one-year lease that has the option to buy, can they find out from the corporation what the appraised value of that land is at the time? Because that's a rather important thing to know if you are, in effect, buying an option on a piece of land, so is that kind of information available? When the person makes their bid to lease for one year, it might have an option. The Minister's shaking his head indicating that it's not available. Does that mean that it's not available because it hasn't been done or the corporation will not release information that it may have in terms of the evaluation of the land, and secondly, can he confirm then whether or not the corporation has in fact sold land on a tendered basis at less than the appraised value?

**HON. B. URUSKI:** The answer to the first question, I would say both, for both reasons, that the corporation

will not appraise the value or give a value for obvious reasons, and secondly, in most cases it has not been done. But for both reasons, we will not have the values released.

Secondly, after the lease is undertaken, then an application or request can be made and a value will be then provided. Up to that point, no, it will not be provided to anyone.

Any sales that have been tendered and made have all ended up above the appraised value.

**MR. J. DOWNEY:** Mr. Chairman, the Minister has indicated he will table the policy guidelines or the policy that the MACC have. I would think it's important that everyone understand, the public understand, the procedure and I don't think they're clear on it. I think there's been some problems. Maybe it's because of the type of leases that are available, maybe it's because of the long and the short term and the type of land, that it has to be somewhat flexible.

Another area, Mr. Chairman, that I want to ask and that's that the government have made a lot to-do about some of the lower interest loans that they've been borrowing offshore. Has the Minister of Agriculture given any consideration to passing those great savings straight through to MACC? They've talked about 5 percent loans offshore and it's in the best interests of the taxpayers of Manitoba. Has he not advocated to his Cabinet and is he not feeling there's some way in which he could just pass those funds through at that low interest rate, mark it up 1 percent and give that saving to the farm community? They make a lot about low interest rates that the taxpayers are borrowing for the people of Manitoba. Has the Minister of Agriculture considered passing those low interest rate funds that they're bringing in from the offshore, straight into MACC and charging that lower interest rate to the farmers?

**HON. B. URUSKI:** Mr. Chairman, I think the honourable member could probably have that question answered fairly well by his colleague who was the former Minister of Finance of this province, but I will endeavour to do my best to answer it for him.

The policy of the Manitoba Government has been, is, and likely will be, in that there is, in terms of the long-term lending to all its agencies, the Department of Finance establishes a blended rate over a long period of time on the basis of all the borrowings that the province makes, and on the basis of that blending rate those funds flow, whether it's MACC or any other Crown agency which requires capital funding. Therefore, while there may be at times monies at 7 percent, one has to again as well look at the exchange rate and the like.

While one might on one loan, one borrowing, one offshore borrowing, say, yes, at today's current interest rate it may be a low-priced loan, but one cannot use that money totally for one agency because one has to look at the long term, the fluctuation in worldwide currency and that's why the Department of Finance does I think provide some stability even to the corporation by blending the loans that it provides for all its agencies.

**MR. J. DOWNEY:** Mr. Chairman, I'm not clear on it. I can't understand, if the government is borrowing lower

interest rate monies offshore, as is available to foreign investors, that he says they have available funds at low interest rates to come in and buy land in Manitoba, is it not possible for that same money to be borrowed by the government on behalf of MACC? They've said it's lower interest rate money; it's a great deal that they get. Put that money straight over into MACC, mark it up 1 percent or .5 percent or whatever the normal markup is, not worry about the blending.

**A MEMBER:** What about the exchange rate?

**MR. J. DOWNEY:** Well, the exchange rate has to be paid by the province anyway. They're locked in — (Interjection) — No, if the province buys and the interest rate goes up, then MACC eventually has to pick it up because it's working on a blend price. It's the same thing, it goes up regardless. The government isn't — they're the vehicle. What I'm saying is if the 5 percent money is available and such a good deal, slide it through to MACC and provide it to the farm community at that lower rate. Every time the First Minister, every time the government goes to borrow money, they tell the public of Manitoba what a good deal they've made. Well, I'm suggesting that maybe that good deal should be passed directly through to MACC to help the financing of the farms.

I'm not a financial whiz like the Member for Ste. Rose, he understands these things a lot better than I do. I only understand, Mr. Chairman, that the government is making these great deals in borrowing money off-shore. Every press release you pick up, every time they borrow money they tell us they've made a great deal, a very favourable rate. Is it not possible to give that money strictly to MACC and charge that lower rate money to the farmers?

Why, Mr. Chairman, isn't it possible? The Minister talks about a blend and he talks about the exchange rate; well, if that's the case, then we're not getting such a good deal as a province because there's an exchange rate that has to be paid — (Interjection) — why not? I believe, Mr. Chairman, there should be a better explanation — I would think there'd be a better explanation . . .

**MR. CHAIRMAN:** Order please.

**MR. J. DOWNEY:** I can't understand it.

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

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

**MR. J. DOWNEY:** The farmers are the people who are trying to carry on the food production. If the loans that the government are making are . . .

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

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

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

I'm very sincere about this, Mr. Chairman. I'm very sincere about it. If the government are getting such good loan rates that they're advertising and

broadcasting; why can't they make that block of money available to MACC and mark it up one-half or one percent to the farmers through MACC. There the First Minister is, the First Minister just came back from Europe — borrowing a lot of money. He comes back and says — the First Minister said, I've got a favourable rate on this money. Why doesn't he pass it over to MACC? Why doesn't he pass it through to MACC?

I'm serious about this. You're telling us that it's a good rate they're getting. The people of Manitoba should be extremely happy about the way in which the New Democratic Party borrow money. Why can't they go and borrow some of those cheap dollars, low interest rate and pass it through to MACC and the farm community take the benefit of it? Why, Mr. Chairman . . .

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

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

The Member for Inkster will have his turn. I would appreciate it if he would not interrupt the other members.

The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman, I appreciate that.

What I'm saying is that there is apparently a saving. The government have been telling us this, that there is a savings of several percent interest rate and rather than — the Member for Inkster, in his comments said, "well it depends on what you're borrowing it for." Well there are many people in Europe that want to invest in Manitoba farm land. They want to put money into it. It is apparently available at low rates. Why hasn't the government the vehicle to assemble that money, to put it in the hands of MACC and use it so that it can be invested in farm land? The Minister keeps referring to the former Minister of Finance, I think the former Minister of Finance could give him an education as well. — (Interjection) — But I'm from Arthur, you have to show me.

I didn't say I was from Missouri. I'm from Arthur, you have to show me that that kind of a thing can't be done. I'm extremely serious about this. Mr. Chairman, if the funds are available at a lower rate of interest, why can't it be passed on?

**HON. B. URUSKI:** Mr. Chairman, one has to remember as to where the province is vis-a-vis say the Federal Government where it sits on its lending rate and while off-shore money has been touted and by federal politicians and likely the province has made some good deals, but the province, as a policy, has said that the benefits of lower interest rates in terms of its borrowing, shall be spread right across the board to all its borrowings. It has not singled out one sector as the beneficiary for any one single loan borrowing. That has really been the historical move by the Department of Finance in its borrowings. But I want to tell the honourable member that our rates in terms of MACC and the provincial borrowing rates and the amount of money — the interest rates charged by MACC on both shorter and longer term loans are anywhere from .5 percent to 1 percent lower than the Federal Farm

Corporation - federal legislation allowed the FCC to go on off-shore borrowing and get some of that 5 percent money.

I haven't seen it yet in terms of the reduction of rates, but even when the province does, even when the province does receive the benefit of one of its capital requirements at a lower interest rate, there are several considerations in that, but in terms of the cost of exchange but also as a broad policy that no one sector be the beneficiary of that one loan. It is distributed throughout the public so that every sector gets the benefit, the entire borrowing capacity of the province benefits by it.

**MR. J. DOWNEY:** Mr. Chairman, I'm not clear - I don't believe that that's exactly accurate. I guess that there are some corporations that probably go and borrow money off-shore like Manitoba Telephone System has the ability to go off-shore and borrow funds, used strictly for Manitoba Telephone use. What I'm saying is, particularly when we're seeing the kinds of interest rates - I want to make a few comments in this area, because I believe there has to be a whole new look at the financing for long-term agricultural investments. I don't believe that the people who buy and invest in long-term investments on a slow turnover of funds - like it take two-and-a-half, three to four years to turn over the capital invested in land - should have to pay the same kind of interest rates that a particular retail business is able to turn the money or capital over two or three times a year. It just isn't possible to generate the cash flow out of a farm community today, out of an investment in land and major machinery that has to be bought, it isn't possible to do so and pay those same interest rates.

So, I'm saying to the Minister and maybe there are possibilities — (Interjection) — well, the Minister says, maybe I have something. That's why we're here, we're trying to help — (Interjection) — well, we were there four years, the interest rates weren't that bad except the last part of it. The last part of it the interest rates went up, but the majority of our years, we weren't in that same kind of a situation. We weren't, look at the records.

We happened to make the transition in government possible at that particular time. I'm serious, I believe there has to be a major look at, Mr. Chairman, the financing of agricultural land and long-term investment either through the kind of system that I'm talking about, making it available, the credit corporation available to go to the off-shore markets. As I say, he keeps telling us and his Premier keeps telling us how much cheaper he can borrow money for the province. Why can't we get in on that for MACC? I want that answered. I would hope that he would do it.

As I say, the Manitoba Telephone System, as I understand, has the availability to go and borrow money off-shore and to finance itself in the same way as I am suggesting.

I believe that it's important that this kind of an alternative be looked into. I don't think we should just toss it aside in a meaningless manner. I think there has to be capital at lower cost made available, whether it's off-shore. There's been lots of talks about Agri-bonds and the availability of people to invest in an Agri-bond,

not pay tax on the money they invest in it and therefore allows a lower rate of interest to be paid for them because they don't have to pay income tax on it.

There are two options, but I hope the Minister — (Interjection) — well, he says there's a third. Well, he could go back to the Land Lease Program I suppose. That would be his suggestion.

I want to know, why it wouldn't be possible for MACC to go and get the lower money that he and his government have been talking about, Mr. Chairman.

**HON. B. URUSKI:** The suggestion is an interesting one, while I don't know all the ramifications and I profess that I don't know all the details and what is involved in what he is suggesting. That's why I, I think in a friendly way, suggested that possibly the Member for Turtle Mountain, who did have responsibility for the Department of Finance, could probably tell him, as best or better than I could in terms of why the province was not in the long term borrowing in that way and allowing funds to be handled in that way.

That's certainly a suggestion I don't want to take lightly. I remember being chastized by honourable members, and the Member for La Verendrye sitting there saying now you're playing the big banker here and interest rates are high. We took the step of moving and allowing for the write down with no out-of-pocket, because there were options given to each farmer client who had interest rates at above the 13 percent range, and, in fact, those loans were bought down, written down with no cost to the Treasury internally.

The suggestion he makes is one that I don't take lightly, whether there is an option of doing just that, but certainly the Province of Manitoba in its borrowings does every bit as good as the federal agency which has a much larger portfolio, a much larger clout in the Canadian market, and in the international market in terms of its borrowing for the industry. Our rates are half to 1 percent lower than the rates of the Farm Credit Corporation who has touted going on the world market and borrowing funds wherever they are.

It would be, and I venture to say what would happen even though we don't need, let's say we went in a \$25 million borrowing as part of the capital requirements of the corporation, what obviously would occur is that the corporation would take the money, reinvest it in Finance, because we would not require the \$25 million all in one lump sum, and it would then be in the banking business itself.

If the member is suggesting that this happen, that's certainly a consideration I don't want to discount because that may be a suggestion in terms of looking at the long-term goal of the corporation as to what role it should play in agricultural lending in this province, and if it should take an expanded role, that may be one of the alternatives that should be looked at in terms of its long-term borrowings.

I appreciate the suggestion that the honourable member has made.

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

**MR. A. DRIEDGER:** Yes, thank you, Mr. Chairman.

I just want to expand on that a little bit and illustrate to the Minister even more strongly the problems that



there is in terms of credit availability for farmers especially in the area of purchasing. I want to just expand to some degree with the Minister the problems that are created by lack of long-term credit available for farmers, especially young farmers. Just in a continuation of this, I want to make a further suggestion, and I want to illustrate to the Minister there is a major problem.

I have a little real estate company out in the rural area. There's many people that are interested in getting into the farm business - some qualified, maybe some not, this type of thing - but young people that are qualified to go into the business in terms of their background, in terms of maybe not much assets, but there's a major problem in terms of where to get money. If they go to FCC right now at 15 percent, viability gets to be very tough. He says, well, MACC is .5 percent less, whatever the case may be - 1.25 percent less - now that kind of thing is not going to solve the problems of young people getting on the farms when the average age of our farms is 55-56 years old, it creates a problem because who are they going to sell to?

It was illustrated to some degree by the critic, the Member for Arthur before, that there is a major problem. Who is going to be buying these farms as these farmers retire at a time when things are real tough anyway? We're not exploring the right suggestions, the one of them that was suggested by the Member for Arthur.

The other thing is if a farmer does sell, why can we not expand on that agri-bond aspect or where that money, for example, if a farmer sells, he retires his debt, buys himself a house in town, retires; the additional money that he does not need, why cannot there be some provision at the present time so that money can be put into a borrowing institution, to MACC, so that young people can make themselves available to this at the reduced interest rate, at a reasonable interest rate. You know this is something to look at, why should that money not stay in the agricultural community?

Right now, the other problem, of course, is the taxation system when you look through Capital Gains; I'll give the Minister an illustration if he has a chance to listen. I'd like to give the Minister an illustration of a dairy farmer who had a dairy farm. I think he was trying to sell it for around \$400,000, the assets were there, he had debt to the tune of about \$200,000 on the farm, he was at the point where the boys had left the place, and he's trying to sell it. We had an Offer to Purchase on the place. What he did when he looked at the Offer to Purchase he went to his accountant and by the time the accountant figured out what — (Interjection) — yes, you know the cows are taxable and the depreciation becomes taxable, capital gains, this individual ended up with \$3,000 in his pocket. That's the tragedy of it.

The young fellows that are starting off, well in this particular case the farmer changed his mind and he says I'm not going to sell for \$3,000 - my life's work is there, the government takes most of it, by the time I pay my debts I can't retire, no sense in selling.

There's a major problem and I don't have the easy answer. I'm just suggesting to the Minister look at some of the possibilities of making it easier for young fellows to get on the farm to give them a fair chance, because many of them, even if you show a reasonable viable

cash flow in a dairy operation, for example, and it looks like the fellow can make it, it's tremendously tough. It is because you're borrowing a lot of money, a fair amount of capital and the capital investment is there.

How do young farmers start nowadays? When my dad started on the farm, he started off with a few cows, a mixed type of operation. It isn't that way anymore, it's a specialized field and it needs specialized attention. We can't just say well the interest rates are high - FCC is 15 percent, ours is a little lower - who can borrow money?

If the Minister will check his records with MACC or what FCC is doing at the present time, virtually no new loans are made, virtually none. The only ones that borrow money right now, at the present time, are the ones that have an existing loan and maybe they want to expand, but for newcomers to get into the field, it's virtually impossible. These are areas where I think the Minister is floating along and he's trying to keep everything orderly and nice, you know, within reason. It's a major problem, and he doesn't address it really and unless somebody's going to grab ahold of this thing and address it properly, then you're not going to have farmers in the future.

We're still promoting the cheap-food policy, that is still in effect. If we're going to promote the cheap-food policy where we're doing exactly what we're doing now, then I have no qualms about saying subsidize the young farmers or the farmers that need to borrow long-term money. I don't care how you do it. There's various suggestions have been made, but do it because the industry is in trouble right now.

If the Minister says economic times are creating some of the problems right now in terms of guys going broke, that's not the case. There's going to be more and more guys getting into trouble, and there's going to be more guys, older farmers, instead of declaring bankruptcy, they can't sell. What do they do? They have an auction sale, sell what they can get. They dispose of the land at whatever price they can get. It is a major problem and the Minister is not really sincere about it. He's floating around it.

I challenge him. If he's sincere about helping the agricultural community, get in there, take some progressive steps. Let's throw out some ideas and work with them. When we make suggestions, he says, well, this is the way it is. That's not good enough anymore. There's too many young farmers out there that are in trouble, people that want to get in there and produce food, and food is the key to the whole thing.

I challenge the Minister to get off his butt, get out there and do something with this on a positive scale.

**HON. B. URUSKI:** Mr. Chairman, the honourable member is somewhat behind the times when he speaks about the Agri-bond Program. This government and other provincial governments made presentations to the Federal Government a year ago and he should be aware that idea, of course, did not fly anywhere. The Federal Government was, I'm sure, concerned and they said so about revenue loss and they wanted to look at the ramifications of an Agri-bond Program. There is no great difference of opinion as to what the honourable member is suggesting, but I spoke about another solution earlier and I want to touch upon that.



The clear fact of the matter is that if effective interest rates were at inflation plus 1 percent to 2 percent for administrative costs, you would have a completely different picture. But what you are seeing is effective interest rates far beyond inflation and far beyond normal administrative costs of the banking industry. Basically, interest rates in this country, I believe, are being used to pay for some of the off-shore loans that the banking community has made and some of that burden is shared by all Canadians. Farmers are part and parcel of sharing financing of those loans.

What we really should be saying is look, the effective interest rate in this country should be inflation plus about 2 percent for a return to the banking industry and then you would see a complete different story. We wouldn't have to be talking about agri-bonds or tax concessions or subsidy in interest rates. You would really get to the root of the problem. That's where you would get at it, but anything else short of that, we will always be quibbling and griping at one another that you are not doing enough and how about looking at this suggestion or that suggestion when the effective interest rate is far beyond what the capability in today's world of production, the costs of that operation cannot meet, and the interest rates that one effectively pays are a great portion of those costs.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Thank you, Mr. Chairman.

The Minister and some of his colleagues always want to talk about the system. Whenever they get into difficulty, it's the system. They say that the system isn't going to; we can't do anything because of the system and you have got to have 2 percentage points above the inflation rate for interest.

Mr. Chairman, that is not realistic. If they try that, it is not going to work because money isn't going to stay here. It is going to go where it will get the greatest return.

There are some things that the Minister might do. My colleague has made a suggestion to him, and the Minister of Agriculture wanted me to give him the answer. Well, I'll make a comment or two on it, Mr. Chairman.

The reason that we always looked very skeptically upon the off-shore borrowings was that they were risky. Yes, we did; sure we did on at least one or two occasions. — (Interjection) — Well, I don't care. The member can quibble about how often.

Every time that the members opposite and the previous government, the Schreyer Government when they borrowed money in Switzerland, for example, they said what a great deal it was. I remember in 1977, February of '77, Schreyer borrowed 100 million Swiss francs and the rate was 5.25 percent and they pointed out at the time that the comparable borrowing rate in Canada would have been about 9.25 and what a great deal they got. Well, five years later they had to pay that off and instead of getting 46 million — (Interjection) — They don't have to pay it off. They have to roll it over.

They did roll it over, in effect, Mr. Chairman. They borrowed 100 million Swiss francs in 1977, it came

due five years later in February of 1982, they had to pay 100 million Swiss francs. So what they did was simply borrow 100 million Swiss francs again. That's what they did. They borrowed 100 million Swiss francs. The catch was that in 1977 that was worth \$60 million Canadian, in 1982 it was worth \$46 million Canadian and so the loss went onto the books. The interest rate wasn't 5.25 percent; the effective interest rate was about 16.5 percent over that five-year period. That's why we have always looked skeptically upon that, because there is a lot of risk involved.

But we keep hearing now from the Minister who borrows his money - not this Minister - the Minister of Finance - that when they borrow this money it's a great deal. The First Minister said the same thing. So maybe the situation is changed. I don't have access to the information that the government has access to now, or that the Minister can have access through to his Minister of Finance. If things have changed that much, because the Canadian dollar is now down to 77 cents-and-something, then maybe there is something to this.

If the Minister wants to fight for the interests of agriculture, I will give him an argument that he can take to his Minister of Finance. If the Minister of Finance is going to borrow \$1 billion, and let's say he is going to borrow 25 million of that in Swiss francs, and MACC has a \$25 million requirement, what they do now is give MACC some sort of a blended rate. If the exchange rate fluctuates unfavourably, the provincial taxpayer picks up the difference when that rate is blended. If they guaranteed the exchange rate to MACC and gave them that 25 million at the low interest rate, and the exchange rate changed unfavourably, the taxpayers would still be picking it up. The cost to the taxpayer is not going to be any different. He is still going to pick up the exchange rate.

So if the Minister wants to fight for the interests of the Agricultural Credit Corporation and the farmers, then let him take that argument to his Minister of Finance and see what happens. If the answer comes back, of course, — (Interjection) — well, see, now listen, now the Minister is talking of playing poker. This is playing poker borrowing off-shore, Mr. Chairman. That's not what we hear.

When we get a press release from the Minister of Finance and the First Minister they don't say we were over in Switzerland playing poker last week folks and we came away with 100 million Swiss francs. They say we were over in Switzerland last week, we came away with 100 million Swiss francs and it's a great deal. We borrowed at 6-and-some percent. Well that's what they say. Read the press release. That's what they say, that's what the First Minister stood up in the House and said — (Interjection) — the Minister of Agriculture says that that kind of borrowing is playing poker, so — (Interjection) — I'll give the Minister the chance. He didn't say that it's playing poker then. He wants to take that remark back that there isn't that kind of risk involved in borrowing off-shore. If there isn't that kind of risk involved in borrowing off-shore then why doesn't he borrow off-shore for MACC, like one way or the other, which one is it?

So I'm suggesting to the Minister that he — (Interjection) — well, he says there's a risk, Mr. Chairman, of course there's a risk and that's why

members on this side have always been skeptical about that off-shore borrowing but it's always painted by the Minister of Finance and the first Minister as being a good deal. So all I'm saying is go to your Minister of Finance then and tell him if it's such a good deal, tell him he can provide that money for MACC and that he can guarantee the exchange rate, and he isn't going to be any more money out of pocket than he was before.

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

**MR. R. BANMAN:** Mr. Chairman, this is an interesting discussion in light of the fact of the Member for Thompson putting a resolution on the Order Paper dealing with interest rates in this country, a very simplistic resolution I might add. The Minister of Agriculture now is really admitting that it isn't really as simple as just asking The Bank of Canada to lower its interest rates. There are all kinds of other things that enter into the picture.

However, I will give him another argument, I think, which was briefly touched on by my colleague a few minutes ago, and that is he says MACC is getting a blended rate. Well, Mr. Chairman, if the deal that the Minister of Finance and the Premier negotiated in Switzerland is such a good one, and we're looking at 5 percent or 6 percent, why doesn't he persuade his colleagues to fund MACC the same way that now Hydro and telephone borrow at. Hydro and telephone do not borrow at a blended rate. They get a debenture and they pay the rate that the province has paid for that borrowing. The province determines, I believe, where they'll borrow the money. In other words, the province goes out to borrow for them.

Mr. Chairman, if the 5 percent is such a good rate, let's borrow specifically for MACC and then we will be able to go out and tell the farming population what a good deal we've made for them.

Mr. Chairman, I've enjoyed the discussion tonight and we will see, the ball is now in the Minister of Agriculture's court. What I like about this discussion, Mr. Chairman, is that he will now be able to tell the Manitoba farmer, if he can't arrange that kind of a loan, how come the Department of Finance can borrow for 5 percent and MACC can't? And that he will have to explain to the farming population.

Mr. Chairman, I look forward to his explanation in dealing with that because the members opposite traditionally have had a very simplistic approach to interest rates, as evidenced by the resolution that's before this House right now, and I'm looking forward to seeing what the Minister's explanation in the next couple of months will be and to see how he really makes out in dealing with this.

**HON. B. URUSKI:** Mr. Chairman, I want to tell the honourable members that I haven't discounted their suggestion. I want to say that when it comes - that will depend on how the government sees the role of MACC - I see it, if MACC is to become active in agricultural lending, it may be that the very way to deal with that question is to go into agricultural lending in a very big way. When you start doing it in a very big way, the fact of the matter is you will require large amounts of capital.

That may be the very way, and I appreciate the honourable members' suggestions because I'm glad that they see a role and are advocating a greater role for MACC in the hope that in terms of the amount of business that it will do it may be able to become and go on the world market and borrow at lower interest rates than is presently the case from a blended rate from the Department of Finance.

I appreciate that suggestion. I will just hark those words. When they say interference in the banking business and the like, when MACC — (Interjection) — No? — (Interjection) — Never interfere with the banks, I'm pleased with that. I'm very pleased with those comments of the honourable member because I have never said that any deal is good and I'm sure that deals have been good, but to suggest - and I hope that the Honourable Member for Turtle Mountain didn't suggest - that they never went offshore to borrow money.

**A MEMBER:** He said they did.

**HON. B. URUSKI:** They did, of course, they did and it has continued. The irony of the whole situation is I don't think the pattern of the borrowing has changed one iota, when they were in office and when we're in office. Yet to suggest somehow that there's a different slant on the whole question, it was only when the members of the opposition, when they were in government, they wanted to make a point on the whole question of the borrowings dealing with Hydro and the effective rate of rolling it over and the costs of those borrowings.

Sir, we can get into that whole argument and I don't believe that they made any gains there with that whole game of borrowings and effective interest rates and the like. The fact of the matter is, Sir, I certainly want to consider seriously the suggestions that have been made by honourable members and to see what can be done in terms of effective interest rates.

We did one, but the honourable members really weren't aware of and they had the opportunity. They had a year-and-a-half of high interest rates of farmers and that was buy-down rate in terms of the provincial borrowings. They didn't do it; we did it. We saved farmers in Manitoba \$18 million and we will certainly want to consider their suggestions as to whether or not there is in fact 5 percent money, as they suggest. I don't know, because I'm not in the world borrowing monies, but certainly any borrowing, whether it be from a farmer or the government, is always a risk. I certainly have no difficulty in saying that any borrowing is a risk regardless of where you borrow, whether it's on the North American market, whether it's the Canadian market or offshore, there is a risk attached to it.

**MR. J. DOWNEY:** Mr. Chairman, I have a few more questions in this area dealing with MACC. I asked earlier the numbers of loans - the applications that were in, there was 90 in the field and 90 in the head office - are there sufficient funds available this year to accommodate the anticipated business that MACC will be approached on? Is it the judgment at this particular time that it is, and at what interest rate will be the interest rate for the coming months? What loan rate will be available to the farm community?

**HON. B. URUSKI:** Mr. Chairman, there will be ample capital as the honourable member should recall my remarks. There is I believe \$78 million of capital that is available to MACC. The five-year rate now is 13 percent and the long-term rate is anywhere from 13 to 14.5.

**MR. J. DOWNEY:** Mr. Chairman, one other area that I want to touch, and he's made a lot to-do about the committee that's been established to look at the difficult loan situations or those farmers that either were on the verge of bankruptcy or actually in there and had to make representation to the Minister. I know I've had one or two from my constituency that I know he's accommodated by establishing or setting up a meeting between the Credit Union and the client. How effective is the committee that's been established? Do they carry a lot of weight with MACC or do they have any direct connection at all with the credit corporation? Have any recommendations been turned down that the committee that he's established to look into the difficult loan situations or the difficulties that some farmers are facing, have their recommendations gone to MACC and have there been funds made available to assist some farmers in the province?

**HON. B. URUSKI:** Mr. Chairman, I believe that of the number - and there's somewhere around 20-odd that were involved with the review panels - I presume that's what the members speaks of, I'm going from memory, there have only been I think one or two cases in which the farmer did not accept the recommendations of the review panel. I don't believe that any financial institution, including MACC, did not accept the recommendations if the farmer was prepared to co-operate with the recommendations of the review panel. I'm going from memory. MACC would not be directly involved, but MACC has been involved only in one or two of all of the cases that have gone before any panel, that they were one of the lenders involved.

**MR. J. DOWNEY:** If I heard the numbers correctly, he said 20 were involved in going to the review panel. Some of them have not been able to receive assistance from anyone as I understand it, is that correct? There are some people, as I understand it, have not been able to get financial assistance from anyone and actually it's the end of the road as far as their farm operations are concerned.

**HON. B. URUSKI:** Mr. Chairman, I'd appreciate those kind of questions when that area comes into play and that is on Technical Services and Training Branch. That is the area where the review panels are under and ADM will be here, and we can go through some of their recommendations. But my understanding is that any of the recommendations that were - and there have been one or two, one that we speak of - made by the review panel to assist the farmer to maintain, to remain in business and in fact while it may not have been at the scale that he was at at the time of the review, I know in one case had the recommendations been followed of the panel the financial institutions were prepared to consider those recommendations. Had the farmer accepted those recommendations, the situation

wouldn't have occurred that has occurred, I know, in one case for certain.

**MR. CHAIRMAN, P. EYLER:** The Member for Arthur.

**MR. J. DOWNEY:** One final question at this particular time. Is it correct that there are a certain number of either banking institutes or credit unions that are not participating in the Loan Guarantee Program, Mr. Chairman?

**HON. B. URUSKI:** Mr. Chairman, the credit unions - there is one Caisse Populaire that is on the program, and the credit union movement has not participated in the program. All the other financial institutions to any degree are and have participated to a substantial degree. Last year, approximately over 24 million and renewals on those \$3.5 million this year.

**MR. J. DOWNEY:** What is the reason for the credit unions not participating, Mr. Chairman? What is the answer that the Minister would have?

**HON. B. URUSKI:** Mr. Chairman, I have difficulty in trying to speak for the credit union movement. We did accommodate the credit union movement by allowing under the program the whole entire movement to be treated as one institution. We made those amendments so that we were not treating each separate credit union as a separate entity. Thus, the spreading out of the risk under the Loan Guarantee Program, which really that's what it was all about, because I think there is and has been a misunderstanding out in the countryside to some degree about the program.

There is some impression that every loan is guaranteed only to the amount of 12.5 percent. It is, on each institution, 12.5 percent of the aggregate loans, so that if an institution has \$10 million on the Loan Guarantee Program across the board they would be covered 100 percent on the loss of \$1.25 million, so that there is a substantial guarantee in terms of the loans outstanding. It is to the benefit of the institution to bring a mix and a large portfolio onto the program to provide the kind of stability to their own loan portfolio. There has been substantial participation by some institutions as high as I believe \$11 million by one institution. But I can't speak for the credit union movement and I have spoken out publicly that I have been concerned.

We really don't know what the reason is that they have decided as of yet not to participate. I really can't understand the reasoning why. We certainly bent over backwards in trying to accommodate the movement to fit into the program.

**MR. J. DOWNEY:** I think, Mr. Chairman, that concludes our remarks. I would hope the Minister would, based on the comments that they have made on the Interest Rate Program, the lower interest rates that the government is getting money at, take a look at the alternatives for getting funds at lower interest rates. I think that's critical on longer-term loans. I made my point earlier that I don't believe that people who invest in long-term land investments and machinery and that kind of thing should be expected to pay the same

interest rate that short-term investments where capital turnover is a lot more frequent and the cash flow is there to service it. I would appreciate him to take a serious look at that, availability of funds.

**HON. B. URUSKI:** Mr. Chairman, I appreciate the honourable member's comments, realizing and he recognizes that the longer the term of the loan regardless of where the borrowings are the greater the cost involved in it at the present time in any event, because of the instability of the monetary system around the world.

**MR. CHAIRMAN:** Item 3.(a)—pass; 3.(b)—pass.

Resolution No. 10: Resolved that there be granted to Her Majesty a sum not exceeding \$8,116,000 for Agriculture, Manitoba Agricultural Credit Corporation, for the fiscal year ending the 31st day of March, 1985—pass.

Item 4.(a) Agricultural Development and Marketing Division, Administration - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, could the Minister give us the salaries and the staff man years last year opposed to this year?

**HON. B. URUSKI:** Mr. Chairman, in terms of administration, the staff complement there is two. It was the same last year. This year, 4.(b), the total complement of Animal Industry Branch is 53.4.

**MR. J. DOWNEY:** Just a minute, I missed the Administration.

**HON. B. URUSKI:** Two and two; 53.4, 1983-84; and 52.4, one reduction in this year. In (c) Veterinary Services, 44.15 in 1983-84 and 43.15, 1984-85; 4.(d) Soils and Crops, 58.07 for 1983-84, 56.07 in 1984-85; 4.(e) Technical Services, 50.50, 1983-84, 1984-85, 47.5. Jim, there is one more yet, the Marketing Branch and that is eight and eight.

**MR. J. DOWNEY:** Mr. Chairman, the Agricultural Development and Marketing Division, as I understand it, is in the area in which the majority of farm services are provided, the program delivery of, as it indicates, your livestock and crops and the staff that are available to the farm community. Is it a policy of this government to reduce the numbers of people? Well, it is a policy.

It has to be pointed out that the field staff that are available to serve the farm community is going to now be adequately served when they are in a difficult time that we see such a reduction. How can he justify the actual reduction in numbers when the agricultural community is at a critical point?

**HON. B. URUSKI:** Mr. Chairman, we could go through each section as we can, we can comment on the specific changes. I'll indicate to the honourable member that in terms of the positions - and we should get into the specifics as we go through each section - but this is the central agency of the department which provide the services. Because of amalgamation and the sharing of services, we believe that we still will be able to provide as good a service as we have been even with the

reductions of the staff years. Because some of these staff positions were, in fact, vacant.

There was consolidation in terms of the provision of services. Four branches were consolidated into two branches to make more efficient use of management and thus be able to provide an equivalent service with lesser number of bodies.

**MR. J. DOWNEY:** Well I have a difficult time, Mr. Chairman, in accepting the fact that we now have seen today the Department of the Environment introducing a program where they're going to have inspectors going around inspecting and permitting church fowl dinners and that kind of community service and we see the Department of Agriculture cutting back on staff that provides service to the farm community. It seems to be a strange way to prioritize the expenditure of taxpayer's money and the employment of people.

I think it would be more important to continue on with people serving the farm community in this manner, rather than trying to police the farm community with the hiring of inspectors in the Department of Environment. I just point out that it's an extremely strange way to prioritize the expenditures of public monies and I think, politically, this government will pay the price for that kind of a move.

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that while there are decreases in certain areas, there are increases in other areas. Our priority in terms of financial management is assisting farmers in management, making management decisions and being better prepared to deal with the financial difficulties and financial aspects of their operation, much more clearly and much more intensely. We are increasing staff in the financial management area, while in other areas, because of amalgamation and repriorization, we were able to offset - there is an offsetting amount. But we are increasing the financial area, while we are able to carry on by amalgamation, and the like, the areas in terms of staff in these central areas.

**MR. CHAIRMAN:** 4.(a)(1)—pass; 4.(a)(2)—pass.

4.(b)(a) Animal Husbandry Branch - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, this would be the appropriation of funds for the feed testing laboratory for the operation of the bull test station and all of those types of livestock-related items. The hog industry as well would come within that area. Is that correct?

**HON. B. URUSKI:** These would be all the central services that are provided by the province centrally in terms of support to the regions, and dairy testing lab as well is in there. Dairy herd, livestock, sheep, milk inspections, milk recording, dairy programs, pesticide residue, beef section, progeny proving ROP bull tests, swine section, commercial herd improvement, poultry feed analysis, poultry disease and feed analysis lab.

**MR. J. DOWNEY:** Mr. Chairman, am I correct in the information I have that the services that are provided by the feed test lab have been increased from last year

or could he give us the cost of the testing of a sample last year versus this year in the feed test lab?

**HON. B. URUSKI:** Did you say the fees for the testing?

**MR. J. DOWNEY:** Fees for testing last year and this year.

**HON. B. URUSKI:** Mr. Chairman, the present rates of the fee schedule is the grain analysis, which may include dry matter, protein and test weight are \$7 per sample. Complete feed analysis may include dry matter, protein and calcium and phosphorous, \$10 per sample; roughage analysis, that's hay, straw, silages is \$10 per sample; individual nutrient analysis or tests may include trace minerals, salt, fat, nitrate, urea, prussic acid, and other single tests available \$5.00. The new rates that are being proposed that will come into effect - I believe in July of this year - the new rate will be on grain, \$10 for the \$7 test; \$12 for the complete feed; roughage analysis \$12 and the nutrient analysis \$6.00.

**MR. J. DOWNEY:** Mr. Chairman, that seems to be a fairly substantial percentage increase if he's gone from - and I know it isn't a large amount of money but I think it's an example of what kind of government we see administering the province. We go from \$7 per sample to \$10 per sample. Well that is a 30 percent increase. We see the \$10 go to \$12 as a 20 percent increase. Mr. Chairman, I don't think that is setting examples that the farm community can accept. I think it's extremely - what if it were in the situation of a lot more dollars?

I appreciate it's not the amounts but it is the percentage increases and I guess we look at this in Crown lands, we look at this in the area of soil testing, we look at all the services that are provided that are costing the farmers more and on the other side of the ledger, where the traditional service has been provided, they're being cut back.

We're seeing staff cut back in providing of services, Mr. Chairman, to the department that we're just talking about, the centralized services of the Animal Industry Branch and I would think that might have an impact on the services that are provided, but they're paying more money. The point is that farmers are asked to pay more money and they're getting less. That's the old story.

The Minister of Agriculture now is subscribing, to what the farmers had been fighting traditionally, is pay more to get less, whether it's fuel or whatever it is. A lot of people would argue if farmers could pay more and get less government, they'd be happy, but it's the service we're talking about. I chastise the Minister for it because he's not going to get away with playing that kind of a game when we're going through his Estimates.

It has to be pointed out that he's increasing the cost to the farm community at 20 to 30 percent on the services that are provided by the department, and yet where their services are needed, he's cutting back. I can't tolerate it, Mr. Chairman. I would hope that he would reconsider his prices which are to go into effect and I say it's not necessarily the total dollars but it is the fact that it is a major increase, at a time when they're expected to take less for their commodity, 20

to 30 percent is a major increase in costs of providing services.

**HON. B. URUSKI:** Mr. Chairman, I find it almost amusing the honourable member would rise and talk about cutbacks without asking where, who, and what the reduction in service will be before he makes the charges that he makes. All he wants to do is say there's one staff reduction, there is a cutback, regardless of what, where - maybe that position was vacant. Mr. Chairman, we knew about cutbacks from entire departments, people were laid off.

**MR. J. DOWNEY:** Well, what are you doing?

**HON. B. URUSKI:** Mr. Chairman, with respect to the feed analysis the honourable member should be aware that the rates in Manitoba, the new rates will still be far less than the rates in neighbouring provinces, and the amount of revenue that the province receives is approximately \$40,000 and the cost of the service is \$240,000.00.

So, Mr. Chairman, clearly the program, the increase is nominal in light of the service that is provided to the farmers of Manitoba. I don't believe that the increase in terms of fees is exorbitant in light of the amount of money that the province and the public puts into this program and that is strictly dealing with feed analysis.

For the member's information, since he didn't bother to ask me, the staff position reduction deals in the area of pesticide residue and that work is conducted by the Department of Environment and has been for a number of years. It has really been to some degree a duplication of services. My advice has been that that service is continually being monitored by the Department of Environment, through his health inspectors and the like, and so that's where the reduction in the Animal Industry Branch has occurred. Also the federal Food and Drug Administration and Plant Products did the same kind of work, so there's been actually two levels of government and three separate departments that have been doing very similar work. Our advice has been that that work can be carried on by those two other branches.

**MR. J. DOWNEY:** Mr. Chairman, there's another area, while we're on this, that I want to bring to the Minister's attention. Some time ago I had written him a letter. I'd had a contact about the change in a hog program and I'm wondering whether any changes or reductions in programs within the hog industry. He makes reference in his letter of reply that the AI Program was never introduced, that the ROP testing had been cut out something like two years ago. Are there any major changes as far as the services provided to the pure-bred hog industry in Manitoba?

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

**MR. J. DOWNEY:** I appreciate that. I would then suggest we pass this particular part. Oh, I'm sorry.

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

**MR. R. BANMAN:** Thank you, Mr. Chairman.

Mr. Chairman, I just want to briefly put a few thoughts on the record and ask the Minister to possibly comment with regard to something which is I think becoming a growing concern to many producers in this province, and I know it's a complicated issue in that we are dealing with national quotas, with marketing agencies, and with agreements that have been negotiated years maybe before we were even here. One of the areas of concern that is starting to crop up is the one in which a province can zero in on any particular industry and by applying a certain number of grants, by applying incentives either through loan subsidies, through grants and through other mechanisms, can virtually almost corner the industry in any particular agricultural segment.

Mr. Chairman, I am not this familiar with this, but I happened to be talking to some people from Quebec not too long ago who tell me that the Province of Quebec has now, for example, targeted the slaughter-house industry as being an area where they are going to excel in. They have now provided substantial amounts of money to the people in the slaughter-house industry to help them do one thing, and that is to modernize. That's what, of course, one of the biggest problems was with Swift's and Canada Packers in facing here in Manitoba. What Quebec has now done is they now have, I understand, two of the top most efficient slaughter houses in North America by zeroing and targeting in on that market segment. They've also in the last number of years put forward hog programs, which are much more lucrative than ours by providing in a very subtle way, I might add to the Minister, not on a per hog basis, but by going ahead and providing funds for capital expansion in the forms of grants and low interest loans which have encouraged those farmers to really get — (Interjection) — Mr. Chairman, the Minister said it wasn't subtle. It was in a very interesting way in that they said it wasn't a direct subsidy per hog, it was just trying to help the industry.

Mr. Chairman, we all know how the arguments go back and forth when Ministers get together on a national level to confront each other about these matters, and our friends in Quebec know how to sugarcoat the direct subsidy, which I would call, but they sugarcoat it and call it something else. In especially that industry, where there has been for the last number of years, a lot of rumblings about a national marketing agency being formed, in an area like that, Manitoba again, and I guess the other Prairie provinces who haven't been as aggressive with different programs, would definitely be at a disadvantage on a national program like that.

So we're faced now where we in the west with our natural birthright, if you want to call it, and I'd like to call it that, namely, agriculture, are really being put at a disadvantage. Now, we've heard that Brandon, for instance, we've got a killing plant closing there, and you have the Quebec people who have zeroed in on a couple of industries. I'm just wondering if the Minister and his department has had a look at what the ramifications of this will be once and if a national agency is formed, because it's of concern to me and I know it's of concern to many of the producers in the province, that type of balkanization, if you want to call it, from province to province.

You hate to get involved in that type of a game, but if Quebec is going to end up with the slaughter-house industry in Canada, naturally if they're the most efficient

in processing the animals that will give them a definite advantage over us. There's no question about, so I raise that concern to the Minister. I know there's no easy solution to the problem, but I would sure like to have all the information and data available for any Minister after him, or whoever takes over the reins should we have to get into some pretty serious negotiating for a national agency, so that our position is as solid as possible so that we don't in this particular instance get the short end of the stick.

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that Quebec's expansion into the hog industry was not very subtle. It was pretty much a move that was wide open, clear subsidy, not on direct per hog production, but on the basis of assistance in construction interest rates and feed mills and the whole area, as I understand. Notwithstanding that, all that assistance and Provincial Treasuries over a period of time, it cost them a lot of money. Notwithstanding that, they did increase production substantially, however, they are on the decline because in terms of production in the Province of Quebec the amount of production has declined over the last number of years.

In Manitoba, I want to say that we are very fortunate, by virtue of the style of production, by virtue of the family structure in this province, whether it be the Hutterite Colonies or whether it be the Mennonite families, the family lifestyle in this province lends itself and will lend itself to continued expansion of hog production. That is where we have a strength in this province. We have the feed grains, the diversity and the ability of our producers to produce and we are, despite what is happening across North America, Manitoba is far ahead in terms of production.

When it comes to national agreements, we are only talking about stabilization, we are not talking about supply management, while with any stabilization there is an area of supply management by virtue of market forces, but not specifically dealing with quotas that are to be placed. We have some concerns with the proposals that are still in discussion stage, they're still not finalized on the national program. But one of the areas within the national program is not quotas or supply management as the honourable member understands it to be. It is not one of the features that we are certainly proposing in this area.

**MR. CHAIRMAN:** Item 4.(b)(1)—pass;  
4.(b)(2) - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, there's a Recoverable from Canada - \$20,000 - what's that made up of, or what program is that under? Maybe it's a typo error. We can move on to the next one.

**HON. B. URUSKI:** We'll get that information for the honourable member. I'm sorry I can't . . .

**MR. CHAIRMAN:** 4.(b)(2)—pass.

**HON. B. URUSKI:** Just a minute, Mr. Chairman, I think we'll try and find that. That \$20,000 is the shipping of cattle to the Royal Agricultural Fair in Toronto, there's a rebate on the payment of freight.



**MR. CHAIRMAN:** 4.(c)(1), Veterinary Services Branch—the Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

This is an area which I want to spend a few minutes on. I know that first of all my colleague from Roblin-Russell has some concerns and has been raising them to the attention of the Minister in the past few weeks. I know he's unable to be with us and I would hope that we'd be able to — I think it's a matter of family illness that he's not here and would hope we'd be able to get a chance to delve into it a little bit next week. It's my understanding and the Minister can indicate to me that we won't be getting into Estimates tomorrow. Is that correct, we won't be?

**HON. B. URUSKI:** Mr. Chairman, my understanding is that tomorrow there will only be the question period and the condolence motions for four members who have passed away, and then the House will adjourn. So if we don't conclude tonight we'll be back next week.

**MR. J. DOWNEY:** Well I doubt if we'll conclude tonight, Mr. Chairman, so we will be back next week.

In this particular area, Mr. Chairman, I'm extremely concerned, and I mentioned earlier that the costs to the farm community that this government are charging is extremely high.

I want to make reference to a letter which I received from the Municipality of Sifton which is in my constituency. They sent this directly to the Minister, and I would like to point out to the committee, and the public just precisely what the kinds of costs that the Veterinary Services Branch are charging for a particular drug versus the drug store. I make reference to this letter. It's directed from the Municipality of Sifton and I quote from it, "We have been led to believe that the drug centre would provide veterinary drugs to farmers at somewhat reduced prices. We've found recently that this is not the case at least with some drugs." And they carry on to say "An antibacterial drug called Septra which is used to combat Scours in calves is available from the veterinary clinics at a cost of \$43.80 per 100 tablets. At this rate 500 tablets would cost some \$219 for 500 tablets. Septra, produced by Burroughs Wellcome Ltd. is also sold at local pharmacies for \$85 for 500 tablets." — (Interjection) — Well it is, it is a cost of \$219.00. I'm quoting from a letter that the Minister received as well from the R.M. of Sifton, this is a copy, April 25th. It's signed by the Secretary-Treasurer. It would appear as if there has to be some checking up done within the charges that are being charged by the Veterinary Services Branch.

What I said was 100 tablets cost 43.80 or \$219 for 500 tablets. The same cost at the pharmacy is \$85 for 500 tablets. Now I would say, Mr. Chairman, that is close to a rip-off. I would say that the Minister should check immediately. — (Interjection) — That doesn't help the farm community.

You know, the principle that this government have operated on was carried through, we didn't make any major changes in the Veterinary Services Supply Program. There was a general feeling that the farm community were getting cost savings but —

(Interjection) — he says check my facts. I'm making the allegations, I'm reading into the record what was sent from the municipality. If I'm incorrect, Mr. Chairman, then I will withdraw my statements. I am making the allegations that the charges that are being charged, again the information comes from a municipality that this is the discrepancy.

Another part of it, Mr. Chairman, is that Apotex Inc. of Toronto produces an identical drug at twice the concentration. Their product is called, it's a medical term, Apo-sulfatrim D.S., the price for 500 tablets is \$70.00. So I would ask the Minister, he's got the staff, he's got the responsibility for looking after it, to check into it. I would say that it is a tremendous difference, \$219 versus \$85, or \$70 in comparative drugs at the drug stores. I guess, you know, the Minister could come back and say well the farmers just go to the drug store. But I think there's a perception out there, Mr. Chairman, that has been left in the farm community that because the central drug purchasing has certainly provided lower-priced drugs in some areas that maybe it's that way in all drugs. I would advise the farm community to beware that it all isn't that way.

I would again ask the Minister of Agriculture, who has a responsibility for the administration of this to check into it. It's his responsibility to do so and maybe he has a comment.

He's suggested from his chair that I should check my facts. Well, at this particular point I'm taking the word of the Rural Municipality of Sifton who have forwarded the letter to me that they've sent to him. What was his response to the municipality?

**HON. B. URUSKI:** Mr. Chairman, I want to advise the honourable member that we are, in fact, investigating that very matter. Our staff are checking.

The honourable member should be aware that the purchase of that drug is a human drug through the drug store, can be used for humans, and the Veterinary Services Branch, and that same company while it does make that drug, has charged us a different price. We generally in terms of, with the exception of that one, and we're glad that matter has been raised with us. But the comparison, I don't want the member to leave the impression that the comparison for 100 tablets in terms of their price, and it will be just extrapolated five times the 100 rate would be the rate for 500 tablets as I understood the honourable member making that kind of comparison.

Mr. Chairman, because normally speaking when you are buying volume, and that is really the question . . .

**MR. J. DOWNEY:** Well it should get more.

**HON. B. URUSKI:** . . . that is really where the savings come into play by virtue of central purchasing. That you try and buy great volumes through the Veterinary Services Lab, and distribute those benefits amongst all farmers. Generally what our experience has been is that overall on the average that the savings to farmers has been at least 10 percent below the cost of any other drugs on the broad range of drugs that are sold through the Veterinary Services Lab.

The municipality who raised that point certainly has a valid concern vis-a-vis the one drug. All we do is



pass on the costs that are charged to us. We want to know and I want to know why the drug to the Veterinary Services Lab is, in fact, the rate that is put forward by the municipality. We're checking that out, because certainly for human needs if the drug is far less expensive than for animal needs we want to know why. I certainly have asked my staff for a full investigation on this. As soon as we have the information, we'll want to know why the company is, in fact, able to allow a price differential of such a magnitude.

**MR. J. DOWNEY:** Mr. Chairman, he says, he wants to know and his department want to know. I think the farmers want to know - that's who wants to know - where they should be buying their drugs, that particular one. Because if there is, in fact, and it appears to be fact that the cost of 500 tablets through the Veterinary Services drug supply system is \$219 versus 85 through a drugstore, then I would advise the farmers to go to the drug store and give a wide berth to the purchase of that drug at such a high cost. I asked the Minister to check into that. He says he's checking into it and, if it is fact, I would hope he would come back and take the kind of corrective measures that are necessary to do it, Mr. Chairman.

I indicated earlier, in the Veterinary Services Branch, I do know the Member for Roblin-Russell, as I indicated, had some major concerns dealing with the quarantine of a herd of cattle, a distribution of bear bait, the fact that, and he has the information, that the Minister stood in this House in question period and said that the disease was not a concern for humans, that it wasn't transmittable. Well I know that there is evidence that it is, and I would hope that he would take the problem that was raised by the Member for Roblin-Russell a lot more seriously than he did. I'm sure he took it seriously, but to deal with it in a little more serious manner, and would ask that he take a few minutes when the member does get back if he would and deal with the specific problems on that issue.

**HON. B. URUSKI:** Mr. Chairman, I want to deal with that question, because that question does cross jurisdictional lines. The department has and the Veterinary Lab has involved itself in that very issue. The responsibility for detection of communicable diseases in herds rests with the Federal Government.

All tests that we have done, we have been able to determine that the problems with the animals and the deaths have resulted as a result from Scours and diarrhea. It has not been that we have been able to determine into any great degree of any of the diseases that have been there.

Notwithstanding that, I have put forward a request of the Federal Minister in whose jurisdiction this is to look compassionately at the losses of this individual farmer. I wrote to the Federal Minister of Agriculture some time back. I have not had a response in this whole area.

Mr. Chairman, with respect to the drug that the honourable member speaks of from the rural municipality, I want to tell him that I am advised that we have done a number of surveys to try and cross-check other drugs that are sold through drugstores and that may be available through the Vet Services

Lab. In general, there is at least, as I said before, a 10-percent savings. That has been brought about by virtue of the Vet Services Lab. I think to do a true comparison of costs and benefits, one should go across the border into our neighbouring province where there is no central purchasing lab, central Vet Services Lab in terms of central purchasing of drugs. Then one can truly compare what modifying effect a central purchasing system has on the overall price of drugs, because the Province of Saskatchewan does not have such a program. Sir, I venture to say that the honourable members would find quite a difference in the selling price of veterinary medicine between a province such as this that has central purchasing. While there is competition, the competition does get much keener and does reduce the prices even through the private outlets such as the drugstores right across the province.

But that one specific, and that is the only specific we've been able to find - I am pleased that the municipality drew that to our attention, because we want to and are following up on it, because we don't believe that kind of treatment and . . .

**MR. J. DOWNEY:** That rip-off should take place.

**HON. B. URUSKI:** . . . selling practices of that company are, in fact, to have a good name within this province.

**MR. CHAIRMAN:** 4.(c)(1)—pass; 4.(c)(2)—pass.

4.(d)(1) Soils and Crops Branch - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, the Soils and Crops Branch would be where the Soil Test Lab is funded from and the operation of it falls within this particular area, I would take it. Could he give us the costs of the soil tests of last year versus the soil tests costs of this year?

**HON. B. URUSKI:** Mr. Chairman, the present test per field is \$14, and it will rise to \$16 per field.

**MR. J. DOWNEY:** Mr. Chairman, again indicating an increase to the user. Again it's not the amount of money as much as it is, as was in the feed sample, an indication of the government's policies to increase costs.

Mr. Chairman, I want to deal with another area under Soils and Crops, because I think it is important that we do so. I know there have been a lot of comments and a lot of discussion recently about not only the productivity of our soil, but the conservation of our soil. I know that last week caused a lot of havoc to a lot of farm land not only in the lighter soil, but in a lot of what would be considered heavier soils; the fact that there was, I would say, probably some of the worst soil drifting that we have had in many many years. I have never seen it the way in which it blew last week, and the amount of topsoil that moved. As we looked out of the building here, we could see the sky in the evening as grey or almost dark at 6:00 in the afternoon.

I know that one particular example shouldn't be what motivates a person, but I think that the concern that has been coming forward and the need to take a serious look at the kind of conservation measures that have

to be put in place, the planting of trees and the reseeded of some of the lighter soils - not only lighter soils, but some of the soils to grasses and alfalfas.

I know that we talked about the economy of agriculture and made reference to the need for diversification. I'm wondering if, in light of what is happening and some of the problems we are seeing with, as I say, the intensive cropping and probably some of the erosion, is the government or would the Minister not take a serious look at some kind of program - he keeps making reference to money being spent on agriculture - to the encouragement of the reseeded of some of the, I would call them, marginal grounds, whether they be - I know the conservation districts do some, but I think that it's time to look at programs that would encourage the seeding down and as well complement the livestock industry.

I know at one time, there were programs providing forage seeds and that type of thing, but I think we are at a time, Mr. Chairman, to encourage the diversification not only for the sake of stabilizing the income, but as well for the conservation of soils. I don't know what the government is planning in this particular area.

I would have hoped there would have been some kind of initiative shown, as the Member for Emerson said. There's certainly initiative and support to clear certain areas of the province, some of the marginal lands for pasture to take some of the bush off, which I support and agree with. But as well there are certain areas that I think the reverse has to take place. It's a concept that I would have like to have seen be in place on a permanent basis.

I guess, when I look back at the years that we were office, we saw from a flood to a drought and you see a variation in weather systems. But if we don't take the initiative within the Department of Agriculture or the initiative isn't taken, then I think the general public is going to put more pressure on the farm community to take action. I would like a general comment because I think this is the appropriate place to do it and I would have hoped there would have been some funds in place, or the Minister would be prepared to comment on some of the reports that have been recently put out, or if he has any ideas of funding a program for, as I said, tree planting or forage planting, then I would hope he would do it at this point.

**HON. B. URUSKI:** Mr. Chairman, certainly this is one area of the department where there is greater emphasis being placed along with the Department of Natural Resources in joint effort. We have had in this last year some 20 soil and water management demonstrations established throughout Agro-Manitoba. We have also embarked on an educational program called Soils'84, in which over 2,000, almost 2,100 persons have enrolled in the program, which deals with soil characteristics, salinity and drainage, soil moisture, soil testings, fertilizers, soil conservation and tillage. Those are some of the aspects that are dealt with in the program. There is substantial interest throughout rural Manitoba on the program.

What our hope, our intention is, is to place a greater emphasis on the establishment of conservation districts. Well, there are now five conservation districts within the province, covering just about 20 percent of Agro-

Manitoba. It's our hope that there may be some latitude. We haven't finalized the details in the new Agri-Food Agreement that some greater, if you could call it, sweetening of the pot to encourage the establishment of conservation districts to do the kind of projects that the honourable member is suggesting. A greater possible removal of grain-producing land, their marginal grain-producing land into forage and other uses or treed in and around riverbanks, so that erosion is lessened.

We are, and I have to say, if anything, I've looked at and even the former Minister has looked at the area of tree planting that really should be encouraged. I mean the prime example - and it's all over - is between here and Portage la Prairie. On a winter day, when there's a good wind blowing, you dare not go on the Trans-Canada Highway because visibility is nil. We hope and it's my hope that some thrust in this area within the next year or so that we can provide some further assistance, although there have been demonstration projects with municipalities in tree planting in parts of southwestern Manitoba. If ever there is a common-sense and demonstrable thrust in conservation of our natural resources is by the planting of our trees and cutting the wind action down and being able to slow down the erosion, as was evidenced by the wind storm here several weeks ago. That is one practical way that we could do something to lessen the erosion that does occur during severe wind storms.

Those are some of the areas that we hope might come about under the new Agro-Man Agreement or Agri-Food Agreement that may be possible, but in the longer term I think we have to encourage the setting up of conservation districts and logical planning on a watershed basis, so that it is not done on a piecemeal basis but would be set by an engineer on a system basis throughout a greater part of the province than has happened to date.

**MR. B. RANSOM:** Mr. Chairman, the Minister makes comment about encouraging conservation districts and such and I take him at his word that he's serious about it. But the fact of the matter is that there has been legislation on the books since 1953 for conservative districts in one form or another. To date there are five, I believe was the figure that the Minister used. It just indicates that there's not very much acceptance of them.

When I was the Minister of Natural Resources, I was in the process of putting together a new kind of approach that centered more on water and other things related in water. But the Minister says there may be some thrust necessary, so I guess the question is what's he planning, what has he got in mind to make them more acceptable? Is he thinking of changing the legislation or is he thinking of sweetening the pot in terms of money?

I would have to raise the question or the possibility that maybe there needs to be something more done outside of those districts too, because unless there's a district formed, then many of those programs don't apply. So I wonder if the Minister really has something in mind or if he's just voicing a general kind of position here.

**HON. B. URUSKI:** Mr. Chairman, I don't think that one will be able to encourage the formation of districts by

the stick approach. One needs to use the carrot approach in order to really get the message across. One really needs to do - I think the whole approach has to be reviewed in terms of how do we get greater involvement and greater involvement of people at the local level. I guess timing, in terms of history, is about as much a factor in this as anything else.

We now see, for example, in the Interlake area and the Stonewall area a group of farmers, who have banded together without a conservation district, to have now realized and are starting to see themselves the losses that occur from erosion, both soil erosion, wind erosion and water erosion and the like. Basically we may be getting back to attitudes across this province as I guess years ago there were clubs I believe - was it "Save the Soil Clubs" at one time? I think that there is a greater awareness or a reawakening of the awareness and the concern about soil erosion much more so today than there may have been, say, four or five or a number of years ago.

My thinking on that is that with the new Agri-Food agreement, that there may be a possibility, and we are talking to the Federal Government, and when I say sweetening the pot I mean getting involved with the Federal Government, the province and the municipalities. Right now, it's strictly the province and the municipalities in conservation districts in terms of the sharing of costs and doing work. I sincerely mean the involvement of the three levels of government, a greater commitment, from the financial point of view, to encourage the establishment of districts and to make it happen.

How quick it will happen and how much can be done, it's very difficult to say, but there is a rethinking and there is also greater cooperation between the two departments - our own department and the Department of Water Resources - in getting much more of a cooperative and a team approach in approaching municipalities and selling it. There has to be a selling job done, not only the reawakening in the rural areas by people themselves, but there also has to be a selling job done by our staff to promote the values and the benefits of conservation.

That is some of the thinking that I have. While I agree and I say to the honourable member that there is nothing definitive that is concrete that I can give the honourable member that this is a program that we are embarking on, but certainly that is the thrust in terms of our negotiations at the federal-provincial level.

**MR. B. RANSOM:** I'd just remind the Minister, if he's not aware of it, that Federal Government had contributed money that went into these conservation districts and under the ARDA Program, I believe it was, there was funding that was provided for them. While I was Minister of Resources we had to pick up the funding that the Federal Government had dropped out of. As I recall it was something like 900,000 at that time that the province had to put in in additional money, which of course didn't result in any expansion of program at all. Just federal cost sharing hasn't encouraged it that much, because we still only have five.

Just another general question to the Minister. What's his view of the adequacy of water management as it

relates to soil management? What sort of problems are there with soil management in the province now, as a consequence of inadequate drainage systems being in place or water management systems?

**HON. B. URUSKI:** Mr. Chairman, you really can't talk about one without the other. There has to be a total approach to conservation. There are many areas within the province where the erosion - in the area near Treherne, I think it is, where we toured, Bruxelles area of the province, where there's immense erosion as a result of inadequate drainage and inadequate soil conservation. The tillage of land near drainage areas - you see practically month-by-month the severe erosion of soils into drainage systems where there has not been adequate protection given.

The need for a total systems approach in the development of conservation, one cannot be handled without the other. Not only whether it takes the control of water and the seeding and planting of trees to prevent the soil erosion, on both aspects, they're so intertwined that one really can't separate the two, in my mind.

**MR. B. RANSOM:** Has the Minister given any consideration to the idea of having landowners pay either all or at least a much greater proportion of the cost of providing adequate drainage systems? There are many cases where there isn't adequate drainage and it's not going to come about, because the province either doesn't have or isn't prepared to put up the money, and there really is no mechanism in place now, that I'm aware of, where landowners can band together and be able to put in an adequate system of drainage even with a minimum or without any assistance from government.

In many cases, I believe, if you can demonstrate to a farmer that by investing a dollar he's going to get a dollar and a quarter back, that they're quite prepared to do it and that the cost per acre in many cases are not that great when you compare that to the cost of agricultural machinery or fertilizers and chemicals that farmers are dealing with these days.

**HON. B. URUSKI:** Mr. Chairman, that is a very good point that the member raises and that's part of the thinking and the discussions going on now in terms of the enhancement, I would say, of the conservation districts. That it really is a partnership; not only of governments, but also of landowners, that if everyone can contribute and do their part that an investment at the farm level is well spent in terms of the total improvement and management of the system.

As I said earlier, you can't have a system or develop a district or teach conservation with a stick. There has to be an acceptance at the local level that it is desired, it is needed and that kind of approach will be the only approach that will work. I think the honourable member knows that there are some very strong feelings in one of the conservation districts that was established, where there was a reluctance of a group of elected officials out of one municipality who were told and said, "You have to join the district that you're in because the majority want it." Unfortunately, it continues to fester. The bad feelings and the ill will continue to fester. I don't even want to judge whether it was good, bad or indifferent.

The fact of the matter is we have to bring everybody along if we're going to achieve it. I know it won't be sort of a settling of the problem overnight. It is a long-term approach that has to be taken. Unless we try and change some of the basics of the program to get some incentive in there and a greater activity, nothing will occur. That's our intent in this area.

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

**MR. A. BROWN:** Thank you, Mr. Chairman.  
I would like to bring up a topic which is . . .

**A MEMBER:** Marketing?

**MR. A. BROWN:** . . . I'm not talking marketing, I'm talking herbicides.

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

**MR. A. BROWN:** Oh, okay.

**MR. CHAIRMAN:** Order please.

**MR. A. BROWN:** We'll have a bit of a break.

**MR. CHAIRMAN:** We will take a short recess.

### RECESS

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

**MR. A. BROWN:** Thank you, Mr. Chairman.

In those areas where a lot of special crops are being grown, we are running into an ever-increasing problem it seems. The cost of production is getting to be so high because of various things, and I'm not going to mention all of them because there is many, many of them, but I would just like to relate some of the problems that we have getting some of the herbicides and pesticides across the Border that we were able to get across a couple of years ago.

At the present time really all that we can use is Treflan, which is a pretty powerful herbicide. It has a carry-over of two years and it's impossible to plant the kind of crops, after you have used Treflan, that you would like to use. We used to have Cobex, which we could use, which only had a one year carry-over. It did an excellent job for us, but for some reason or other, we are not allowed to use Cobex anymore.

The States always is many, many years ahead of what we're doing. They have all kinds of new chemicals coming out. They have a new one at the present time which is called Sonolan (phonetic). It replaces what Cobex did. It's doing an excellent job. Application per acres is \$8 per acre. You can get excellent weed control, and its effect is eight months, whereas Treflan that we are forced to use at the present time, the carry-over is 24 months.

The cost of applying Sonolan at the present time, as I said, was \$8-an-acre. Anything else that we can use at the present time, Mr. Minister, and we have to use a mixture of various chemicals, and the cost is going to amount to \$30-an-acre for us to do anything that comes anywhere near what this is going to do.

Sonolan is being used extensively on special crops in the United States, crops that we import, special vegetables and so on. We import these quite freely into Canada. There is absolutely no problem. It has been approved by the United States Department of Agriculture. It has passed all the tests done over there.

Yet, these people tell us that never, ever are we going to market this product in Canada, because first of all the market is too small; and secondly, they say that they're going to be darned if they are going to go through the hassle of doing all the tests and everything that is required by the Federal Government.

Now the Minister should be aware of the reason why we can no longer get some of these chemicals across which we don't need in any large quantity, but we do need them for some of the special crops that we do grow. The dealers in Manitoba and, I must say, in Canada I suppose, Manitoba in particular, they saw themselves losing out on some revenue by not being able to sell some of these things. We were going across to the States, purchasing over there, because they were not available in Canada. The dealers complained to the Federal Government, and they were able to convince the Federal Government that the farmers in Manitoba and, okay, it was right across Canada - it was not only Manitoba - should not be able to purchase anything which had not been approved by the Federal Government.

Consequently, we are now forced into the position where we can only purchase what is approved by our Federal Government, whereas there are so many chemicals over there which would do the job for us, which would save us one heck of a lot of money and save everybody money, because in the long run it's the consumer that has to pay for the end product.

I wish that the Minister would give us his support in some of the submissions that we are making to Ottawa, asking them for those chemicals which have been approved in the United States which we only need small quantities of - it is no big deal anywhere, yet for those people who grow special crops, it is an important area - that he would give us the support in lobbying the Federal Government so that we again could open the border so that these chemicals which we need in relatively small quantities, so that we could get them across again as we used to be able to do. Because it was really only for one reason that the border was closed on us, and that was that the dealers felt that they were losing out on some of the revenue that they thought they should have because we were purchasing something in the United States rather than purchasing it in Canada.

So I would like to have the Minister's thoughts on this, and I wonder if he could give us a commitment that he was going to work with those of us who are growing special crops, add his voice to our plea which we are making and will be making to the Federal Government to see if we can't come to some sort of rhyme or reason on an issue such as this. Because this used to be available to us until about three years ago, and then it was topped. It was stopped only for that one reason, that was the monetary reason of the dealers. They thought that they were losing out on some of the revenue that they could have by selling all the chemicals. We're rather upset about this.

I am afraid, Mr. Minister, when it comes down between a difference of \$8-an-acre to \$30-an-acre, there are

some people who are going to take some of this chemical across in the wee hours of the morning or at night. I don't like to see that kind of thing happening, but it's a rather important issue to those of us who grow special crops. I would like to see the Minister lending his support to our plea to have them take a close look at this, and have us again being able to bring some of these chemicals across.

If the Minister is concerned about some of the things, all those items previously were also being checked out with the Department of Health and so on. They made sure that these chemicals had been approved by the Department of Health in the United States before they were allowed over. But as I was saying, we need them only in relatively small quantities, and these companies that produce this say that the quantities that we will be using in Canada is not large enough for us to go through the hassle of getting it registered in Canada.

**HON. B. URUSKI:** Mr. Chairman, I am assuming from the honourable member's comments that he is not opposed to the testing system that the Federal Government has.

**MR. A. BROWN:** Not at all.

**HON. B. URUSKI:** Okay, I guess the question is how responsive it is and how quick can it be done, because there are two sides to the story. I think the honourable member will appreciate that there have been products that have been on the market south of the border which were approved, but tests were falsified and the product was found to be dangerous to human health. It may not have been the particular herbicide that the honourable member speaks of, but there is the other side of the question.

I can just imagine having some of the chemicals - I don't know the names - being allowed into this country, and something very severe coming up. I can just imagine as a member of the opposition saying, why did you allow that chemical to come into this country when it is hazardous to human health? Can you imagine the headlines in the Free Press and on television, that governments are negligent in terms of their responsibility to the humans of this country? That's what the stories would be, and that is really what governments are faced with.

The question is and it will be raised and it is on the agenda of the Ministers' Conference dealing with the whole area of testing. We as well have some concerns, but I think the overriding concern should be making sure that the long-term safety of the herbicide or pesticide is checked out. The question is: can it be done relatively quickly, and can it be done - you see, if there would be no alternatives - I say very clearly to the honourable member that I don't know whether that was the sole reason that the Federal Government went into testing, because they were pressured by the dealers.

I'm not sure, because there were chemicals that were on the market that were approved south of the border, and then subsequently had to be taken off the market because they were either carcinogenic or other harmful ingredients in them to human health. I'm not sure that it was strictly for the monetary aspect, as the honourable

member says, as being the reason that chemicals were being put into the test area. I know, for example, and I'll give the honourable member the example of Randox, (phonetic) which is still I believe on the prohibited list. But there is a temporary permit granted annually for that limited use of that one chemical for the onion production in this province. It has to be used with extreme caution for the small amounts. If there is such an application and there is only that kind of a product available south of the border I would like to know, there may be. We certainly have no difficulty in making those kinds of representations.

But if there are alternatives, and cost may be one of the factors involved, then I think there has to be some checks and balances in the system but the overriding question should be the safety. But I have no difficulty in making representations to see whether the system can be improved so that there is not long long delays dealing with the clearance of the chemical. Of course, I have no difficulty there, but I'd like to have some specific information from the honourable member on behalf of groups that he is speaking of so that we can consider those requests and make appropriate representations.

**MR. A. BROWN:** No, Mr. Chairman. I would agree with the Minister when it comes to things such as pesticides. I think that you have to be much more careful when you're using pesticides as compared to herbicides.

Well, okay, the Minister is now talking about a chemical which we will never ever be using in special crops, it's 2,4,5-T, that's for killing grass, and we can name all kinds of things.

Okay Treflan, for instance, which now is approved in Canada and so on was. We had a difficult time getting that approved in Canada and the only reason why it was a difference of in getting it approved in Canada and this was a ridiculous thing. In the United States they use a water base for Treflan. In Canada we have to use an oil base. Now, the oil base that we're using is a mineral oil, which has absolutely no toxicity of any kind. It's not a useful ingredient for anything. It's just a matter of mixing it and making it fluid, whereas they're using water over there. But because they're using water over there we can't import Treflan from the United States and Canada because it's a water base, we have to use oil base over here. We have crazy things happening in there. We need somebody to investigate to see what is happening in this whole area.

If anything is harmful I'll be the first one to say that we should not be making these things saleable up here, yet this particular product is used on all the crops in the United States that we import during the winter months when we import all our vegetables. So what in the Sam Hill is the difference whether we use it on crops over here, or whether they use it on crops over there and we import them? I don't see that type of difference.

So, really what I want to do is make the Minister aware that there is a problem over there, that there are chemicals that are available which we will not get because they say that it's too costly for them, and the market is too small in Canada for them to get involved with registering it. Yet, there's a difference of \$22 per acre cost in using of the end product. I'm sure the

batch that is mixed together at the present time in order to do the same thing is probably much more potent than what this particular chemical is.

**HON. B. URUSKI:** Yes, Mr. Chairman, I think I can accept, and if I understood the member correctly that it may be advisable and certainly if the member concurs that Ag-Canada who does the testing maybe should be encouraged to put in funds into testing of those chemicals where there is a very limited use in this country because private companies will not do that because of the limited market, and limited use of those chemicals. Certainly that's one area that we can take under advisement.

I appreciate those comments because I agree that because of the size of the market here in Canada there is no, or very limited, encouragement to the testing of the chemicals for our Canadian market by private companies because of the size of the market vis-a-vis that of the United States. We'll certainly take that under advisement.

**MR. CHAIRMAN:** Item 4.(d)(1)—pass; 4.(d)(2)—pass; 4.(d)(3)—pass.

4.(e) Technical Services and Training Branch (1).  
The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

I'm wondering if this is where, I haven't seen the 4-H Program anywhere in the Estimates. Is this where we would find it? In the Training Branch, Mr. Chairman?

**HON. B. URUSKI:** That is correct.

**MR. J. DOWNEY:** Mr. Chairman, I know that there has been people bring forward complaints last year, and as well they're continuing this year. That there have been some funding, or some funds cut out on particularly exchange trips and that type of thing. What is the current status of the support staff for 4-H and the amount of funds specifically for the 4-H Program this year as opposed to last year?

**HON. B. URUSKI:** There's been no change in the staff complement. I gave the honourable member the staff change. But in terms of 4-H, there is no change in the staff complement, 5.3 and 5.3 in the staff of 4-H.

**MR. J. DOWNEY:** Well, possibly the Minister would want to respond to the other question about the funds that are available for the 4-H Program. Is there a reduction, an increase or the same as last year?

**HON. B. URUSKI:** The same as last year, virtually the same as last year.

**MR. J. DOWNEY:** Another question in this area, possibly it's in this area, and that's dealing with the home economists. Is that where I would find the home economists reporting to?

**HON. B. URUSKI:** The home economists are in the regional area, Farm and Rural Development Division.

**MR. J. DOWNEY:** Okay, Mr. Chairman, then dealing with the grants to different organizations. I again

appreciate we're on Salaries, but I see agricultural societies - what farm organizations are being funded by the department under this particular area of the department?

**HON. B. URUSKI:** There are no farm organizations under this area, but there are the agricultural societies, the building grants, fairs, the Keystone capital and deficit, judging at the fairs, 4-H inner club activities, horseracing, Agricultural Hall of Fame, Austin Museum, all that funding.

There is an increase in the grants of a minor nature, but primarily to the Austin Museum and to the horseracing meets. The other grants have virtually stayed the same.

There is a slight reduction in the fair prize money and that is directly related to the fairs and how they are conducted, but the increases have been primarily to the Austin Museum and to the rural horserace meets.

**MR. J. DOWNEY:** Mr. Chairman, that brings up the question as to the support for the Austin Museum. I noted in one of the government documents or releases recently there were fairly large, there were not necessarily fairly large, but there were payments to Ag-societies and the Austin Museum out of Destination Manitoba. Is that correct?

**HON. B. URUSKI:** Mr. Chairman, there may have been applications by the Austin Museum under Destination Manitoba. I could not say because certainly the Austin Museum is encouraged to apply for - whether it be Careerstart, other wage assistant programs, and other capital grant programs in addition to what they receive from the Department of Agriculture, they're not prevented in doing that. I am sorry I don't have that kind of detail with me. I'd have to - either the honourable member could raise it with the Minister of Small Business.

There may very well be a number of areas where Austin has applied, but in terms of our department, I only have the information on the grant structure, which this year will be \$123.6 thousand.

**MR. J. DOWNEY:** Well, Mr. Chairman, I know that it was discussed recently . . .

**HON. B. URUSKI:** I'm also advised that we provide a number of STEP students as well, through the department for the Austin Museum, in addition to the operating grant.

**MR. J. DOWNEY:** Mr. Chairman, I think the Minister should check out with the Department of Employment Services. He indicated and it was indicated by our colleague for Gladstone the other night that they had cut out the support for the student employment at Austin. There was some eight students last year, I believe, employed and don't know whether it was under Careerstart and this year they hadn't received any, that all their applications had been rejected.

I would ask the Minister to check a little more closely as to the needs of the Austin Museum and the employment opportunities there. I know it's been traditional; they've had the type of student guides to



support it and I think he better check out his figures and his facts, and if they aren't getting support, I would hope that he, as Minister of Agriculture, would make representation to the Minister of Employment Services to influence him on the provision of staff.

Another point I want to make in this area. I've had again concerns brought to me, and I didn't finish on the 4-H part of it, that there are and have been trips provided under the 4-H Program in which the government have cut back on last year and I understand are still cut back on. I think in a country like this some of the exchanges that have taken place have been pretty valuable in getting the people and the young people, particularly, of our country to understand the different regions. I would hope that the government would reconsider the kind of support that went into the exchange programs and reprioritize it and put it back in place, because it's an extremely helpful program, I think, to encourage an intermixing of our different regions of Canada.

I think, Mr. Chairman, that basically will cover it, unless my colleague has more to add.

**HON. B. URUSKI:** Mr. Chairman, I will want to check the area dealing with student assistance or Careerstart or whatever area on Austin, just to make certain that I am accurate in the information that I gave the honourable member and I want to follow-up on it. I know that I did meet with the board of directors at Austin last fall and I made representations to my colleagues.

One of the areas that they did have concern about and which I felt very valid, was the signage. When you're driving down the Trans Canada Highway, you really don't know that there is a very major museum - the major agricultural museum in this province and the signage really doesn't reflect that along the Trans Canada Highway for visitors and passers-by.

They raised that with me because the attendance to the museum is generally during the one-week period of time where they have the Threshermens' Reunion, which is, I would say, a major highlight in the summer fair activity of this province. I've had the pleasure to enjoy it several times in the last number of years, but that certainly is one area that they've made representations to us. I will want to follow-up on the question of employment help to the museum.

With respect to 4-H and out-of-province travel and exchange, I don't know, maybe the member can be more specific, because in looking at our funding and our conferences and exchanges that we are involved in, there is no change at all in the area of exchange that I am aware of in the 4-H Program, in terms of the Manitoba 4-H member and leader representation and other provincial and national events. There's the U.S.

National Conference, the Citizenship Seminar, Canadian 4-H Council, Interprovincial Exchanges, John Deer Summer Work Exchange to New Brunswick, Saskatchewan Speciality Camp, Western Provinces 4-H Seminar, National U.S. 4-H Dairy Conference in Wisconsin, National 4-H Members' Conference in Toronto, National 4-H Leaders Conference in Toronto, Alberta Leaders Conference in November. There is the . . .

**MR. J. DOWNEY:** Quit filibustering.

**HON. B. URUSKI:** Well, Mr. Chairman, the honourable member made a statement . . .

**MR. J. DOWNEY:** Give me specific information.

**HON. B. URUSKI:** If the honourable member can provide it, then let us check it out, because I am certainly not aware of any cutbacks in the area.

**MR. CHAIRMAN:** 4.(e)(1)—pass; 4.(e)(2)—pass; 4.(e)(3)—pass; 4.(e)(4)—pass. 4.(f) Marketing Branch (1) Salaries—pass; 4.(f)(2)—pass.

Resolution 11: Resolved that there be granted to Her Majesty, a sum not exceeding \$11,500,600 for Agriculture, Agricultural Development and Marketing Division, for the fiscal year ending the 31st day of March, 1985—pass.

Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

## IN SESSION

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

**MR. D. SCOTT:** Mr. Speaker, I move, seconded by the Honourable Member for St. Johns, that the report of the committee be received.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Speaker, I move, seconded by the Honourable Member for Arthur, that this House do now adjourn.

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