

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 5 June, 1986.

Time — 8:00 p.m.

**CONCURRENT COMMITTEES OF SUPPLY**  
**SUPPLY - HIGHWAYS**

**MR. CHAIRMAN, M. Dolin:** The Minister had his hand up first.

**HON. J. PLOHMAN:** Mr. Chairman, I just have a couple of copies of the revenues and expenditures that are related to the Highways Program and Department. These have been compiled through advice from the Department of Finance. I was referring to them earlier today. They differ substantially from the Member for Pembina's figures.

In addition to that, I also have a copy of the staffing changes from this year, both for the construction program and for the various divisions of the department. The summary of staff years, Mr. Chairman, for the department that is being handed out, if members will notice, in Administration and Finance, there is no change from 1985-86 to 1986-87. The critic has a copy of this now in front of him. The Construction and Maintenance area or the Operations and Maintenance area has a reduction of seven SY's. The Planning and Design and Land Surveys area is no change; Engineering and Technical Services, one additional SY; the Driver and Vehicle Licensing is 1.14 SY's; and Boards and Committees, one, so a total of 3.38 SY's fewer than last year total. In addition to that — and there is a summary of those in the other pages, if the members want to look at those.

Then in addition to that, I have Expenditures Related to Capital, and you will see — that was the single sheet — a reduction there of SY equivalents in the construction area. These are departmental people who are hired for part of the year in relationship to the size of the construction program. There you will see a reduction from 462, of 48 to 414, and an addition of nine SY's in the LGD Program. These were originally in the past charged to districts, and now will be charged directly to the LGD work. That's expenditures related to capital, Appropriation 7.(c), where they are more appropriately placed because they do work for LGD's. They were transferred. So there was a deletion of 48, a transfer of nine into this area. So there is a net of 39 SY's equivalents, but these are not actual SY's as we know them in the other permanent departments.

**A MEMBER:** Minus 37.

**HON. J. PLOHMAN:** Minus 39 total net.

Okay, those are the staff year summaries.

**MR. CHAIRMAN:** Deferring the Minister's Salary until all other items are passed, I think we can begin on Page 94, Item 1.(b) Executive Support.

The Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, based on the information that the Minister has just handed out here and under the area of Administration and Finance, under 1.(b) and including that section there, under Administration and Finance it says that there's no difference in the SY's, no plus or minus.

I wonder if the Minister could then explain under (c) and under (d) and under (e), increase in salaries, if there's no changes in the SY's in there, why there's a substantial difference in those figures? Certainly I can understand under Executive Support, the salaries from 270 to 277, which would appear to me to be a normal increase; when under (c) we have an increase of over \$40,000.00. Certainly that cannot be increases in just normal wages — that's too substantial in my view at least — and the same thing under (d) Financial Services. We again have a substantial increase there which would indicate to me another person being hired, as well as under (e), where we again have an increase which would almost indicate an increase in staff persons, and then under (f) in the salaries from 592 to 663.

Can the Minister indicate whether that is all increase in salaries or whether that is additional staffing employed? If that is additional staff, Mr. Chairman, then I would I want to know, in view of the figures there — you know that's substantial increases. Maybe the Minister could clarify that?

**HON. J. PLOHMAN:** Mr. Chairman, basically there's a 3 percent allowance for staff increases right across the board . . .

**A MEMBER:** Salary?

**HON. J. PLOHMAN:** . . . of salary increases — so that would account for part of it. In every case there will be a 3 percent increase that's built into these Estimates. In addition to that, there is the matter of merit increases that are provided for each year and that is also built into every one of those areas. But there is not additional staff in any of those appropriations.

**MR. A. DRIEDGER:** Mr. Chairman, the basic increase in salaries in that area works out to about \$350,000.00. Is the Minister telling me in that particular section of Administration and Finance there's an increase of salaries to the tune of about \$350,000, without any additional staff?

**HON. J. PLOHMAN:** Well if that's what it adds up to, Mr. Chairman. The staff years are exactly the same. As I indicated, the provision of an increase of 3 percent plus the merit increases, and, in cases of people leaving, severance pay, things like that are built in.

**MR. A. DRIEDGER:** Mr. Chairman, then aside from Item (b), under (c), we have \$48,000 increase under salaries. That certainly works out to a lot more than 3 percent, something isn't quite right here. Explain this

to me, Mr. Minister, because something doesn't sound right here. What kind of . . .

**HON. J. PLOHMAN:** Mr. Chairman, the member is not considering that there is a merit increase in addition to the 3 percent. So if you add the two together you will get a larger figure than 3 percent increase would indicate on that appropriation.

**MR. A. DRIEDGER:** Mr. Chairman, maybe I'm jumping ahead because I'm on (c) where my major concern is. If the Chairman wants to deal with (b) first, that's fine, but I want to pursue this area under (c) a little further.

**MR. CHAIRMAN:** Is there any discussion on (b) or do you want to move on to (c)? Do you want to pass (b)?

**MR. A. DRIEDGER:** I'll leave it up to the critic here.

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

**MR. D. BLAKE:** Mr. Chairman, if we could maybe discuss the whole area and then pass the . . .

**MR. CHAIRMAN:** No, we can't pass the item because the Minister's Salary is in this item.

**MR. D. BLAKE:** No, no, I'm talking about 1.(b). So, quite often we discuss the whole area and then pass the whole thing, but in this case we had better . . .

**MR. CHAIRMAN:** We will not pass Item 1. We can pass line by line on Item 1. but we defer the Resolution until the end because of the Minister's Salary.

**MR. D. BLAKE:** Right.

**MR. CHAIRMAN:** So what is your wish to be? Do you want to go line-by-line or do you want to go (b) (c) (d) and (e) and (f) on 1.? What's your wish?

**MR. A. DRIEDGER:** Mr. Chairman, I have no argument with (b), I'd like to pursue the area of (c) at this stage of the game.

**MR. CHAIRMAN:** Do you want to defer (b)? Is that what you are recommending? Or do you want to pass it?

**MR. D. BLAKE:** That's what he said. Well, we can pass (b) and I'll be finished with it.

**MR. CHAIRMAN:** Item 1.(c) — the Honourable Minister.

**HON. J. PLOHMAN:** Well, Mr. Chairman, on that, the question was asked about the increase, and there is a merit increase. I mentioned the 3 percent, and also I'm advised that there was some staff that was added the previous year that were only on there for a portion of the year. This is provision of a full year's salary.

Obviously if they came on during a part of the previous year, there wouldn't have been the full year's dollars budgeted for or provided for. In this case, we have to provide the full year's dollars.

**MR. A. DRIEDGER:** Okay, just to clarify that then. Is the Minister telling me that additional staff above last year's estimates were higher than mid-term in this department and then, all of a sudden, we're going to deal with the people that were hired last year in this year's estimates, and he's telling me there's no change in the SYs?

**HON. J. PLOHMAN:** As I have indicated, I believe there was an assistant to the Internal Auditor that was added the previous year. The SY was provided for, but only the dollars for a portion of the year for the salary because the person only filled the position for part of the year and that was what was budgeted for.

**MR. A. DRIEDGER:** I have some difficulty, like how this is being explained, because when we go through this section here, in my mind, based on the figures that are being shown here, as I indicated in my opening remarks, there could be an increase based on the salary increases of anywhere from 5, 6 to 7 SY's from last year. Are these all part-time that were hired last year and now they are reflecting this year's budget? Because the Minister, if he looks at the Estimates — and, you know, the increase in the salaries in the various categories under Administration and Finance, it works out to \$350,000.00 — now if that is all based on merit and a 3 percent increase, then we would like to get a little bit more detailed information as to what kind of merit increases can there be to justify \$48,000 in just the Administrative Services?

**HON. J. PLOHMAN:** Mr. Chairman, I think it's important that the members deal with each appropriation separately, as opposed to the global figure, and deal with questions under each one.

Obviously, 1.(b), 270,000 to 277,000 is only a 7,000 difference. Obviously, there aren't many people in there who are not at the top of their scale. Therefore, merit increases are not necessary to be provided to the same extent as they would in other areas where people who maybe have just started and have to work their way up to the top of the scale. So it would vary from situation to situation.

The 1.(c) is a \$48,000 difference in salaries. Twelve thousand would be the 3 percent, so that brings it down to 36,000, and then in the 36,000 would be merit increases and the provision of a full salary for a staff person who was hired part way into the year the previous year and therefore the total number of dollars for that person's salary did not have to be indicated.

**MR. A. DRIEDGER:** I think I understand, and I don't want to belabour this. I am just trying to get a picture because I don't want to get into the details where the Minister has to indicate who has got merit status or not.

But I want to clarify the aspect of it where the Minister has indicated that certain people were hired on a partial basis last year. Did that reflect in the employment last year, the figures, the additional staff, because he indicates there is no change? Did it indicate last year that there was an increase in staff? I don't think so.

**HON. J. PLOHMAN:** Mr. Chairman, that is the case. If we added an auditor or an internal audit position,

that would have been indicated in previous years' SY's, or the year before, whenever it occurred. In the case of, I believe, the assistant to the internal auditor, that would have been last year. We would have had to include a full SY to fill that position, but not all of the dollars for that position since that person would be hired and was projected to be hired only part way through the year. So we would provide, in the Estimates, fewer dollars obviously than the full salary for the full year.

**MR. A. DRIEDGER:** The reason why I feel concerned about this and raise this is because we have a department where there has been major cuts, and we have increases in the salary aspect of it. To me, it appears that when you have it just in one aspect of it, Administration and Finance, a \$350,000 increase when the total projects within the department have been cut and gutted like our critic has indicated, that is why, to the public and to people like myself, it appears that there must be increases in salaries, and I can't see the justification for that under these circumstances.

**HON. J. PLOHMAN:** But you can now.

**MR. A. DRIEDGER:** Well, I'm not quite sure in my mind yet but, you know, maybe somebody else can continue on with that.

Thank you.

**MR. CHAIRMAN:** 1.(c)—pass, or anything further on 1.(c)? Pass.

1.(d) — the Honourable Member for Emerson.

**MR. A. DRIEDGER:** I just want to raise that I suppose the Minister's explanation will be the same again here on the increase in the Salaries, that there is no change except that it is based on merit and a 3 percent increase, and that justifies this kind of thing.

**HON. J. PLOHMAN:** I think, Mr. Chairman, that it's nearly \$500,000 there, if you take 3 percent, that's \$15,000 of the \$29,000 already, then there are merit increases, so that would account for it.

**MR. D. BLAKE:** Under Financial Services, is this where we might discuss the audit system that the department uses in auditing various districts or whatever?

**HON. J. PLOHMAN:** Mr. Chairman, the internal auditor is included under Administrative Services. That's the one we just passed. However, if the member wants to discuss that, it's okay with me. Strictly speaking, under Financial Services, the auditor is not located here.

**MR. D. BLAKE:** Well, we can maybe do it here and move on, or pass it later on.

What I am interested in are the audits that have been carried out following what was started last year with the district office, I guess the Carman district, where the two employees were charged and convicted of various offences.

I wonder if the Minister could tell us if his audit has turned up any more offences or anything of that nature that the committee might be interested in hearing.

**HON. J. PLOHMAN:** No, Mr. Chairman, the internal auditors has completed audits of the claims

investigations area, the program for the mobility disadvantaged in rural Manitoba, driver testing, mobile units, private equipment rentals, and the bridge section.

These were all done under the work of the internal auditor this past year, in addition to the specific task that he undertook with the Provincial Auditor as a result of the charges and allegations and subsequent convictions at Carman.

There have been no additional irregularities brought to the attention of any of us, senior staff or myself, as a result of his investigations.

He also does, as a result of his audits, make suggestions for improvement in the methods of carrying out business by the department. We saw a number of improvements in the tendering process, the way of allocating hourly work and limits and so on that were put on. Part of the purpose and function of the internal auditor, of course, to recommend to managers and to work closely with the various sections where the audit takes place, to make them more efficient, and to suggest ways to them that they can perform their tasks quicker and more efficiently, more comprehensively and so on.

**MR. D. BLAKE:** The Minister is satisfied that the system of audit that you're using now is working well and providing the necessary checks and balances that they require in a day-to-day operation?

**HON. J. PLOHMAN:** I might want to clarify, Mr. Chairman. The member is asking if I'm satisfied with the system of audit or with the system of allocating work under the hourly system?

**MR. D. BLAKE:** Well, frankly, I want to cover both. The system of audit that's now in place, that's working well and providing the checks and balances that you consider necessary?

**HON. J. PLOHMAN:** Mr. Chairman, specifically the internal auditor does specific function audits in areas of the department, in divisions of the department that are determined as to priority by the Deputy Minister, and the internal auditor reports directly to the Deputy Minister. He is satisfied with the progress that is being made in that area. This is a new function, just begun in this department in the last couple of years, and it is helping and assisting managers in their work. So it is working well, in addition to the Provincial Auditor which is a more general audit, but they have a three-year plan for the internal auditor to go through all of the areas in the department over that period of time.

**MR. D. BLAKE:** Could the Minister tell us what changes have been made in the method of allocating hourly work or small contracts in the areas? What changes have been made and how are they working out?

**HON. J. PLOHMAN:** As I recall, we made the changes and announced them in the House about a year ago, so I'm not certain that I can recall all of the details on that, but I recall that there were no strict limits for allocating work by tender as opposed to hourly work previously.

So, as a result of the reports of the internal auditor and of a committee set up by the department, there

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have been a number of changes made in that system in that all projects or jobs that are estimated to be over \$75,000 have to be undertaken by formal contract.

All those projects between \$30,000 and \$75,000 are required to be locally advertised in a locally advertised construction order. Projects \$10,000 to \$30,000 are done by invitational tender construction order locally, except in the North where the dollars tend not to get as much work done and there are greater areas to travel.

We have, as a result of a number of complaints in that area — and the Member for Minnedosa is aware of those. I think he raised some of them last year. In the Thompson area, we have met with the contractors in that area, equipment rental operators, and have moved that minimum up to \$30,000 for hourly work. So in that area projects — or zero to \$30,000 — can be let by hourly work according to the hourly rates that are established by the department. Then in the rest of the province, under \$10,000 can be done through an hourly process or work order of so much an hour on the rates that are set.

**MR. D. BLAKE:** Just while we're mentioning the Thompson area, has enough work been programmed there this year to keep the local contractors reasonably well occupied or fully occupied, so that they will not have to go further afield or move machines out of there?

**HON. J. PLOHMAN:** Well I wouldn't say there's enough work to keep everybody busy. There obviously still are some problems, but they were much more pleased with the new system — we lifted the ceiling up to \$30,000 for hourly work than they were when we had it at \$10,000 — so that did improve the situation.

The other point is that this is maintenance work as opposed to construction work in the construction section of the budget. It comes under the Operations and Maintenance section, which has increased in each of the last years in terms of total dollars allocated. So there has been about the same amount of work — or a little more each year — that is available to these people for maintenance work.

I should mention that there was a significant change from '84-85 to '85-86 in terms of the number of dollars, the amount of work that was allocated on an hourly basis, as opposed to by construction orders or tenders. In 1984-85, hourly work was over \$9 million in all of the districts; in 1985-86, that was down to \$5.1 million, a drop of nearly \$4 million.

So you can see there was, Mr. Chairman, a tremendous change in that this did have an effect in that more work was put out through tender and construction orders — formal tendering or invitational tenders — as opposed to hourly. So there was a significant effect there, and then there was a significant increase in the corresponding other side of it in the construction order area.

**MR. CHAIRMAN:** 1.(d)—pass;  
1.(e) Personnel Services — the Member for Minnedosa.

**MR. D. BLAKE:** Are there any changes in Personnel Services, any changes in policy there affecting

personnel, Mr. Chairman, that may be of interest to the committee?

**HON. J. PLOHMAN:** Well the most significant program under the personnel section that has been developed in the last couple of years and has taken effect substantially in the past year is the Affirmative Action Program. The target groups under this program have been women, visible minorities, Native people generally, and handicapped people. Out of the 64 formal competitions for regular positions, there were 20 full-time people hired in this target group in 1985-86, so that is a substantial number and up considerably from the previous years.

There was also 30 departmental staff hired under the Affirmative Action Program, up from 15 last year and 11 the year before, more than double from the previous year. In the Native hiring contract compliance — that's in the private sector working with the contractors to hire Native people — we have a significant increase in the number of person weeks of employment created from 524 in 1984-85 to 677 in 1985-86, and this is done under the work of our Affirmative Action Coordinator, Dan Highway. He's appropriately named and he's doing a good job. I did tell the department, Mr. Chairman, that I thought he might have got an inside shot at that job, just by his name alone.

**MR. D. BLAKE:** Under Personnel, has there been any change or any significant movement of personnel under the Early Retirement Program that was announced a couple of years ago?

**HON. J. PLOHMAN:** Well, Mr. Chairman, that took place a couple of years ago. I understood it was fairly effective for that particular year, but it has dropped off and pretty well levelled off in the last couple of years. There's not a significant movement.

**MR. D. BLAKE:** Is that option still available?

**HON. J. PLOHMAN:** That was just the window that was announced for retirement 55 without penalty. That has not applied the last couple of years, so obviously there's no impact in this year.

**MR. CHAIRMAN:** 1.(e)—pass.  
1.(f) Computer Services . . .

**MR. D. BLAKE:** You had better pass 2.(e)(2) Other Expenditures?

**MR. CHAIRMAN:** We're on 1.(f).

**MR. D. BLAKE:** Have we passed 2.(e)?

**MR. CHAIRMAN:** No, 1.(e).

**MR. D. BLAKE:** You're not going to pass 2.(e)?

**MR. CHAIRMAN:** 2.(e) is Traffic Inspection.

**HON. J. PLOHMAN:** Do you want to do that?

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**MR. D. BLAKE:** 2.(e)(2) Other Expenditures?

**HON. J. PLOHMAN:** You should say 1.(e)(1).

**MR. CHAIRMAN:** Oh, (e)(1), (e)(2)—pass, sorry about that.

**MR. D. BLAKE:** In (f)(1), it's obvious you've added some additional Computer Services, Mr. Minister. Would you explain to us what computer service is now available in the department?

**HON. J. PLOHMAN:** We have substantial increases, as the member is aware. The increase is primarily due, \$180,000 to additional work in the aircraft maintenance system that has come on line in the past year — or pardon me — is coming on line this coming year. The Motor Transport Board, word processing and commercial truck certification system, hardware and software there; the Radio Management System, hardware and software. That's the basic major change.

**MR. D. BLAKE:** Is this new equipment or just improvements on the existing equipment?

**HON. J. PLOHMAN:** These are new programs. That's why they're indicated in this particular expenditure. The aircraft maintenance system is for the first time going to be computerized. That is the major expenditure — 115,000 out of the 180,000, and then there are minor ones in the Motor Transport Board and the Radio Management System.

**MR. CHAIRMAN:** (f)(1) — the Member for Turtle Mountain.

**MR. D. ROCAN:** Mr. Chairman, the radio services, could you elaborate a little more on these.

**HON. J. PLOHMAN:** This is to inventorize the mobile radios, largely, parts, and this is an inventory for the whole government, all departments.

**MR. D. ROCAN:** In other words, are we trying to say that all the mobile telephones in the government cars

**HON. J. PLOHMAN:** Mr. Chairman, these are the mobile radios, not telephones, that are rented from the Manitoba Telephone System.

**MR. D. ROCAN:** This is in order to connect all the different districts together . . . ?

**HON. J. PLOHMAN:** The radio section obviously provides communications between field staff and headquarters, not only in Highways, but the same kind of functions in such departments as Natural Resources. But these particular dollars, we are talking about here, are to provide a better inventory by computer of the parts that are used for radios. There is no enhancement of the ability basically to communicate between the departments or between the headquarters and field staff.

**MR. D. ROCAN:** In other words, the traffic inspectors can communicate now with the district offices?

**HON. J. PLOHMAN:** Well, there is no particular move to enhance that. Again, we're talking about computer services. What we're talking about here is the parts inventory for these radios. I'm not certain whether the member is asking about what the function of the radio division is or whether he is asking what is happening in the computer section as it applies to radio.

**MR. D. ROCAN:** If I understand you correctly, you're talking about the parts or the existing equipment in their vehicles?

**HON. J. PLOHMAN:** I understand it's the parts. This is the computerization of the parts, software and hardware, to ensure that we have a better record of all the parts for the radio division.

**MR. D. BLAKE:** The physical equipment would be in another section here.

**HON. J. PLOHMAN:** That's right, Mr. Chairman. This is not with the radios themselves.

**MR. CHAIRMAN:** 1.(f)(1)—pass.  
1.(f)(2) — the Member for Assiniboia.

**MR. R. NORDMAN:** I'm sorry if I missed it, but was there an explanation for the \$70,000 of increase in salaries?

**MR. CHAIRMAN:** In (f)(2)?

**MR. R. NORDMAN:** Was there an explanation on the salaries?

**MR. CHAIRMAN:** No, do you wish an explanation?

**MR. R. NORDMAN:** Yes, I would.

**MR. CHAIRMAN:** Okay. The Minister of Highways.

**HON. J. PLOHMAN:** Mr. Chairman, what is happening, of course, is we've become more involved in computer services. We've got to have more programmers, and so what we've done is reclassified some clerical positions to program positions, and that accounts for some of the larger than normal increases showing up on that line. In addition to that, there is the regular increase and merit increases — the 3 percent increase and the merit increase.

**MR. R. NORDMAN:** Thank you very much.

**MR. CHAIRMAN:** (f)(1)—passed; (f)(2)—pass.  
We're now on Item 2. Be it resolved that there be granted to Her Majesty a sum not exceeding \$67,966,600 for Operations and Maintenance — 2.(a) Maintenance Program.

The Member for Minnedosa.

**MR. D. BLAKE:** Possibly on this section, some of the members may want questions. If we were to range over

the different sections and then pass it in a lump sum when we get finished the discussion, would that be agreeable?

**MR. CHAIRMAN:** To do the entire resolution?

**MR. D. BLAKE:** We may have people coming in who want questions on the district office or bridges, whatever. So if we get those out of the way, then when we get all the questions . . . pass.

**MR. CHAIRMAN:** Is that the wish of the committee? Is that agreed?

The Minister of Highways.

**HON. J. PLOHMAN:** If the members are prepared to bear with me in jumping from various sections of a backdown, because there are a lot of areas covered, I have no problems with that.

**MR. D. BLAKE:** The Member for River East wanted to ask some questions and I suppose this is as good a section as any here to do it all. It might fit in maybe better at a later one. It's to do with the Perimeter, but I'm sure you can handle it.

**MR. CHAIRMAN:** Is it the wish of the committee? The Member for River East.

**MRS. B. MITCHELSON:** Mr. Chairman, I was just wondering if there was anything happening with the northeast quadrant of the Perimeter Highway, Hwy. 101, any studies being done or anything been planned for the completion of that portion.

**HON. J. PLOHMAN:** We have allocated in the Construction Program last year some funding for consultants to assist the department in defining specifically the requirements for the right-of-way for the northeast quadrant of the Perimeter.

The right-of-way had been purchased a number of years ago, but the exact requirements — whether we have sufficient right-of-way, what kinds of requirements for overpasses and so on would be needed there — that will be defined by the study that will be awarded very soon to consultants. We are in the process of getting Treasury Board approval for that at the present time for the studies.

Mr. Chairman, there will be public meetings held as part of that process over the next number of months to ensure that there is proper communication in the input with the public that would be affected, both the city of Winnipeg and the municipalities affected.

I am also informed that we have staff who are part of the study team from the city of Winnipeg.

**MR. DEPUTY CHAIRMAN, J. McCrae:** 2.(a)—pass — the Member for River East.

**MRS. B. MITCHELSON:** Mr. Chairman, is there any construction planned within the next year or where are we at with that?

**HON. J. PLOHMAN:** Mr. Chairman, obviously the results of the study would take some time, first of all, to be

received, take some time to complete the study, and then it would have to be reviewed by the department and then decisions made in subsequent years for additional acquisition, if that's required, and then design work for structures in that area and then construction could take place.

So that obviously would be a number of years down the road before actual construction could take place, depending on priorities at that time. But just physically, it would take a number of years, probably two to three years before actual construction could take place because, as I have indicated, the studies have to be reviewed and then the implications of those studies taken into consideration in acquisition and design.

**MR. D. BLAKE:** What the Minister is saying is, when that Perimeter route was originally designed, the whole Perimeter route wasn't completed and designed at that time. It was done in sections? There was no complete study done for the whole Perimeter route?

**HON. J. PLOHMAN:** Mr. Chairman, there are gaps in the right-of-way that was purchased in some areas. Some was purchased in conjunction with the Floodway in that area, but only the general requirements, not specific plans.

Specific plans, specific surveys were not carried out, and there was no provision made for, as a result of detailed design, interchanges and overpasses and things like that, the design had not been done to that stage. So naturally there was just basic right-of-way purchased, but not the refined requirements ascertained at that time.

So that is necessary now to continue on, to get the detailed designs done and to determine exactly what will be required in addition, if anything, to what has already been acquired. But there will be some areas that there will certainly be additional land required.

**MR. D. BLAKE:** Under the Winter Roads Program, could the Minister indicate to us how many miles of new winter road was constructed under the section we are reviewing, and how many miles of winter road were either built or maintained last year? Does he have any indication or any tally at all of the number of tons hauled over the winter road system?

**HON. J. PLOHMAN:** Mr. Chairman, there was a significant number of winter roads built in the North last year, as there have been over the last couple of years.

**MR. D. BLAKE:** New ones?

**HON. J. PLOHMAN:** There haven't been any new ones under this particular program this past year. We have one provision for Gods Lake Narrows to Gods Lake River that is being placed in the budget for this coming year.

**MR. D. BLAKE:** That will be built this coming winter?

**HON. J. PLOHMAN:** For this coming winter. But the member asked about the total kilometres or miles that were built in the past year. There was York Landing to

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Ilford, 32 kilometres; York Landing to Split Lake, South Bay to South Indian Lake, Cross Lake to Hayes River crossing, Hayes River crossing to the junction of Oxford House to Gods Lake Narrows winter road, Oxford House to Gods Lake Narrows and, by the east side of Lake Winnipeg, Norwin Construction did 777 kilometres there in various sections. The total number I mentioned previous to that was 376 kilometres, so that's a total of about 1,150 kilometres that were constructed last year.

**MR. D. BLAKE:** These are older roads that were just rebuilt and maintained?

**HON. J. PLOHMAN:** These are winter roads that are put in place each winter.

**MR. D. BLAKE:** Yes, the route is there. It's just deciding and resurfacing.

**HON. J. PLOHMAN:** Pardon me. I'm sure Hansard is having difficulty when I am interrupting and you are. But, Mr. Chairman, what you're supposed to say is call on each of us, and that way the . . .

**MR. DEPUTY CHAIRMAN:** One at a time, gentlemen.

**HON. J. PLOHMAN:** Yes. The route is already established, and these are put in each year.

**MR. D. BLAKE:** I suppose you wouldn't have any indication of how many tons were hauled over those winter roads? Is there any tally kept of that?

**HON. J. PLOHMAN:** Mr. Chairman, there were totals, and I believe that question was asked last year. I don't have it in front of me, but we can certainly get that information.

I understand from staff, Mr. Chairman, that they are in the process of compiling that, and it is not fully available at the present time.

**MR. D. BLAKE:** There is some indication of what's hauled there.

**HON. J. PLOHMAN:** Mr. Chairman, what we agreed to earlier on was that we would deal with Appropriation 2.(a), (b), (c), (d), (e), (f) and (g) insofar as questions are concerned, so we're dealing with 2. and any of the sections under it.

**MR. DEPUTY CHAIRMAN:** One moment, please.  
The Member for Rupertsland.

**HON. E. HARPER:** Yes, I had a question. I have a complaint for the Minister of Highways.

**MR. D. BLAKE:** Good, give it to him.

**HON. E. HARPER:** I know the winter road goes to Red Sucker Lake. It's a reserve and it's not on the map. You have identified Red Sucker Lake, the lake itself, but the reserve — Red Sucker Lake is on a map — it hasn't been on from the previous Minister. So I would

like to put on the record that I am putting Red Sucker Lake on a map.

**HON. J. PLOHMAN:** Mr. Chairman, is the Minister responsible for Native Affairs saying that the reserve is shown on the map?

**A MEMBER:** No, the lake is shown.

**HON. J. PLOHMAN:** The lake is shown but the reserve isn't? Okay, I will certainly draw that — Mr. Chairman, that was obviously an oversight somewhere in the system. Apparently, it's just slightly off the map.

**MR. D. BLAKE:** We could call all these maps back and put that on before we leave . . .

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

**MR. G. ROCH:** Yes, sir, under section (f) there is roughly a half-million dollar increase in salaries and wages. That's certainly more than 3 percent in merit. Has there been an increase in personnel and, if so, for what reasons?

**HON. J. PLOHMAN:** The increase, Mr. Chairman, is due to the OPEEPM, which is the Organization of Professional Engineers, and the MGEA settlement or increases that are allowed. It's strictly a case of those salary adjustments.

We are dealing there with over \$7 million in salaries; so if you consider merit increases and the negotiated salary increase, that would account for the half-million dollar increase.

**MR. G. ROCH:** That's strictly salary increases for the same amount of people?

**HON. J. PLOHMAN:** Yes.

**MR. G. ROCH:** Mr. Chairman, Item (g), what does that mean, Other Jurisdictions? That encompasses what? Then I notice there is a decrease there.

**HON. J. PLOHMAN:** Under "Other Jurisdictions," Mr. Chairman, it is accounts collectible, and this is work done for other organizations such as Manitoba Hydro, and we recover 100 percent of that back from them, or the Federal Government — well, you can see that in the second portion of the appropriation.

The LGD's are also included; anything that isn't part of a government department which would be revenue coming back to the department. If it's from other agencies outside of government, it comes as a recovery back to the Department of Finance.

**MR. G. ROCH:** If I understand you correctly, what you are saying is that it's charged to Highways, but part of it's unrecoverable?

**HON. J. PLOHMAN:** Well, not quite; that's the point. There is some that is not recovered and there is a netting out. I'll just get the figures for why there is a decrease there in the amount that is netted out. In the past year, obviously, it was 2,335,000 that came out

of the department as a gross figure. This coming year, we are projecting 1.935 million.

I guess, Mr. Chairman, what will happen here is that we will just be doing less work, to the tune of \$400,000, for other parties that request it this coming year than we did last year, \$400,000 less. Therefore, we will be recovering — we'll have a net expenditure drop of about 400,000 as well, or exactly 400,000. The recoveries will stay the same, which means we will be less able to respond to demands from other organizations, from LGD's, or from Hydro, whatever.

**MR. D. BLAKE:** There are a number of questions, Mr. Chairman, to be asked under Bridges and Structures. If the Minister could maybe give us an indication of what the bridge program entailed, then we would know whether to ask any questions on bridges that are needed or not.

**HON. J. PLOHMAN:** Mr. Chairman, there are a number of bridge appropriations, really. There are major jobs done under the construction program which we are not dealing with here. Then there is more minor work that is done under the maintenance program, rehabilitation of bridges.

In the past year, there were about 11 bridges in this section that were completed, four that were rehabilitated in 1985-86 under this appropriation, and eight that were replaced during the past year, including Graham Creek, near the town of Jordan; Rat River at La Rochelle; Smith Creek near Mafeking; over a drain at the west boundary of the R.M. of Grandview; Valley Creek near the town of Grandview; Mineral Creek at the junction of PTH 5 and 10; East Baker's Narrows near the town of Flin Flon; and another one on the creek seven miles west of the town of Neepawa; and there are the PTH's that I can give the members as well.

There were, as I indicated, four that were rehabilitated under this section as well, one on the Birch River at the town of Birch River; one on the Little Saskatchewan River eight miles north of Minnedosa; one on the Red River Floodway two miles south of PTH 100; and one on the Red River Floodway at the inlet structure. Those four were rehabilitated.

So those are the ones that were completed under this section. There may be more as well.

**MR. D. BLAKE:** I wonder if the Minister could indicate if all of the bridges on the Yellowhead Route, Highway 16, and the Trans-Canada, have all of those bridges been rehabilitated to the standards that we require?

**HON. J. PLOHMAN:** There have been three on Highway 16, between Gladstone and Neepawa where the decking was completed in the last year or so and they've been completed.

In the construction program, there were 13 bridges done last year, and this year we have budgeted 19 in the . . .

**MR. D. BLAKE:** Well, there are still some to do yet. That's what I'm getting at. They haven't all been completed yet.

**HON. J. PLOHMAN:** I want to clarify, there were three bridges done on the Yellowhead in that area. I don't

know that there are any right now that need upgrading on the Yellowhead, but there are bridges throughout the province that need replacing and upgrading continuously, and we have a continuous program to do that.

As I indicated, there are 19 in this year's budget. Last year, 13 were done.

**MR. D. BLAKE:** We can maybe move on to Traffic Inspections. Is this program ongoing? Is the Minister satisfied with the operation of Traffic Inspections? I realize he mentioned earlier in his remarks that this year he was going to include truck and trailer inspections as well.

**HON. J. PLOHMAN:** In this area, Mr. Chairman, we see an increase in the Other Expenditures, which is for the purpose of providing more travel support for mobile inspectors so they can cover larger areas, so that there will be a better inspection from that. In that respect, the department has taken some initiatives in the past year to do some professional development with inspectors, to make them more aware of the sensitivities in dealing with the public and I think that's an important area.

Obviously, they deal with the public all of the time. They come across many situations that are highly charged, where individuals are trying to get their work done and they feel harassed at times, so they are providing courses for them to sensitize the inspectors in ways to handle the public in a gentler fashion.

Those are some of the improvements that have been made and I'm satisfied that we are making some progress in that area. Of course, there are still complaints that we get from time to time from the public, and we try to deal with them the best way possible, and ensure that they don't happen again, if there's a fault on the part of the inspector. Usually it takes two to tango though and the antagonism, if certain situations arise, can come from both sides.

**MR. D. BLAKE:** I just can't quite recall where the location is. The Minister may have had it brought to his attention. There's a weigh scale located somewhere and I had it brought to my attention twice and I just can't recall for the minute where it's located, but it's very difficult to get access. Oak Bluff, that's it.

**HON. J. PLOHMAN:** The highway near the Perimeter. Sorry, Mr. Chairman, I didn't get if there was a question there.

**MR. D. BLAKE:** Yes, I might let my colleague, the Member for Turtle Mountain, who is more familiar with it, describe the problem there.

**HON. J. PLOHMAN:** The location is a problem and there are some studies being undertaken at the present time. It's in the functional study for the south Perimeter to determine a better intersection, better location for that inspection station.

**MR. D. ROCAN:** So we have not acquired the land for this new scale yet?

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



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**MR. D. ROCAN:** The rent on that little trailer that we're renting has been there for the last year or so, since the last one was hit by a truck. Can I ask how much rent we're paying on it?

**HON. J. PLOHMAN:** Mr. Chairman, there's a question about the rent on a trailer at that weigh station and we can get that information and provide it to the committee. We don't have it at the present time.

**MR. D. ROCAN:** Just to clarify, we are definitely looking at moving or replacing that scale there.

**HON. J. PLOHMAN:** That is one of the purposes of that study being undertaken on the south Perimeter. I shouldn't say the primary purpose, but one of the purposes. One of the questions to be answered is the question of that particular scale.

**MR. D. ROCAN:** Other Expenditures on (e)(2). Am I led to believe that we're going to hire more support staff?

**HON. J. PLOHMAN:** Mr. Chairman, (e)(2) deals with Other Expenditures, not Salaries and Wages; and as I indicated there, I believe that increase is largely due to the fact that we're providing more resources for mobile inspectors, so that they can cover larger areas. It costs money to travel, obviously.

**MR. D. ROCAN:** Are we expecting our traffic inspectors then to chase down and flag down trucks?

**HON. J. PLOHMAN:** They will have mobile scales set up in various areas. Different areas of the province vary, hopefully, from day to day and week to week, and inspections will be carried out at those stations.

**MR. D. ROCAN:** Is anybody looking into the aspect of putting up a scale at 2 and 13?

**HON. J. PLOHMAN:** Mr. Chairman, those areas are the locations for mobile inspectors to set up their stations from time to time and that is used for that purpose.

I understand that the studies have indicated that the mobile inspectors are the most effective way to inspect, as opposed to the established centres. Obviously, both would be needed, but mobile inspections at random are most effective.

**MR. CHAIRMAN:** Further questions on 2 — the Member for Springfield.

**MR. G. ROCH:** Under District Offices, is that the area under which reconstruction falls under?

**HON. J. PLOHMAN:** No, Mr. Chairman, Appropriation No. 8 is where the Capital program is and that is the construction program where we deal with that. Under Districts, they are responsible for carrying out the maintenance activities and preparing the plans, in some instances, for construction surveys, and so on. But the construction projects are usually dealt with in the Estimates under the construction appropriation.

**MR. G. ROCH:** Under 2(f) where it says, "Other Expenditures," is that the area where there would be what? The maintenance of the roads in those particular districts or . . . ?

**HON. J. PLOHMAN:** I will find, Mr. Chairman, the exact functions that take place under Other Expenditures. As the member can see, there is a reduction there and that is due to a reduction in vehicle mileage attributed to that appropriation, so there's no increase from the previous year. But I'll get an outline of exactly what activities fall under that area.

**MR. CHAIRMAN:** Further questions Item 2 — the Member for Turtle Mountain.

**MR. D. ROCAN:** What is the personal mileage that government employees are allowed to put on their, say, government half tons they can report from job sites, to and from home?

**HON. J. PLOHMAN:** Under the previous question that was asked by the Member for Springfield, under that appropriation of Other Expenditures, District Offices, it includes provisions for vehicles, travelling by staff in the districts, for office supplies, printing and stationary, telephone and postage, office equipment rental, mechanical division rental, materials, operating supplies, again, building maintenance and supplies, utilities, radio systems. Each of those is included in each of the districts and that's where you get the million one.

**MR. G. ROCH:** Mr. Chairman, well then basically the amount that is spent on actual maintenance would be 2.(a), am I correct?

**HON. J. PLOHMAN:** Mr. Chairman, that's exactly correct. The Maintenance Program is \$49,415,000, up from 48,489 the previous year.

**MR. G. ROCH:** So then, Mr. Chairman, all the other areas, (b) to (g) they're basically for support staff?

**HON. J. PLOHMAN:** Well, Mr. Chairman, they are headlined there: Winter Roads, and the amount that is spent on them. The contracts area — Operations and Contracts is outlined; Bridges and Structures, so I think the member would have to ask specific questions.

**MR. G. ROCH:** Okay then, to be more specific, Mr. Chairman, that \$49 million in Maintenance Programs, that would be the amount of money spent on both provincial roads and provincial trunk highways that are in need of repairs?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, for minor repairs, for gravelling, for dragging, shoulder work, mowing, snowploughing, and so on.

**MR. G. ROCH:** So whatever is for winter roads or bridges, repairs and maintenance there fall under those specific categories? Everything else falls under (a)?

**HON. J. PLOHMAN:** That's right. Bridges have their own maintenance program, so there's a bridge and

maintenance function that is mentioned under (d). Formerly that used to be included under 2.(a), but it is now put in a more appropriate place, which is under the bridge section for bridge maintenance. Anything that's not specifically identified as a maintenance function in the other appropriations is included under Maintenance. If it's major jobs, then it's under the construction section of the budget.

**MR. CHAIRMAN:** Further questions under 2.? The Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, I don't know whether this is the right place to bring it up under Operations and Maintenance, or under Planning and Design, you can straighten me out, if you will. As you are fully aware, there was a time a few years back when they contemplated by-passing the village of Headingley. I was just wondering what the status of that plan is?

**MR. CHAIRMAN:** The Minister has advised that that's under Planning and Design.

**MR. R. NORDMAN:** Very fine, thank you, we'll bring it up at that point.

Thank you very much.

**HON. J. PLOHMAN:** For the Member for Turtle Mountain, Mr. Chairman, I believe he asked a question about vehicles and, of course, that question should probably more appropriately be dealt with under a different department because it's an overall government policy under Government Services. But I believe that there is a set amount, \$50 or \$60 a month that is paid for by each employee that has a vehicle assigned to him/her which will pay for a certain number of kilometres per month — this is personal mileage — and if they go beyond that then they have to pay a certain amount per kilometre or mile. So there is a government policy that allows for private use of government vehicles.

**MR. CHAIRMAN:** Any further questions under 2.? The Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman. I apologize that I had to leave for a little while to attend a meeting. I just want to come back, I don't know to what extent Traffic Inspections were covered, but I'd certainly like to just spend a little bit of time on that aspect of it, because I'm sure members from both sides of the House from time to time run into problems where certain individuals have been caught overloaded. Am I correct in saying this is covered under that?

**HON. J. PLOHMAN:** Yes.

**MR. CHAIRMAN:** Just to clarify for the member, what we're doing is the committee has agreed to deal with 2. as a whole, so you can move from section to section. The Minister of Highways on a question then.

**MR. A. DRIEDGER:** Fine, then I'll continue in that aspect of it. As I indicated, I think many rural members, from time to time, run into that problem where some trucker has been caught overweight. The majority of them pretty

well realize when they do that. The odd time you have cases where it might be a marginal call.

I'm just wondering what the basic attitude is of inspectors when they get out there, from time to time, have called members within the Highways Department and ask them to maybe review certain situations where things seem exorbitant, or maybe a lack of common sense has been used, I'm just wondering. I've had discussion with people within the Department from time to time and asked that maybe a little bit of common sense be used from time to time.

Is there maybe a desire or direction within the department that a little bit more common sense be used? Many of the truckers — I'd say the majority of the truckers — are very conscientious, in fact, especially when restrictions come on. We've had cases — I don't want to illustrate all the cases that I've run across, but especially certain bridges that are restricted.

What happens, truckers come in with a heavy load or with a load and get up to a bridge; the bridge is restricted; or the municipal roads are restricted in the area, and they're sort of caught in a quandary. So invariably the truckers, not realizing always the restrictions that are on certain bridges come through, especially if they're new guys, somebody that runs the road all the time, they have an idea, but I just wanted to know from the Minister whether there is a bit of a change of attitude that could be used. In most cases or say in all cases when somebody gets nailed for overload, the inspector is right. Invariably, I would think he's right, but there is a grey area of common sense where I just want to illustrate an example, where fellows trucking to the States come back on a highway, not paying that much attention to some of these restrictions. One week, it was 350; a couple of weeks later, it's down to 250. The individual comes back with a tractor-trailer, he's empty; and because he's empty, it changes the weight on the front of the truck; he is overloaded on the front and, as a result, gets nailed, and substantially too.

These are the kinds of things where possibly a warning system — and I think some of the inspectors, they're not all the same, because you have some who are using a very common-sense approach, giving a warning and sort of letting a guy smarten up. Then you have those individuals that, for the smallest amount of infraction, take and nail a guy. What it does basically, it creates a hostile attitude with many of the people.

I am just hoping that maybe the Minister can indicate that the attitudinal change will be a little bit where there's a little bit of latitude and common sense being used, which is not always the case. Some of these inspectors, I suppose feel that they — I don't know whether they work on commission or not — I could get into more details on this where one individual inspector over the years had five times as many tickets written as the one just adjacent to him.

So the one guy says to the trucker, hey listen, you're over a bit, but I'll tell you something. Smarten up or else, next time, you'll get the ticket and invariably, nobody wants to be faced with fines along this line. Then you have the other — pardon me, I was almost going to say turkey, which is not a good expression — but you have the other individual who goes by the letter of the law. You are wrong and you pay and, as a result, you have many of the truckers out there who get pretty aggravated.

I just want to bring that forward under Traffic Inspection to the Minister, and ask him whether he could maybe instruct his people to use a little bit of common sense in these things.

**HON. J. PLOHMAN:** Yes, Mr. Chairman, it's rather ironic that the Member for Emerson is touching on the same area that the Member for Minnedosa just finished before he left the room, so that this rotation is not necessarily the best in terms of communications that's going on between the members.

But that was asked, and I did say at the time that I share the concerns and the need for inspectors to be sensitive when dealing with the public. We have emphasized over the last year or two that there should be more training and courses available to inspectors. This has taken place over the years, and I believe there is an improvement there, but there are always areas where there can be disagreements. Certainly, the public quite often would tend to be of the opinion that they're not doing anything wrong when they know very well in many instances that they are indeed wrong. They are aware of the situation but, of course, they tend to be very naive or act like they weren't doing anything wrong when they are confronted by an inspector. We know that there are all kinds of situations that develop.

So the inspectors have to do their best to do their job, and to also be sensitive when situations arise and warnings should be given under certain circumstances, I would agree, but you cannot just keep giving warnings obviously. So I think that we are making headway. We're putting in more emphasis on training, and certainly passing the information to the staff to be as sensitive as they can in dealing with the public.

**MR. A. DRIEDGER:** Just a question then to the Minister, how often do the inspectors actually give warnings? Is it quite common that they give warnings, or is that a rarity that they give warnings? Do they basically give tickets or do the officers of the RCMP do it?

**HON. J. PLOHMAN:** Well obviously, that will vary from inspector to inspector, and that's why we are trying to get some consistency as to criteria, as to when warnings would be given. That's difficult, because every situation is somewhat different, but some inspectors will give more warnings than others, obviously.

**MR. A. DRIEDGER:** I think the Minister just illustrated my concern. If there were some consistency in this, but what happens is that certain road inspectors use more common sense and others don't ever give a warning. If there could be some general attitude in that area, I think it would enhance the attitude of our people that are driving trucks and the operators to quite a degree.

**HON. J. PLOHMAN:** Mr. Chairman, that suggestion is duly noted.

**MR. CHAIRMAN:** Further questions on 2?  
The Member for Turtle Mountain.

**MR. D. ROCAN:** To comment a little bit further, Mr. Chairman, when the inspectors write out the tickets,

do they not go the board and it's the board who issues the ticket?

**HON. J. PLOHMAN:** Mr. Chairman, I just want to ask clarification from the Member for Turtle Mountain. What board is he talking about?

**MR. D. ROCAN:** The Traffic Board.

**HON. J. PLOHMAN:** Issues the fine?

**MR. D. ROCAN:** When the inspector catches us on the road with an overload or whatever, he just writes out the ticket and it goes to the board. It is the Traffic Board who then issues the ticket or summons or whatever, I am asking.

**HON. J. PLOHMAN:** The decision to issue a ticket is made by the inspector. Isn't that correct? Now the decision can also be made by the inspector to issue a warning.

**MR. D. BLAKE:** I think what the members are getting at is that the ticket goes in to the board, and they assess the fine or record the infractions and maybe call the trucker in, and they can lift his licence if he's getting caught in too many infractions.

**MR. CHAIRMAN:** Is there a question involved?  
The Member for Minnedosa.

**MR. D. BLAKE:** No, I am just clarifying. The Minister can correct me if I'm wrong, but the traffic inspector issues the citation. It goes to the board, and they assess the fine or whatever it is and record the infractions. If there is a number of them, they can lift the licence or call him before the board to justify why he has had a number of citations.

**HON. J. PLOHMAN:** Mr. Chairman, I am just getting clarification on that process for the members.

**MR. CHAIRMAN:** Do you want to defer that item for a moment? Are there any further questions on 2.?

**MR. D. BLAKE:** We can present them and get through District Offices, and we may get through that tonight.

**HON. J. PLOHMAN:** Mr. Chairman, I believe we are dealing with minor infractions such as overweight violations and the tickets are issued and the individual can pay that before any magistrate. If he wants to plead guilty, then charges are laid and it goes before the courts. But it does not come to the Traffic Board for payment of those offences.

Now if we're dealing with authorities, then we're dealing with the Transport Board. I don't know whether the members are confusing the two boards, but the Traffic Board does not deal with the matters of fines and issuing fines for violations such as overweight.

**MR. D. ROCAN:** Is it the Transport Board then?

**HON. J. PLOHMAN:** The Transport Board has been given the powers to fine for violations of the authority,

PSV authority, which is quite different from minor offences such as overweight that might be incurred by anyone who may not even have a special authority. It could be under a T-plate, commercial truck, F-plate farmer, whatever. It has nothing to do with PSV violations which come under the jurisdiction of the Transport Board.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman. I want to raise a concern under Other Jurisdictions which basically is work that the Highways Department does for various other departments and recovers from that, I understand. The concern I want to raise is about the Department of Natural Resources, the work that was done. I just want to ask the Minister, are there agreements that are ongoing agreements between, for example, the Department of Natural Resources on some of their forestry roads, to certain lakes, etc., where there is a cost-shared or a billing take place, or are these done on an ad-hoc basis on a year-to-year basis?

**HON. J. PLOHMAN:** We're dealing here with recoveries which come from other jurisdictions, not departments of government. Mr. Chairman, I have referred to this as recoveries because it is written in the book that way. It is actually a revenue to the department and it is for work done for other departments. Therefore, it comes back into our appropriation.

Recoveries, strictly speaking, are from other jurisdictions, other than departments, and the fact that the book says recoverable apparently is not quite accurate. It should be a revenue item for the department. In any event, if the work is required to be done, the other department will ask to have it done and the department will do it and then bill the other department for the work.

**MR. A. DRIEDGER:** So my perception is right, that in this area, for example, the Department of Natural Resources would request the Highways Department to plough the road to Birch Point from Moose Lake, for example. I just want to use that as an example. Then the Highways Department will accommodate and bill the Department of Natural Resources. Am I correct in that assumption?

**HON. J. PLOHMAN:** Yes, that's the way it works.

**MR. A. DRIEDGER:** Okay, because there seems to have been confusion from time to time, Mr. Chairman, where the department — I don't know whether this is between the personnel involved here where the Department of Natural Resources says, well, the Highways Department is not doing it. Then we get after the Highways Department and they say, well, Natural Resources hasn't requested it. That's why I asked whether there are ongoing agreements or is this done on an ad-hoc basis where the Department of Natural Resources says, listen, the road to Birch Point from Moose Lake is blocked, will you go in there and plough it?

I use that as an example, but I know there are many other examples that work the same way. I'm just trying to establish whether there is a format in place, that gets established prior to winter or whether we do this as the situation develops.

**HON. J. PLOHMAN:** Mr. Chairman, usually the department responds on an as-requested or as-required basis as a result of a request being made by the other department. So if some work is required, the other department will advise the Department of Highways and they will carry out the work.

**MR. A. DRIEDGER:** I appreciate that because that clarifies in my mind some of the concern that has been expressed. I use that example of the road from Moose Lake to Birch Point, because I know there are many cases where the same situation develops and there is more or less a passing of the buck between one department and the next in this respect.

I'll just throw this out as a suggestion to the Minister of Highways, that maybe there should be a clarification, because the public perception is not always — to them government is government and whether it's Natural Resources or Highways Department, they lump everything into government and get very annoyed. When the buck gets passed back and forth, it creates a lot of problems and the next thing you know the MLA is involved. We're phoning and trying to get this thing straightened out. I'm wondering if maybe some — well, I don't know if you can develop a program, but some kind of understanding could be worked out so that some of these things could be done in a little easier manner rather than go through the confrontation situation that we apparently have been going through from time to time.

**HON. J. PLOHMAN:** Mr. Chairman, I sympathize and empathize with what the member is saying. There are many situations where two departments are involved in a problem that the public is concerned about. They may be referred from one department to another. It happens in water resources, problems in drainage, problems in highways, as well as it does in this area.

So it is an area that could be streamlined to a certain degree, and we'll look at that, especially as it applies to the kinds of things here that are done year after year for another department, but the arrangement is never formalized. If it is always left to as-requested, it may fall between the slats from time to time, and we should try to get around that.

**MR. A. DRIEDGER:** I'd appreciate that. Thank you.

**MR. D. BLAKE:** Besides that, it's much more difficult to get winter fishing down there if the roads are . . .

**MR. CHAIRMAN:** Any further questions on 2?  
The Member for Minnedosa.

**MR. D. BLAKE:** I think that's been covered pretty well. I just wanted to cover a bit on District Offices. I realize these are pretty well normal operating expenses for the District Offices, but in view of the very limited amount of work that is being done — I know there will be maintenance work done — I just wondered if the Minister might care to share with us how he plans to keep all of these employees occupied this summer.

**HON. J. PLOHMAN:** Mr. Chairman, there is a core staff that is available at each district office. — (Interjection)

— There's too much noise. If you don't get order, I'm not going to talk.

**MR. CHAIRMAN:** Could we have some order please? I can't hear the Minister. I'm sure the questioner can't either.

**HON. J. PLOHMAN:** Now, Mr. Chairman, there is a core of district staff that is in place at each district office; then there is additional staff that's allocated on a as-required basis, and that varies according to the amount of work that is being undertaken at any particular time from well over 400 to as high as nearly 600 at any particular time, total staff — I think over 600 at certain times, 620 — and then it goes down again, depending on the amount of work that is being undertaken at any particular time, so there is some flexibility there.

Of course, as I indicated earlier, the maintenance program is at least as large as it was in previous years; so any work associated there, which is most of it for district offices, is certainly as demanding as it has been in previous years. So there shouldn't be a need to have, I don't believe, a lot of reductions in staff there; certainly, the demand for staff in the maintenance functions will be about the same as in previous years, and then there is some flexibility in the system for the districts insofar as additional employees for construction activities.

**MR. D. BLAKE:** Yes, it becomes a little frustrating for some of the road grading contractors that are trying to keep a staff on and end up having to lay them off, and the people that get laid off look at the Highways staff and think that maybe they're batting their head against the wall working for a contractor, they should be working for the Highways Department and avoid the danger of layoffs.

Has there been any change in policy, Mr. Minister, on the maintenance of municipal roads or the municipality grading PR's?

**HON. J. PLOHMAN:** Well, that arrangement is primarily in District 7, I believe, where municipalities still undertake work for the Department of Highways. Most districts have now — (Interjection) — Yes, but primarily in District 7. There has been some other districts that we also rent the municipal equipment and there's no change that has been made in that arrangement, but over the years it has been declining, the amount of municipal equipment that is used, and the department is moving more and more towards its own equipment, but there's no dramatic change in the policy.

Mr. Chairman, I was just going to add on that area of using municipal equipment, most of the districts have a very small percentage ranging from 1 percent to about 18 percent, 19 percent the highest, except for Districts 7 and 8 where 48 percent in District 7 and 76 percent of the rentals that take place in District 8 come from municipalities as opposed to private rentals.

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

**MR. G. CUMMINGS:** Yes, perhaps the question I'm about to ask has already been asked. I hope that the Chairman will inform me. My question is regarding the use of municipal equipment in the various areas.

When municipal equipment is leased, or municipalities are hired to do maintenance for the Department of Highways, what is the protocol for having the maintenance work done on the roads? Where does the direction come from?

**HON. J. PLOHMAN:** Mr. Chairman, it would come from the district engineer or the supervisor/superintendents who work under him in the districts.

**MR. G. CUMMINGS:** My understanding has been that on some of the provincial trunk highways the maintenance schedule is laid out on a predetermined number of days per week or per month when a particular road might be maintained, and the concern at first glance, at any rate, would be that whoever is laying down these criteria has never seen the road.

I question if — do the people who actually drive those roads on behalf of the Department of Highways, do they lay out the work schedules on the secondary highways?

**HON. J. PLOHMAN:** Well, Mr. Chairman, there obviously is some flexibility, depending on the conditions and, hopefully, the district people who are responsible are familiar with the conditions of the road.

But there's also standards that are set down that establish how many times the road should be dragged; how much dust treatment it should get, depending on the classification of the road, whether it's a class 1, 2, 3, 4, or 5, but that is established on the basis of traffic counts; the amount of gravel, cubic yards per mile or whatever, is placed on the road; the number of times the shoulders are dragged and so on. All that is established by standards that have been established by the department many, many years ago and have been maintained throughout the years.

So the standards are there but there is still flexibility within those standards for the districts to put additional attention on a certain road if there's some difficulties taking place at that particular time.

**MR. G. CUMMINGS:** The reason that I asked the question, Mr. Chairman, is that as the highways are either under construction or have deteriorated for some reason, the traffic flow on the secondary roads, the numbered roads, provincial PR roads, our traffic flow is increasing there, and I question then, where is the direction coming from for increased maintenance on some of those PR roads? If it's coming from the local people, is their restriction also governed by budget?

**HON. J. PLOHMAN:** Well, obviously, the budget would be set on the basis of the standards that are there. That allowance has not decreased; it has increased with inflationary factors over the years. We have continued to maintain those standards this year and last year so that there has been no reduction in the budget, so there should not be a reduction in the standards that are applied for maintenance purposes on those roads.

If traffic counts, which are taken every couple of years, I believe, on most roads indicate that there are changing traffic patterns, and if it requires that the road be categorized upward to another classification because

of the traffic volumes crossing a certain threshold — and I can give the member those thresholds — then they would fall into a different category, they would receive more dragging trips per year and would qualify for more gravel and so on and so forth.

**MR. G. CUMMINGS:** I don't mean to be facetious, Mr. Chairman, but it would appear that what the Minister has just said, in fact, makes my case that the roads are — you can refer it back to budgetary considerations, if you will, but it still is on a predetermined amount of maintenance that's put into those roads rather than things that are determined by perhaps weather conditions in a particular year.

**HON. J. PLOHMAN:** Well, the standards are there as minimums, primarily, and if there are certain situations that develop, as I indicated earlier, that require additional attention, additional gravel, addition dragging, whether it be a flooding situation such as happened near Portage this past year or other areas of the province, they will respond to those situations and attempt to, without consideration directly to the amount of dollars being spent, as long as it isn't ridiculous, to get the job done, to get the road back into condition so that it is passable. Certainly, in other situations where it's not that drastic a situation, where a road is just deteriorating and that is brought to their attention, certainly if it's brought to my attention, we ask the districts to give special attention to that road.

If the public is complaining about a certain road, raising concerns, again directed to the districts, they would respond if they feel they're legitimate; so there is room and there's flexibility in the system to respond to particular needs when required.

**A MEMBER:** When there's enough for every mile then they grade it oftener.

**MR. G. CUMMINGS:** The premise for my question of course is that it seemed that when the road became a provincial road and when the maintenance became controlled from somewhere other than the municipal level, that the amount of attention that it was being given appeared to deteriorate. I would like to ask further, in that same vein, when an agreement is made between a municipality and the province, does the . . .

I'll give you an example which would illustrate my case and it may be something that can be cleared up quite easily by the Minister if it is simply brought to his attention, I'm not sure; but there are examples of where the provincial equipment is coming out of the LGD where they work, and when they hit the edge of the municipality and there are still two or three miles left on the road — and you may very well be aware of the situation that I'm talking about — the blades go up and, particularly in snowplowing season, people may drive 15 miles or so on a road, on a well plowed road, and all of a sudden they end up in a rutted or probably impassable situation.

Given normal weather conditions, this is not the end of the world, but it has caused considerable problems for people who are unfamiliar with the area. Can those sorts of situations be alleviated without a great of cost to either the province or the municipality?

**HON. J. PLOHMAN:** It's true that the province has different responsibilities in LGDs then it does in municipalities, so that's a very unique situation, if it's LGD roads that we're talking about here.

If it's provincial roads they will go by beats, it's called, and they will complete their runs, will not stop in the middle of a road in the middle of nowhere. They are set up in such a way that they make sense, in between centres. I'm sure the member is talking about a situation where we're dealing with an LGD road, as opposed to a provincial road, and obviously there's unique problems there because, as I said, the province does not undertake maintenance for municipalities.

**MR. G. CUMMINGS:** Further to that question, Mr. Chairman, my real concern is to solve the problem, as I'm sure it is the Minister's concern also.

What kind of arrangements can be made with the municipalities? The situation for the travelling public can become quite dicey, given the situation I described a minute ago. The charge to the municipality, is it going to be charged to them at full rate, given that they're — it seems like two levels of government are unable to reach an amicable agreement without a fair bit of cost involved. Can the Minister foresee a situation such as this where a municipality should be able to have some assurance that the plows in fact, when they come to the end of the road, do not simply lift up their blades and carry on?

If it's the cost that's the problem, can the government negotiate more flexibly with these municipalities, because the plows are going down the road anyway.

**HON. J. PLOHMAN:** I would think if there is a specific situation that is a chronic problem that we will take a look at it and see whether some kind of arrangement can't be made. So if the member wants to draw that specific situation to my attention, I would be glad to look into it. It seems to make some sense, although I'm sure the member can appreciate that we cannot have the Highways crews just going ahead and doing municipal roads without an agreement being in place, obviously, because they may decide that it didn't have to be done at that time and therefore feel that it's not something they should pay for; so there should be an arrangement or prearrangement made on that on an accounts collectable basis of some kind.

I'm sure if there were specific situations where this has been developing that something could be worked out and I have not had this matter brought to my attention previously.

**MR. G. CUMMINGS:** On a different vein, Mr. Chairman, there very often seems to arise differences between the conservation districts and the Department of Highways or, if you will, what used to be known in my area at least as watershed districts, over what constitutes a viable, natural waterway.

Is there a mechanism between the Department of Highways and the other responsible departments to keep these disputes at a minimum? They are all localized of course. There seems to be a fair number of them that crop up and, without being specific, I'm talking in terms of where a new road construction goes through and a dispute arises over whether a culvert

should or should not be installed in what some people would consider to be a viable drain in the first place; or at times there seems to be a dispute between the Department of Highways about whether or not a highway ditch can in fact be used as part of a drainage system.

There have been a considerable number of situations where the Highways Department appears, at least, to have refused to become part of a drainage system; and I would think there may be an inordinate amount of cost that accrue to the province from time to time if these departments aren't on the same wave length. Is there a system in place right now where there's communication between those departments?

**HON. J. PLOHMAN:** Mr. Chairman, there is a system in place in that the Department of Highways does take their direction, in terms of the requirements for drainage, from the Water Resources Department and they are in constant communication on these matters.

Many times, I am sure the departmental staff in Highways are not happy with the response time that is required to get some answers from the Department of Natural Resources, the Water Resources Branch. Maybe it works the other way as well. But they attempt to work together as much as possible and the volumes are determined — water movement is determined by Water Resources and the Highways Department responds as a result of the figures that are given to them by Water Resources.

It would seem to me that where there is a dispute, it may mean maybe that the watershed, or the Conservation District wants the Department of Highways to pay for all of the costs associated with the particular drain when there, in fact, are additional costs and they should be borne by the other jurisdiction, or Water Resources at least, or maybe the Conservation District, as opposed to the Department of Highways. That may be the kind of dispute that the member is referring to.

If it is a question as to whether a culvert should be placed or not, or of the size of it, that obviously would be a matter that the Conservation District should take up with the Water Resources Department. That would seem to be where the dispute is because it is Water Resources that the Department of Highways responds to.

If they haven't got their message through to somebody, it is probably to the Water Resources Branch as opposed to the Department of Highways.

**MR. G. CUMMINGS:** I guess my question is still concerning the lines of communication. Maybe it is a perception more than a reality but there is still — I am not sure that I agree totally with what the Minister has said in terms of where it would appear that drainage problems have resulted or, if you will, the escape of water from certain farm properties where the problem may have developed after the construction of a highway.

The people, farmers naturally, seem to have a problem inasmuch as when they discuss it with the Highways personnel, they are informed that Highways are not, in fact, the drainage system. Yet there seems to be a need for some system whereby the people affected in this way can appeal to the bodies in question and the conservation people would obviously have to be involved at that point.

Is there a mechanism right now that perhaps I am not aware of, where the landholder, in this case, can get both responsible bodies together and have the matter cleared up to the satisfaction of all three parties?

**HON. J. PLOHMAN:** Mr. Chairman, I believe that some of this coordination probably has to come from restructuring or revamping of the Conservation Districts in those areas where this kind of problem arises.

In areas where there are no Conservation Districts, it is a matter of getting the people together from the two departments and perhaps there should be a more formal appeal mechanism of some experts to look at certain situations, although I don't think you can get answers, in many cases, on the spot.

There is a lot of study that has to go in. Many times there is a number of alternatives; it is not clear-cut. It makes it very difficult to get answers. There's many situations where the Highways Department cannot get a road built because they are waiting for these kinds of things, disputes with local landowners who are complaining about water, and the Water Resources trying to do studies on it and determine which is the best solution.

The Department of Highways has to wait until results of those come forward and it does take a long time in many instances.

Some of the areas up in our area of the province, in the Ste. Rose constituency, in the Dauphin constituency and other areas, in the Parkland area — perhaps it is the same throughout the province but particularly in that area that I am aware of.

I guess the dispute-resolving mechanism has been the Deputy Minister going out to bring these people together and try to come up with some workable solutions — we have done that in a number of cases — or some other senior staff, as a result of particular problems that have been brought to our attention.

I don't know if there is a better way to do it but it is certainly something that we will consider. It is a frustration to me, as well, at times.

**MR. D. BLAKE:** Mr. Chairman, those of us that have been here, pretty well all the questions have been answered, although there are some members in the other committee that want to question the Minister in one or two areas here.

We are not going to finish this item. We are going to stay on it but I'm sure it won't take long to wrap it up once the other questions are answered. I suppose we don't want to sit too long after 10:00 o'clock.

I might just ask the Minister, before we close, there are two languages on the new map. Why was Ukrainian left off the new maps?

**HON. J. PLOHMAN:** Mr. Chairman, I would like to be fair. The other map was in place for two years with Bitamo and it served the people of Manitoba very well. I am sure that this map, with the two official languages, will also meet the needs of the people of Manitoba.

Insofar as the closing time for tonight, I think that we should probably adjourn very shortly. I just hope, though, that we won't have the same situation that arose tonight where we have a rotating chair kind of situation. As soon as the Member for Minnedosa

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finished his questioning, somebody else came in and asked about the same area. So if we have covered the areas, I hope we can move on to the next one fairly quickly next time.

**MR. D. BLAKE:** I just want to correct the Minister on his remark about two official languages. I'm not just too sure that's a correct statement.

**HON. J. PLOHMAN:** Pardon me?

**MR. D. BLAKE:** About two official languages.

**MR. CHAIRMAN:** I think it's a comment that's not really within . . .

**MR. D. BLAKE:** I think the questions that the other members have are to do with their particular areas, so I don't think it will . . .

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

**HON. J. COWAN:** Perhaps, with the approval of the Opposition then, we could pass the particular item with the understanding that we will go back and entertain specific questions from members who weren't able to be here this evening on that item.

We have done that in the past and it seems to work relatively well.

**MR. D. BLAKE:** That's fine. As I say, I don't think we have many more questions. We could keep this one going for awhile but there is no point in that.

If we can agree to let the members have their questions, then we could pass the whole thing, the whole area.

**HON. J. COWAN:** If we could pass it and say they come back . . .

**MR. G. CUMMINGS:** Mr. Chairman, I prefaced my remarks by saying that if I was going over an area that has already been covered, that I would . . .

**HON. J. PLOHMAN:** It wasn't you.

**MR. G. CUMMINGS:** . . . be prepared to be corrected. I would also like to point out at this point that with Agriculture and Highways on at the same time, both are quite important to those of us who are rural members and the majority of the Conservative caucus is rural. I am afraid it is probably going to be an ongoing problem for the Minister.

**MR. CHAIRMAN:** The Member for Minnedosa has made that clear, that it is a problem and we will just have to cope with it.

What is the wish of the committee? Committee rise?

The options we have, if I could just make a comment, we could pass these items, as is the suggestion from the Member for Churchill, and deal with specific questions on these items as other members come in, if that is the will of the committee.

**MR. D. BLAKE:** Mr. Chairman, on that point, we have made pretty good progress. We have passed Item 1.

Item 2, as I say, I don't think we will be very long in passing that, and that is a fairly large item. We will be passing the whole thing en masse. We are not going to pass each item-by-item. We'll just pass Appropriation 91 once.

**MR. CHAIRMAN:** The suggestion is, committee rise.

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

**HON. J. PLOHMAN:** Mr. Chairman, we're easy to get along with.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. We were considering Item No. 2.(a) Manitoba Crop Insurance Corporation, Administration.

The Honourable Minister.

**HON. B. URUSKI:** Mr. Chairman, just before we broke for Private Members' Hour, I provided members opposite with a brief overview of the crop insurance program. I'd like to advise honourable members that in terms of the questions on Other Expenditures, staff are trying to get all those details together and I hope to have them in a presentable form for them next time we meet. I don't believe in terms of the workload tomorrow that we'll be into Estimates, but likely on Monday afternoon when we go back into Estimates.

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

**MR. G. FINDLAY:** In terms of the crop insurance program, have there been any changes in the dollar values used for wheat and barley in '86 as opposed to '85?

**HON. B. URUSKI:** Mr. Chairman, no, there are not, not for the major crops.

**MR. G. FINDLAY:** Is there any foreseen problem with using those values, now that the export price of grain has fallen?

**HON. B. URUSKI:** Mr. Chairman, in view of the fact that the maximum insurable value is at 70 percent of the long-term yield, we're likely still within the allowable — sort of the range between the insured value and the market value. We're still in that range at the present time.

**MR. G. FINDLAY:** Over a period of time, you hear comments like people farming crop insurance, with the higher dollar value; is that more likely to happen? Further to that, how are people who abuse crop insurance handled over a period of years?

**HON. B. URUSKI:** Mr. Chairman, there may be a possibility of that occurring; however, the program does provide for surcharges on premiums for consistent years of losses. Quite frankly, Mr. Chairman, the kind of



suggestion that was being made the other day by members opposite in terms of making payouts — in fact crops that could be harvested in the fields were taken off — and the suggestions made to treat them as zero would be the kinds of things that we would have to be careful of. But, administratively, there's always that kind of a possibility, but the Corporation over the years, as I'm sure the member is aware being a client of Crop Insurance, the Corporation does evaluate and make allowances if in fact the terms of farming crop insurance for uninsured causes, and can in fact assess a lower coverage or reduce the coverage or the allowability as a result of, say, poor farming practices and just putting in the crop and not managing it properly.

**MR. G. FINDLAY:** Can a person's contract be terminated? What is the process for termination of contracts?

**HON. B. URUSKI:** Mr. Chairman, if a farmer consistently is either very uncooperative — it would have to be over an excessive period of time — the board has the power to cancel a contract of a producer. There have been instances where the board has, on recommendation of staff, cancelled contracts for basically doing the kind of thing in general terms as the member suggests. But it would have to be over a period of time, and there would have to be consistent evidence that this has occurred and lack of cooperation and generally just basically, using the term that the member used, farming or attempting to farm crop insurance.

**MR. G. FINDLAY:** Is there a specified period of time that the abuse has to occur over, and are there special regulations that the person has to abuse before he can be terminated? What is the procedure, specifically?

**HON. B. URUSKI:** Mr. Chairman, every case would have to be examined on its own merits. I don't believe that the corporation has, and I stand to be corrected, cancelled anyone after one year's experience, I don't believe. It would have had to be more than one year's experience in terms of cooperation or non-cooperation in those issues.

In terms of those procedures, they have been long-standing. There has been no change in the procedures, but every case is examined on its own merits.

**MR. G. FINDLAY:** How many would have been terminated in the last five years, and who makes that final decision?

**HON. B. URUSKI:** Mr. Chairman, the board would ultimately make that decision. I am advised that it would likely be less than a half-a-dozen in the last five years.

**MR. G. FINDLAY:** There is an appeal board of Crop Insurance. How many appeals would have been heard in the last two years?

**HON. B. URUSKI:** Mr. Chairman, I am advised that there were no appeals against the rulings of the corporation in the last crop year. Previously, I am

advised that there were something like three or four that were heard by the Appeal Board. It may have been more, we'll just check that out.

**MR. G. FINDLAY:** Do you know what the nature of the appeals were? What is being appealed when they come forward?

**HON. B. URUSKI:** Generally, Mr. Chairman, to the Honourable Member for Virden, the reason for an appeal would be the amount of loss and the percentage of loss covered. The adjuster would adjust a crop and determine this percentage of loss, and the farmer generally would disagree and say I've had a larger loss than you have provided for me and I'm basically appealing your decision in that respect.

**MR. G. FINDLAY:** Before one of those issues gets to appeal, there are probably disputes, and I'm wondering in how many cases are there disputes in settlement of claims?

**HON. B. URUSKI:** Mr. Chairman, in terms of administrative process, the corporation adjusts the crop or the adjuster will come out and adjust the crop. If the farmer is not happy with the adjustment, generally what occurs is a second opinion of another adjuster, if sought. If, in fact, that is still rejected in terms of the second opinion, the regional manager will attempt to look at those adjustments and try and affect a settlement. At that point in time, if a settlement cannot be reached, then the option to the producer is given to go through the tribunal.

**MR. G. FINDLAY:** Do you have any idea how often that is happening or what percentage of cases are going to the second adjuster or to the third situation?

**HON. B. URUSKI:** Mr. Chairman, we don't have a specific number to give to the honourable member, but generally from the experience each regional manager likely will have a couple of those cases per crop year. It wouldn't be very many that would occur, but it does occur.

**MR. CHAIRMAN:** 2.(a) — the Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Chairman.

I'd like to follow up with the Minister a couple of areas in crop insurance, and I discussed this with the crop insurance people both at home and in the head office.

I think this year and last year was probably unique in that if you chose your maximum value for insured value on the contract, particularly in oil seeds, you were generally above market value. I posed the question to the corporation both . . .

**HON. B. URUSKI:** You're talking about both flax and canola.

**MR. D. ORCHARD:** Flax and canola are the two that I'm sure of. I'm not sure about wheat. I never really took the time to figure out wheat.

But basically, I made the point with the corporation that within your risk area, you are insured for so many

bushels and then you can pick one of three dollar-values to pick a per-acre volume of insurance if you will. As you move up in your dollar values, of course, your premium goes up. I put the case to the corporation locally and in Winnipeg that, in fact, what a person is doing when he is buying his insurance, is he's buying price protection as well, because as you move up the dollar-value scale, you've paid a premium to do that.

The case I was making to the corporation is that it is irrelevant if you have an entire crop loss, because then you get your entire per acre coverage. You're covered for \$88 and you have a crop adjusted at zero, you get \$88 per acre. But . . . circumstances can come in where you have a partial crop failure and you achieve — for instance, in flax, if you're covered for 11 bushels an acre — you get part of it off and the balance is lost on an over-winter claim. What they do then is when they come in, as they deduct your harvested bushels at the contracted price, and you go out and you sell them at below that contract price on the market and you lose \$1 for every bushel you've harvested.

I made the case to the Crop Insurance Corporation that if some farmer wished to be shrewd, had a good lawyer, he could probably make a pretty strong case in civil court that he, in fact, bought price protection because the premium reflected it and, therefore, on the bushels that he harvested, crop insurance would supplement that dollar. For instance, market price on flax right now is about 5.85 and the top insurance coverage is about 7.15. The Crop Insurance Corporation assured me that they had checked their contract, and that what they were doing was insuring bushels, and bushels only, and the fact that you chose a higher dollar volume really had nothing to do with the premium. Now I don't exactly buy that — I have to tell you I don't buy that — but I don't have the money to push it through court, if I so desire.

But what I want to point out to the Minister is that if current market prices exist, then a farmer buying a contract and choosing the high dollar value — which most farmers are doing in order to get about \$90 per acre of coverage — and he harvests that first 11 bushels per acre and only achieves, say, \$65 on the marketplace, or \$60 on the marketplace, I made the case with Crop Insurance that you could have a class action this fall where many farmers — because all would be affected — would come to the Crop Insurance and say, "I paid for the higher dollar volume coverage; I didn't get it in the marketplace. I paid you a premium which reflected higher dollar volumes," and a class action amongst farmers could very well succeed. I just wondered if the Minister had had any opportunity to discuss that with the corporation?

**HON. B. URUSKI:** Mr. Chairman, I like the honourable member's comment in the sense that we have in fact been recommending, as a principal, that price protection through Western Grain Stabilization could, in fact, be tied to the Crop Insurance Program with a topping up of a producers' income when, in fact — both on the yield side and on the price side — there is a shortage. Quite frankly, Mr. Chairman, the honourable members in debate several years ago, were saying, why is your level of coverage, before we changed them, so low that it doesn't even cover my cost of

production? I mean that was the great debate. Now because of market prices going down, the reverse situation has occurred where, in fact coverage, as the member suggests — and I agree with him — there could be circumstances in which coverage for a period of time may in fact exceed what one can earn from the marketplace. That is a distinct possibility. But yet that coverage in terms of costs, or cash costs, still may be too low to the farmer, and that argument prevails.

But I want to say to my honourable friend that clearly the corporation, from its insurance contract, does insure bushels. It is the bushel amount that is really being covered, the amount of bushels. But I don't disagree with my honourable friends at all, that what I would consider a reasonable proposal, and making Western Grain Stabilization an income support, truly producer and crop specific, would be a way of in fact tying it very closely to crop insurance and crop insurance yields. When a farmer's loss is both on production, on bushels, and market price is down so there's a loss on the income side, Western Grain comes in and in fact pops up on the income side and crop insurance pays out on the bushel side and there is total income protection to the farmer.

That would be the ideal in terms of what the honourable member is alluding to, and I appreciate his comments in this respect. It's a kind of a, you're damned if you do and damned if you don't situation because, on the one hand the market price may be so low it doesn't cover your costs, and then the arguments that we've had over the last number of years in this Chamber say, damn it, you're not even covering our costs, why aren't you increasing your coverage, when in fact crop insurance, historically, coverage levels or dollars-per-bushel coverage, have attempted to reflect the market price. There is some time lag there and overlapping there.

But I don't disagree with my honourable friend on the circumstance that could occur, where in fact the farmer make better from crop insurance for a short period of time than, in fact, from the marketplace and I don't disagree with him.

**MR. D. ORCHARD:** Mr. Chairman, I don't want the Minister to leave the record alluding to the fact that I suggested we marry an income stabilization with the crop insurance. I didn't make that suggestion. This Minister has been around this House too long, and he tends to do things like that when he replies to questions.

The point I made with him and the point I want him to come to grips with is, this year in the oil seeds, if the street price on oil seeds does not improve between now and next fall — and every projection that you want to make, which just probably means the price is going to go up — but every projection you see says the price is going to stay around \$6 or less for flax and canola.

Now the point I'm making with this Minister and the point I made with the Crop Insurance Corporation, is that people who have purchased the higher dollar value have paid a premium to do so. The premium has been paid strictly on the dollar value of the crop because their bushel coverage has remained the same, no matter which of the three dollar-values they choose.

The point I make to the Minister is that a class action by all contract holders in crop insurance in flax and

in canola, I think would be pretty doggone hard to beat despite what the crop insurance contract says, and you're talking big dollars.

You're talking an 11-bushel coverage; you're talking \$1 a bushel; you're talking \$10 an acre or better across this province for every contract holder in flax and rape, because the moment those people achieve their insured bushel yield, they have not got their dollars and they've paid the premium.

I think the Minister understands what I'm saying quite clearly, and he tried to divert the issue into Western Grain Stabilization and we'll deal with that later. But I just want the Minister to be on alert that you're going to have many farmers who are going to come in this fall, and I hope they don't have the difficulty of a few bushels short of their crop insurance coverage, but they are going to be terribly upset when they find out that they'd purchased 11 bushels of coverage, say, in flax, and \$7.15 per bushel for about \$80 an acre, and they harvest \$8 and their claim for the other three bushels is only at \$7.15, and the difference from the market to their contract price is not being made up and they're not getting the \$80 per acre coverage that they thought they were buying this spring.

That's a real problem because I've talked to a number of farmers and they believe that when they bought \$80 worth, if they come in with slightly fewer bushels, that the crop insurance would supplement their dollars up to the \$80 an acre because that's the reason why they went to the higher dollar volume. I just forewarn the Minister that if circumstances happen he's going to have angry farmers.

I want to deal for a minute with the concept of the Minister's suggestion of marrying Western Grain Stabilization as price protection with crop insurance. I suggest to the Minister that that may well work for a number of farmers, but he's got a problem in that a lot of farmers don't take crop insurance out because they don't believe that over the long-term average yield figures that crop insurance uses to determine coverage in the different risk zones, that it reflects properly modern management technique that many farmers must use today — not want to but must use today if they're going to stay in agriculture and stay as a viable farm operation.

Anyone who is producing, for instance, hard Red Spring Wheat for a commercial farm operation in which they're going to be around for a long time, and he's insured for 22 bushels, if he isn't making 40-50 bushels per acre, he's not in business. Yet, there is no program in crop insurance that adjusts on the shorter yield term.

Let's be perfectly honest with ourselves, too. There have probably been greater strides in production in the last 15 years in this province — in the last 10 years, in particular — than ever in the previous 110 year history of farming in this province.

It's because of use of chemicals, use of new equipment, use of fertilizers, use of new varieties, and the yields have gone up, but yet the crop insurance average coverage yields are based over — I believe a 25 year?

**HON. B. URUSKI:** Twenty-five year . . .

**MR. D. ORCHARD:** Yes, 25-year coverage.

**HON. B. URUSKI:** It's 15 for the others.

**MR. D. ORCHARD:** Yes, okay, 15 for the oil seeds, presumably, and for corn. Even in those kinds of crops, you are into the same kind of problem because varieties in oilseeds, and particularly in canola, made dramatic changes over the last 15 years where the variety alone is responsible for probably as much yield increase per acre as you're willing to cover the average farmer, just variety change alone.

If the Minister is making the proposal that we marry Western Grain Stabilization with Manitoba Crop Insurance Corporation, he has got to bear in mind that many people don't take out crop insurance because the coverage levels are not adequate for a commercial farmer that is going to be in business over the long haul.

Secondly, a lot of farmers aren't in the Western Grain Stabilization; I think about 20 percent of the farmers aren't in it. I don't know what that represents in terms of crop acres across Western Canada, but I think about 20 percent of the farm population, or of the permit book holders, are not in the Western Grain Stabilization.

The difficulty is if you do marry those two programs in an attempt to combine a yield goal with a price goal, and you use both programs, you force people who are neither to go into both and you force people who are in one to go into the other; and I realize that the Minister will make the argument that it's voluntary, but if that's the only game in town, where you marry the two programs, you will in effect be ending up making people take out that kind of a program or else they won't be covered. Maybe the Minister would want to comment and then I've got one more area I'd like to talk to him about.

**HON. B. URUSKI:** Mr. Chairman, there were several points that the honourable member has made and I'll try and cover them, and if I don't I'm sure he'll come back to me on them.

First of all, on his assertion that there will be farmers who will be mighty unhappy, in terms of oilseeds, should they in fact fall below their insured amount of bushels per acre or tonnes per acre, the printouts — and I think the honourable member knows what I'm talking about — that the farmer receives do clearly state, it's either bushels per acre or tonnes per acre, is what the corporation insures for, not the dollars per acre. It's so many tonnes per acre, the coverage, is what you're insured for. Whether you pick the low, medium or high level, that's a farmer's choice but, clearly, in terms of the contract, and the member should look at his contract, is the volume amount is what you're being covered for. Whether it's in tonnes per acre or in bushels per acre is what is being insured.

I would say there may be a few farmers who may want to try and make that kind of an argument, but I would suggest that farmers who have been in crop insurance, and many of them for many years, for 25 years or, some less, know what they are being insured for, and that is bushels per acre or tonnes per acre in the program.

**MR. D. ORCHARD:** The Minister may well have a valid point, but there would be one thing that would prove

or disprove it, and that would be this year, with your sign-ups in crop insurance, what percentage of your producers took the highest dollar volume.

**HON. B. URUSKI:** Mr. Chairman, clearly, the vast majority of producers took . . .

**MR. D. ORCHARD:** Exactly the point.

**HON. B. URUSKI:** . . . as they did last year, Mr. Chairman, as was being bandied about by some of your colleagues, saying that we in fact were ripping farmers off, that we were increasing their premiums to such a magnitude that they would not take the program. In fact, the vast majority of producers are taking the highest dollar amount per bushel of coverage; but the contract has not changed, in terms of where it's been.

If the member is saying that there is a perception there, because of the market price, I am certain that some will perceive that. I don't disagree with that because I had members opposite here three years ago saying why don't you raise the dollar amount per bushel of coverage? Why do you keep crop insurance so low? We made the major changes of getting everyone up to the highest bushel per acre.

We went after Ottawa to say let's adjust the entire program for technology and wheat. They allowed it over on the 25-year term, but on the other crops they've only allowed the 15-year term for statistical purposes. We're doing it every year, in terms of adjusting the program on technology. Quite frankly, Mr. Chairman, while there have been advances in crop improvements and the like, nevertheless the bulk of the claims, the bulk of the dollars paid out under the crop insurance program are for below insured bushels coverage. Those are the claims; that's where the bulk of money is paid out. It's not hail.

Mr. Chairman, during my consultation meetings throughout rural Manitoba, many farmers came to those meetings and said, "I'm only taking crop insurance because I can get hail coverage." Many came to spot loss hail-out because they can get hail coverage; but the records will clearly show that the bulk of the claims are not in hail. The bulk of the claims and the dollars paid out are from the all-risk program, where in fact claims are being paid out for bushel coverage that falls below the insured bushels per acre or tonnes per acre coverage, and that's where the bulk of the payouts are on.

Mr. Chairman, I've never suggested that you in fact, referring to the member's comments on Western Grain and Crop Insurance, that we have to in fact marry the two programs together, that the only way that can work is farmers having to take Crop Insurance and having to be in Western Grain. It doesn't have to occur.

If a farmer decides that he's not prepared to take crop insurance, as the member suggests, recognizing that the maximum dollar per bushel price support, in the dollars per bushels that he's talking about, will be the amount set by Western Grain. Whether a farmer takes crop insurance or not, that's up to him, in terms of getting that coverage; but Western Grain will only top up, in terms of what bushels that are there, at a prescribed dollar amount and it won't exceed.

Mr. Chairman, just to be very clear on the point I was making, 1985, the all-risk program paid out \$24

million in claims. On hail spot loss, \$4.7 million in claims, just to make my point very clear that the bulk of the claims are in a loss per bushels per acre. That's really where the losses are.

**MR. D. ORCHARD:** Mr. Chairman, I think the Minister made my argument on the unique circumstance for this year, wherein he indicated that the vast majority of contract holders chose the higher dollar volume, the higher dollar rate. I submit to the Minister that if you surveyed your contract holders, I'll bet you three-quarters of them would say that I have guaranteed myself, regardless of circumstances, \$80 per acre, and that if I end up with half the yield — (Interjection) — My honourable friend laughs about this, but I'm telling you it's a serious problem because most farmers, in tough times, have picked the higher dollar volume to ensure themselves something around \$80-\$90 per acre in my area; and they've chosen that dollar volume because that's generally the cost of your fertilizer, your chemical, your seed, your fuel and your cash input costs.

When they come up with half the bushels and they think they're going to have crop insurance contract, supplement to the contract value, they're going to get a sorry disappointment because the bushels they harvested are deducted at the insured price and not supplemented to the insured price from the market price.

I submit that if the Minister wanted to survey those farmers, he'd find out that most of them believe that under all circumstances they've purchased that \$80 or \$90 per acre of coverage. In reality, the only way they've purchased that dollar volume of insurance from crop insurance is if they have a complete crop failure, and that's the only way they get it.

Another area I want to talk to the Minister on crop insurance is the circumstance — and we had a substantial amount of it this year — of over winter claims, where various crops stayed out over winter because of the wet fall and early snow and in the Interlake incredible amounts of rain.

A number of people will make the proposition to crop insurance that once you hit the fall, and if your crop is over wintered, that basically in most circumstances you've got yourself a total crop loss. I know that the Minister is saying that in some crops that are out there, there is grain, it didn't sprout, for whatever reason, and it is harvestable. The grade is probably down to feed — well, it is feed in wheat — but the bushel volume is there, so that crop insurance has no obligation to pay because there is a harvestable crop there. But I submit to the Minister that what is happening with people who are delaying their claims, and my honourable colleague, the Member for Ste. Rose, was getting to that point in question period the other day, is that when you have an over-wintered crop and you have stubble sitting there and swaths sitting there, that ground does not dry out nearly as quickly as worked ground. If you get any amount of rain in the spring such as we did earlier on this spring, you are virtually, by saying to the farmer that there is sufficient grain out there, that there is no crop insurance payoff, you are forcing him to take either a loss entirely on last year's crop or seriously jeopardize this year's crop.

I know it would cost dollars to the Crop Insurance Corporation. I believe you should give those farmers

the option of putting a match in that crop, not harvesting anything. Don't treat the farmer like he's being dishonest and he'll take his claim from crop insurance, sneak out at midnight and harvest it and then plant it the next day, because that's generally the attitude that is there. If you give that farmer the option of taking his loss last year with the backup of crop insurance, putting a match to the crop and then getting on with the ground bare and drying so he can work it and at least plant a crop before the 10th of June and hope for some kind of a better return and a better run at farming this year.

I know the Minister is going to say, well, we can't do that because there is insured grain there. But, by golly, in this day and age with the technology and the tightness of planting schedules and everything, anytime a person does not get a crop off in the fall and get his fall work done even, he is setting himself way behind for next year's cropping project. I believe that crop insurance should recognize that and call an end to a year in the fall when the snow hits and let the farmer burn the crop and get rid of it.

**HON. B. URUSKI:** Mr. Chairman, first of all, I want to comment on the previous comments that I made to the honourable member dealing with the number of farmers who may believe that they have the kind of dollars-per-bushel coverage rather than yield per bushel that he indicates and that may be the impression. I said that I agreed there would likely be a number of farmers who would, in fact, believe that.

That's the reason, Mr. Chairman, the corporation does ask for farmers to meet with their agents annually, so that changes in the program, various changes and matters can be gone over with the farmer. In fact, Mr. Chairman, just under 10,000 farmers met with our agents this year. About 75 percent of the farmers who have policies with the corporation have met with agents and these kinds of administrative matters are gone over.

Now the member makes an argument and makes an assertion, I guess anyone can say, yes, let's take it to court and let's see where it happened. There is no way I can say to the honourable member or convince him any differently than his assertion and I won't even attempt to. He's made the assertion; he's obviously done his mathematics, done his calculations, and he'll be one of those who likely has the financial resources that may want to try it and take it to court and have it tested.

There is no way that I would want to say to the honourable member, don't do it. I will encourage the Honourable Member for Pembina to go and take it to court and test it. All I can tell him is what the contract says, clearly, and what we try to do, and explain to farmers.

Mr. Chairman, with respect to the issue of grain being left out over winter and should be, in fact, assessed as having zero production. That's what the member is asserting. That, regardless of the bushel content of that crop, it should be judged as having zero bushel content on the field. Here's the difficulty that does occur, not only from an insurance point of view, but even from an equity point of view.

The honourable member knows that many farmers either went through with track machines or four-wheel

drives, or struggled and took those crops off and harvested them, and then spent the \$3,000 or \$4,000 or \$5,000 on propane to dry all those crops and did get a crop. There were some producers who said, no, I don't intend to wreck my equipment. I don't intend to struggle in this whole area, and I will not take my crop off. I'm not doing it.

Mr. Chairman, if those fields are too wet to seed a crop so that they can't take their crop off in the springtime, and we have had cases where there are crops of 40 and 45 bushels of wheat on the field this spring. They have not been harvested and, in fact, the member mentioned in his comment that it is being taken off as No. 1 feed. That's precisely what is happening both on wheat and barley.

So, Mr. Chairman, the opportunity does exist for farmers to go in and harvest the crop, take it off, and take it off dry, and not incur the additional expense of those farmers who struggled through the mud for three months last fall until it froze up, and some who waited until it froze and took some of those crops off. Should, in fact, the corporation say, yes, this is a zero crop, pay the full amount and let you harvest it and sell it as wheat.

**MR. D. ORCHARD:** No.

**HON. B. URUSKI:** That's what the member is suggesting.

**MR. D. ORCHARD:** I said, let them burn it. Don't treat them as dishonest. Let them burn it, Billy, don't distort things again.

**HON. B. URUSKI:** Mr. Chairman, the member is saying, let them burn it.

**MR. D. ORCHARD:** Right.

**HON. B. URUSKI:** Mr. Chairman, what do you say to the other fellow who says, I don't want to burn it. I'm going to take it off.

**MR. D. ORCHARD:** Then that's his choice.

**HON. B. URUSKI:** Well, Mr. Chairman, the crop is still there. The bushels per acre are still there. What is the member saying? Is he saying, because I want to burn it so the land dries out . . .

**MR. D. ORCHARD:** So we can get this year's crop.

**HON. B. URUSKI:** Mr. Chairman, one doesn't know what this year's crop will be. In fact, you may have a better crop on the field than you may in fact get this year. That may be what will be on the land. There may be a better crop on the field from last fall in terms of bushels per acre. Maybe the quality isn't quite there, but certainly the expense of dealing with that crop this spring is not the same as it was last fall. I can tell you, because most farmers who are taking their crop off this spring are taking it off dry. They don't have to put it through the driers and the expensive propane and all those additional expenses that farmers who took those crops off last fall had to incur. That's precisely

what many of them have said. I'm not touching the field last fall, it's too wet. And quite frankly, if it's too wet this spring to get on, no amount of burning at this point in time will in fact dry it out before they can get on.

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

**MR. C. BAKER:** I think personally, Mr. Chairman, that I agree with some of the comments made by the Honourable Member for Pembina, but as far as class action is concerned, I'm just wondering, maybe we could get together, he and I could get together on the fees and initiative class action, but I'd be reluctant to do that because I would think that any sensible court would say, okay, your dollars per bushel is down. But after all, there was federal deficiency payment coming, so we have to add that on; there is this two-price wheat system, we have to add that on. I'm just wondering if a court would look at that realistically in that fashion because there is more. Crop insurance provides bushel coverage. Stabilization provides price coverage. I suppose if you wanted to add in the two-price wheat system, you have that increase in price. So wouldn't the court take all that additional government aid into consideration? I think it would. I think any court would be reasonable in that fashion. So that's why I'd be reluctant to pursue the line of class action or advise anybody to do that.

One of the other things that I think should be cleared up here because maybe there was an erroneous impression left is, let's say a person has a 15-bushel coverage on wheat and he takes off feed grain, I think the crop insurance covers \$4 a bushel. I think the going price for feed grain now is \$2.94 a bushel. So crop insurance would make up the dollar-and-something a bushel.

**MR. D. ORCHARD:** No they don't. They go down from \$4 which may be down to 3.50.

**MR. C. BAKER:** Well, I just wonder if they could answer this question. It's my understanding that if your dollar value is down from what you harvest and what you are covered but you get your proper bushels, that they make up the difference in price on the grain.

**MR. D. ORCHARD:** No, there is a man that has crop insurance.

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend, first on the matter of burning, another point I did not mention earlier, of what equity is it to farmers in terms of the premium structure that, in fact the corporation does allow what the member is suggesting and incurs a claim of a crop that had the bushels on the field and says that because he burnt it, we will now incur, as we always do — when there's a claim, we incur the premium cost over the vast majority of farmers across the province, and say, we will allow burning of a crop and pay the claim, but we won't allow any other loss. If you want to take the bushels off, we won't allow that as a claim.

Of what equity is it to those farmers who in fact worked and spent hours, I would say in the clearest

terms, mucking in the mud for three months last fall as an example, and who spent hours and hours sitting on those dryers and making sure that crop was dry, many of them night and day, to try and get those crops off, of what equity is the suggestion of the honourable member to those farmers?

They would say, to hell with you when it comes to crop insurance. I don't want a program. You allowed this guy to burn his crop and you paid him. Well what equity is there to me? I struggled. I took my bushels off, and here you allowed a 40 or 35-bushel crop to burn up. Can you imagine? He'd say, to hell with crop insurance, because I am now going to pay for that fellow's claim that you paid who burned up a 35-bushel an acre crop. That's what the honourable member is suggesting. Mr. Chairman, totally inequitable and preposterous, the kind of suggestion the honourable member is making.

How do you then say to farmers, you're a good manager. You burn your crop and we're going to pay you, fellow. Boy, that is a good suggestion coming from the Honourable Member for Pembina. He would be the first to get up in this House and lambaste the Minister and condemn me for pulling off a stunt like that, Mr. Chairman. That's the kind of suggestion that he is pushing forward.

Mr. Chairman, I want to make it abundantly clear. We do have legal advice with respect to the whole issue of bushel coverage. If in fact there is a shortage of bushel coverage, regardless of the value of the market and the insured value, it is the bushels that we are insuring or the shortage of bushels. That is what the payment is made on, regardless of the market price. That is how the contract is written.

**MR. D. ORCHARD:** All I'm pointing out — and I know there are no smart lawyers over there right now — but all I'm pointing out to the Minister of Agriculture is that, within the crop insurance contract, and I make the . . .

**HON. B. URUSKI:** I'm a farmer. Look at the equity of it. Look at what you're suggesting.

**MR. D. ORCHARD:** The Minister shouldn't get so excited. I mean, I don't know what he is getting so excited about. We're just having a nice, friendly little discussion and he gets excited.

The point I'm making, and I know that the Crop Insurance Corporation says they have legal advice which says their contract covers only bushels, but I want to tell you, if a smart contract lawyer took a look at that and he said, aha, here's a contract for 11 bushels per acre. The premium is \$2 per acre at 11 bushels at \$5 a bushel but, if you go to \$6 a bushel, your premium goes to 2.50. If you go to \$7 a bushel, your premium goes to \$3 per acre and your bushels stay the same. Therefore, I believe a smart contract lawyer would say the additional premium has provided you price protection, because your yield has stayed the same.

The Crop Insurance Corporation has assured the Minister and he assured me on the phone that, oh no, they've got it all checked out. But I suggest that most farmers — and I think it was evident from the Member for Lac du Bonnet believing that the crop insurance made up the price difference. On the point that I was

making with my honourable friend, the Minister of Agriculture before he got all riled up, is that you have farmers out there probably even today that their fields are too wet to travel on to combine. They might be getting rare, but they're still there. The point I'm making is those are the kinds of people you give the option to, to burn the crop to make a go of it this year instead of losing two years back-to-back.

I'm not suggesting a wholesale policy of allowing burning no matter what the spring conditions are, no matter what the soil and field conditions are in the spring. I am talking about people, as you approach the 21st of May and their fields are still laying in water, or not water, but are very very wet, and it's going to be another 10 days before they harvest, another 10 days after that before they plant. You have effectively, because of your adjustment policy, eliminated them from two crops. That's the point I was making.

**HON. B. URUSKI:** Mr. Chairman, I think maybe I should provide the honourable member with a bit more information in this whole area. He likely is aware as well that there is a minimum, a basic amount of quality of coverage in each crop that is covered. For example on wheat, the wheat coverage is related to 2 C.W., that the minimum quality or yield should yield 2 C.W. If, in fact, there is a loss in terms of bushels or maybe there may not be a loss in bushels — let's say, in fact, that the insured coverage equals or the yield equals the coverage bushels per acre. However, the crop that is harvested is No. 1 feed, so then there still would be a claim paid on the difference between the price of No. 1 feed and what the minimum coverage in terms of the minimum amount is in there. That calculation is in there as well.

So there is some proportion of allowance for that kind of a situation on every crop. There is a minimum quality issue coverage in the Crop Insurance Program. So there is some consideration of that.

But what the member is saying, he's gone way beyond that whole area. Of course, I just took the narrow interpretation of that and said, there wasn't, but there is an allowance if in fact your quality of crop falls below what the insurance quality calls for in terms of your contract.

**MR. D. ORCHARD:** I would just like to ask the Minister of Agriculture then just on that. Let's say a guy is covered for 25 bushels of wheat. The quality coverage is 2 C.W. He harvests 30 bushels per acre of No. 1 Feed. Is the Minister telling us that crop insurance would pay a claim on the 25 insured bushels per acre of the difference between your value of 2 C.W. and No. 1 feed, bearing in mind that there was a 30-bushel yield?

**HON. B. URUSKI:** Mr. Chairman, on that example of 30 bushels of feed yield and the minimum quality in crop insurance is 2 C.W., the corporation would count that as an actual yield of 21 bushels.

**MR. D. ORCHARD:** Now that presents an interesting question. Is the 21 bushels factored from 25 or the actual yield of 30?

**HON. B. URUSKI:** Mr. Chairman, from the actual yield of 30.

**MR. D. ORCHARD:** Well you see, now the crop insurance has got it both ways here, if I understand what the Minister is saying. You've insured a person for 2 C.W. in wheat. The quality goes down to No. 1. You say that you supplement the difference — (Interjection) — No. 1 feed. You say you supplement the difference in your insurance program, but yet you don't supplement the difference because you've taken his entire bushels. As long as the dollars come up to the claim — (Interjection) — oh yes.

Okay, let's take the example, if you had a 40-bushel crop of No. 1 feed. As long as the dollars come up to the per acreage cover, there would be no payout even though the quality hadn't been achieved. There you're using the principle that you insured a given grade, but more bushels allowed you to duck out of the contract. I mean you've got it both ways, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, I'll advise the honourable member as to how the calculations are worked again. I'm using his example of the yield of 30 bushels, coverage of 25. Because of the quality from two-to-one feed, it would be factored down to 21; he would still have been five bushels over his coverage because he was insured for 25. We would still pay him for the difference of four bushels between 21 and 25. He'd have coverage and have a payment for four bushels, even though his actual yield was five bushels more than his coverage. He's not having it both ways.

**MR. G. FINDLAY:** Thank you, Mr. Chairman. Using this example of the wet fields and the crop left out, certainly — as you can appreciate living up in that area — there's a serious problem for that farmer, not only for lack of income for last year, but he's getting into a position having a late seeded crop for this year, if he can get the crop off the fields, he's going to be backed into late fall in 1986.

I take another example like the grasshopper situation in the southwest, is there room or need for development of disaster clauses within the crop insurance portfolio for the extreme situations?

**HON. B. URUSKI:** Mr. Chairman, we are presently negotiating with the Federal Government in an attempt to enhance the level of coverage for those kinds of circumstances where there's been a disaster or crop loss for two consecutive years, that there would be in fact a topping up of crop insurance from 70 to 80 percent coverage to be paid out as disaster assistance, and the funding negotiations and the level of that funding and how it's to be shared is now being negotiated between the province and Ottawa.

**MR. G. FINDLAY:** A decision to act on a disaster clause pretty well needs to be made at the time the disaster is happening and I take the grasshoppers as an example. I notice one of the perils that can be covered is pests, and it would seem to be financially sound to give the farmer an opportunity to protect against the pest, as opposed to letting the crop be lost and then paying for the loss of the crop, as an example of a disaster clause that could be in there. What I'm suggesting is, if there's serious grasshopper problems in an area, then maybe crop insurance should have a

clause in there that allows for the farmer to be paid for the use of chemicals and maybe the cost would be \$5 or \$10 an acre as opposed to losing \$100 an acre crop. Are those considerations in there?

**HON. B. URUSKI:** Mr. Chairman, those are not considerations that I am aware of that are being looked at. In fact, Mr. Chairman, the issue of wetness is not a consideration at the present time, up to this point in time. So people — as the member pointed out, in the Interlake and Eastman Region — who couldn't get their crops off because of wetness were not eligible to get assistance under Disaster Assistance. The issue of loss is strictly a bushel loss that would be topped up.

Once you start the whole process of saying, well, we'll allow Disaster Assistance for grasshoppers, why wouldn't we do it for army worms? Why wouldn't we do it for corn borer? Why wouldn't we do it for flea beetles? I mean there is a never ending amount of areas that one could say, you've done it for this, why don't you do it for something else?

I assume that if one was to say that we will now look at chemical coverage as a preventative loss, boy you're getting into an area that I'm not sure you wouldn't need premium increases way up, and of course adjusting staff, and how do you determine whether or not the loss could have been prevented? Do you then penalize someone if they didn't use a chemical and they lost part of their crop, when, in fact, it may have been cheaper, as the member suggests, had he sprayed?

Do you get into that kind of a scenario, because obviously you're going to have to do that, if, in fact, you go that route. You're going to have to say then, "Hey, Mr. Farmer. We are now going to teach you how to be a good manager. Since you didn't manage your crop very well and didn't spray, and in fact we could have reduced our claim had you sprayed, and we would have paid you, but you didn't; we're now not going to pay you, we're going to discount you." I mean you'd scream and so would I, if I was a farmer, because you'd be saying, "Hey, you are now telling me how to manage my farm," and, quite frankly, I don't think Crop Insurance should be doing that. I certainly wouldn't recommend that.

**MR. G. FINDLAY:** I guess we could use an example in Saskatchewan. Last year when the drought was there — and if I'm not mistaken, they had to harvest the crop down to two bushels an acre and they made the decision at the time of the disaster — that five bushels of the acre would be the minimum they would go with and they allowed the farmers then to get on with preparing the fields for next year, salvage what feed they could, and the claims were put in. If that is true, I'd like some discussion on it.

**HON. B. URUSKI:** Mr. Chairman, I'm advised that at the level of bushels not to count for harvest, Saskatchewan, I understand, was at two bushels. — (Interjection) — Yes, they were at two. They've upped it to I think four and we've been at four for a number of years and that's where we're remaining. In some instances, I think we've probably — they're between four and five and we've been in that range for a number of years already, so it's basically that. We didn't change ours because we were up there already.

**MR. G. FINDLAY:** The point is that there was a disaster and they responded to a disaster situation by making a decision that accommodated the situation that they were in, in terms of trying to salvage what they could but get on with getting the fields ready for next year. It's really what we're talking about here, responding to conditions as they evolve, because really crop insurance to me is income protection. It's dollars per acre of protection that you can get, because it's dollars per acre that it costs to produce a crop.

**HON. B. URUSKI:** Mr. Chairman, maybe I didn't understand the honourable member well. As I understand it, Saskatchewan just came up to where we were and right now there basically is no difference in terms of what we allow of bushels left on the field, as Saskatchewan has just come up there. So we've been there for quite some time.

I understand what the honourable member is saying. I'm hoping — I don't believe he's saying that now we should go — say from four to five to five to ten as being the allowable bushel. — (Interjection) — No, I thought I heard him correctly. We basically have been where Saskatchewan has come up to now, so how does one respond when, in fact, those provisions are already in place in Manitoba?

**MR. G. FINDLAY:** I guess I'll pursue on with the Saskatchewan situation. I understand that they have been experimenting with a more "farmer-specific" type of crop insurance program and this I believe they started last year. I wonder what has been the experience there and how soon are we going to be looking at that in Manitoba?

**HON. B. URUSKI:** Mr. Chairman, I want to tell the honourable member that our corporation is well aware of the experiment — and it is an experiment. It is a testing proposal in Saskatchewan. There are approximately 200 farmers out of a possible 50,000, 40,000 odd clients that they have, contract holders that they have, that are testing this pilot out. We're taking a bit of a different approach that we're working on now in the corporation, as to trying to deal with individual farm management approach, to try and recognize superior management approach and we are working into that whole area. So we will be making changes over the next number of years to try and recognize management ability as it relates to production, as against one's neighbours in a particular area, the same soil type, the same crop, so that if, in fact, consistently — and I'll give you the example and the approach that we are looking at — if consistently Glen Findlay outyields his neighbours on the same soil and same crop in his area by, say 10 percent over the two or three-year period, then the Corporation will automatically bump up the coverage level in proportion to the yields that he exceeds neighbours.

Conversely, though, if in fact the Member for Virden may produce lower yields on the same soil type, same weather conditions than his neighbours, then his coverage would be cut.

However, what should not impact on one's coverage is that if there should be a loss in the entire neighbourhood, that everyone loses, one's coverage should not be affected as a result of the loss.



So in other words, if there is a general loss, even though you may have built up as a result of basically either better inputs, better management in terms of inputs and/or crop rotation, or whatever methods that one may use, that should not be taken away from him because there may be one loss if everyone in the area suffers that loss, on the basis of same soil type, same crop. That is the approach that we are looking at.

It does have some features that are administratively costly and we are trying to look at options in which to deal with it and that, of course, gets to the area of measuring of the volume of crop in the bins and the reporting aspect of it. That is the area that we have to try and deal with in order to get the system, a system that is as simple as possible to deal with in individual production capability of farmers and deal with that question.

That is the route that we are taking and exploring and have started to work on.

**MR. G. FINDLAY:** In the development of those statistics, you mentioned measuring bins. Is that how the volume of a man's production will be determined, or is it by the spring report that is filled out, where each farmer puts down his yields for every crop?

**HON. B. URUSKI:** Mr. Chairman, there are two options that are being reviewed. One, as the member suggests, a spring report and a spot check throughout; that's one approach that is being looked at. Or, in fact, a measurement of bins on an ongoing basis, year-in and year-out to measure the production of last year and the production of this year in terms of coverage so that, in fact, every bushel is accounted for because of the nature of the program, which would in fact build up one's coverage or even reduce one's coverage based on his management ability as it relates to his neighbours.

**MR. G. FINDLAY:** His delivery to the elevator, would that not be a more accurate measure of what he actually produced?

**HON. B. URUSKI:** The honourable member knows quite well how much grain is fed in Manitoba.

**MR. G. FINDLAY:** Surely if you can measure the bins for all the crop, you can measure the bins for that which is to be fed.

**HON. B. URUSKI:** It may not be fed on his own farm.

**MR. CHAIRMAN:** 2.(a) — the Honourable Member for Roblin-Russell.

**MR. L. DERKACH:** Mr. Chairman, I would like to ask the Minister of Agriculture what the total cost, or what the total input is from farmers for crop insurance for the year 1985, and what the total contribution was from the Federal Government.

**HON. B. URUSKI:** Mr. Chairman, approximately \$43 million for the hail-spot loss and the all-risk program in premiums. That would be split in two between the farmer and the Federal Government. All the administrative costs would be paid for by the province.

**MR. L. DERKACH:** Thank you. Mr. Chairman, I would like to ask the Minister of Agriculture also, what is the rate of deduction or increase in premium when a farmer does put in a claim for a crop? Because as your premiums are paid and you don't have any claims, your premium is reduced, as I understand it, but should you file a claim then your premiums will go up.

Can you tell me what the formula is there and how it's arrived at?

**HON. B. URUSKI:** Mr. Chairman, when we made the changes — this is the second crop year — there is a range now of surcharge and the surcharge is a maximum of 25 percent. There is a table as to how one gets up to the surcharge and there is a discount, as much as 25 percent, and there is a table as to when one reaches that amount.

But the member talked about making a claim. I don't have the actual details as to how much it will go up in any one year but it is over a number of years.

I am advised that the amount of surcharge as a result of claims is based on the amount of coverage and the cost of the claim and that relates to the amount of surcharge that a farmer can be assessed.

**MR. L. DERKACH:** If a farmer has a loss in one year, one specific year, and then the surcharge is applied to his premium, is that surcharge then dropped in the second year should he not have a claim?

**HON. B. URUSKI:** Mr. Chairman, if we had the table, I would be able to tell my honourable friend from Roblin-Russell what the amount would be.

In general terms, it really would depend on how much coverage he had. How large the claim was would determine as to how quickly that surcharge would be removed or, in fact, be imposed.

**MR. L. DERKACH:** Can the formula be tabled so that we could see what kind of formula that there is in place for this kind of . . .

**HON. B. URUSKI:** Mr. Chairman, absolutely. We don't have it here. The general manager will send it in when he gets back to Portage and I will bring it into the House as soon as I receive it.

**MR. L. DERKACH:** 2.(a) — the Member for Roblin-Russell.

Another question. Along the Duck Mountain Park, or Riding Mountain Park, we have many farmers who are affected by wildlife and their crops are often damaged by wildlife coming out of the parks.

One specific case is of a farmer who had considerable crop damage last year and when his crop was ready to cut, he asked the Crop Insurance to come out and ride his swather with him and take a look at the damage. He was advised that they wouldn't be coming out then and that they would come out at the time of harvest.

Well, as it happened, and with the kind of fall we had last year, the farmer happened to be ready to harvest his crop on a long weekend and in trying to get a hold of Crop Insurance, they refused to come out. Consequently he went ahead and harvested his crop.

When he contacted Crop Insurance, he was told that there would be no coverage because he did not wait for them to come out and assess his crop.

In cases of this nature, is there any recourse for a farmer who may be caught in this kind of a situation?

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend that our adjusters do work on long weekends; they do.

The reason that the adjusters may have said to your constituent, and I don't know whether you've written to me or provided us the details, then there's more to the story than I think I'm getting from the honourable member in terms of the situation.

The damage that generally does occur with wildlife is continually changing, because if in fact the wildlife keeps coming back from between the swathing period and the harvesting period and the damage increases, what then do we do? What happens to the farmer? He says, well, hell, you came — excuse the expression, Mr. Chairman — you came on my farm, adjusted my crop at 50 percent loss, and now, a week to 10 days later, I'm now threshing it and the deer or the elk, or whatever it was, came and trampled my swath. I've now got an 80 percent loss, but you've already adjusted me and you're only going to pay me at 50 percent, and I've got a 75 percent or 80 percent loss. What then happens, Mr. Chairman? That's the reason.

Have I responded to you?

**MR. L. DERKACH:** No, you certainly haven't.

**HON. B. URUSKI:** Okay, then, if in fact it's been written, I will check the files on that and we'll be getting back to you with the specific information of the claim that is there. That's about all I can answer to my honourable friend. But our staff certainly have and do work on long weekends; there's just no doubt about it. Most of them are in fact farmers or who have been farmers who are not afraid to work on weekends, I can assure you.

**MR. L. DERKACH:** Well, without getting into personal testimony here, Mr. Chairman, I would like to say to the Minister that, obviously, he has missed the point here because I was asking whether there's recourse for a farmer who harvests his crop, when he can't get a hold of crop insurance people in a time when the weather is working against him and he's got a day or so to take that crop off. Is there any recourse whereby he can ask crop insurance to come out and measure the bins or measure the grain or adjust the crop after it's been harvested?

**HON. B. URUSKI:** Mr. Chairman, there should be, I believe, some communication between the farmer and the corporation that in fact he's harvesting.

I would suggest, Mr. Chairman, that possibly one swath or a swath thereabouts left on the field might be an indication, might be one approach that the corporation — but there should have been some communication between the farmer and the corporation.

I understand where, for example, it may have been wet for a number of days or damp weather, and then it clears up and in fact farmers say, look, you better

come out and adjust, and there may be a case where we have not been able to come out and adjust. That communication should have at least been there.

If in fact we declined to come out by virtue of other claims; and that's something that I will want to find out. The honourable member, in his remarks, didn't say that, and maybe he knows whether in fact a phone call was made and the staff at the agent's office said we just can't come out, but yet the contact has been made to the agent, saying I'm ready to harvest; get out here. If that was the circumstance around it, we'd have to look at that, but I don't know that. The member didn't mention that in his remarks.

**MR. G. FINDLAY:** I'd like to just get a few comments in the hail situation area.

There's Part II Hail, and I'd like to know what percent of the contract holders buy additional hail under Part II.

**HON. B. URUSKI:** Mr. Chairman, there was just under 6800 contracts on Part II Hail out of a total of 14,800 in contracts.

**MR. G. FINDLAY:** Would you have any idea of how many more would have bought hail from private insurance companies?

**HON. B. URUSKI:** Mr. Chairman, there certainly would have been some, there's no doubt about that, but I can't advise my honourable friend as to how many would have; but there's no doubt that there would have been farmers that would have bought privately.

If, in fact, we're looking at roughly 50 percent of the farmers had Part II Hail, then somewhere I'm sure that there may have been another maybe 1000, maybe 2000, but we really don't know. I can't guess at this point in time, but there's no doubt that there are farmers who purchase Part II Hail from private insurers.

**MR. G. FINDLAY:** In my district, it's worked out over the last two or three years that the Part II Hail is always a little more expensive than that from the private companies. Is that true across the province?

**HON. B. URUSKI:** Did I understand my honourable friend that he said that the Part II Hail from Manitoba Crop Insurance is lower than . . .

**MR. G. FINDLAY:** More expensive.

**HON. B. URUSKI:** Oh, is higher. Generally, it's the reverse throughout the province in that we are somewhat lower in most of the areas of the province than private insurers.

**MR. G. FINDLAY:** For the corporation, what's the level of profitability in the Part II Hail area? Are you making money, losing money?

**HON. B. URUSKI:** Mr. Chairman, I might provide the honourable member with this comment dealing with the whole hail and all the rest of the program.

When we were doing a review, before we made the changes last year and started reviewing the coverage

and the risk areas, we found that in areas where all-risk premiums were lower, the incidence of hail claims was higher, and in areas where the all-risk premiums were higher, the incidence of hail claims were lower, so that in terms of working and looking at premiums, it was almost area for area.

For example, in the Neepawa area, where the all-risk premiums were the lowest in the province — I believe the Neepawa area is generally the lowest — the hail claims and the premiums were somewhat higher.

In the Interlake, for example, where the all-risk premiums are the highest, and the southwest were the highest, the incidence of hail claims and the premiums for hail were far lower. That's tended to be general throughout the province.

In our program on hail, I am advised that for premium setting, our corporation is on a risk area basis for the premium setting on Part II Hail, while the private companies are on a township basis for rates, so there is a different method of rating in terms of the size of the area for premiums. So that's why it's difficult to — I generalized before as to what our rates might be, but there's quite a variety of rates in the private companies where our rates tend to be more stable because of the larger area that we cover.

Mr. Chairman, I am advised that there is approximately \$700,000 in reserves at the conclusion of last crop year in reserve on the plus side on Part II Hail.

**MR. G. FINDLAY:** Are those rates adjusted annually in every district?

**HON. B. URUSKI:** Yes, they are on a risk area basis.

**MR. G. FINDLAY:** When we're talking reserves, what is the reserves in place in the corporation and what maximum/minimum guidelines are available for the corporation?

**HON. B. URUSKI:** Mr. Chairman, the long-term objective and policy of the corporation is to basically break even; to make sure that the administrative costs are covered and that there is a break-even position of the corporation. The reserves have, for example, gone from a high of \$800,000 to a deficit of \$3 million. It's ranged — I've got from 1970 to 1985. There have been pluses up to 800,000, minuses up to 3 million and anywhere in-between.

Generally, we have tried to even the situation out, and the premiums will be reflected over a period of time to make sure that there is a small profit in terms of making sure that it's on the plus side. But there have been many years, in fact, between 1970 and 1985, 8 years out of the 15 where the reserve has been in a deficit, so that 7 years out of the 15, the reserve was in a plus. I said as high as 800,000 on the plus side and as low as 3 million on the minus side.

**MR. G. FINDLAY:** Where are the hail spot losses in Part II? What kind of reserve is considered actuarially sound in case of a really bad year?

**HON. B. URUSKI:** Mr. Chairman, on both programs, the premiums that are in place now and, from the

experience in the past, the reserves that we have now may fluctuate somewhat and may go up and may go slightly down, but where we are at the present time with the reserve that we have in our all-risk and our hail of 700,000 would be considered an adequate reserve. But in a good year, this may even increase, so then that may change next year with the possibility of a reduction in premiums.

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

**MRS. C. OLESON:** Thank you, Mr. Chairman. I would mention something following on the remarks of the Member for Roblin-Russell on the wildlife damage, which is a great concern to people, to farmers around the Spruce Woods Park area.

One of the problems that they encounter is the cumbersome way in which this is dealt with. First of all, I know in our area — I would imagine it's the same in the member's area as well — the farmer notes that there is damage. Okay, then he has to go to wildlife people. They have to give him a pink slip or a green or whatever colour form it is, and then the crop adjuster has to come out and adjust. Well, all this is happening, of course, in the heat of the day while he's trying to get his crop off. It's cumbersome.

The farmers in my area meet with the same problem as the Member for Roblin-Russell. The adjusters are cooperating. The wildlife people are cooperating, but it is a cumbersome mechanism for getting adjusted. Then, of course, the whole thing goes to the Department of Natural Resources. Of course, I'll be dealing with that in that department too.

The whole thing is cumbersome. If there could be some way that the two departments could get together and work out something that would be easier to deal with, I'm sure that it would probably be cheaper to administer and it probably would be a more efficient way.

I'm wondering, could the Minister tell me, do you still charge \$25 per quarter for each claim when the farmer makes a claim, and then refund it at some later date if there is a valid claim?

**HON. B. URUSKI:** Mr. Chairman, I thank the Honourable Member for Gladstone for her comments. You see, the honourable member should be aware that the Waterfowl Damage Compensation Agreement is now under Agriculture.

**MRS. C. OLESON:** That's waterfowl. I'm talking about elk and deer.

**HON. B. URUSKI:** Okay, okay. The process and the reason that Natural Resources staff should be involved is that there should be some reasonable effort, either by the farmer or with the assistance of the department, to try and prevent and limit the amount of damage. That's the reason why a farmer is required to contact the Natural Resources people, so that maybe some — for example, in terms of big game, there could be some bangers put into the field or it may be that some other measures can be undertaken by staff to scare away the game.

The fees, whether it be for — I know for waterfowl, there is the standard fee. I'm not sure, I would have

to check that out, but I believe it's \$25 per quarter. I believe it's \$25.00. The fee, in fact, is — (Interjection) — per quarter? Just \$25. It's \$25, regardless of how many parcels of land there are, basically to do the inspection and when the claim is established, of course, the \$25 is refunded along with the payment in the claim.

There have been difficulties. For example, for last year's crop, there has been a difficulty in terms of timing of payment. It is because annually the two levels of government, Canada and Manitoba, in their agreement do set aside a minimum amount of dollars, which I think is \$800,000 to pay for waterfowl and \$300,000 for the other kinds of damages.

What has happened is that the claims have exceeded — in fact, in waterfowl, it was this year, I think, close to \$1.2 million. By the time we got basically our agreement from Ottawa to exceed that amount, you're right, people were into seeding and payments were not made. We were getting a lot of complaints. The payments were made in March.

It was a governmental matter that, by the time we had the agreement amended where Ottawa would agree to pay their share of the amount over \$800,000 in the case of waterfowl and \$300,000 in the case of wildlife, it did take from January till March by the time we had our agreement. But we did have correspondence for quite a few months saying, look, we knew already what the claims would be, because the adjustments had been made. It did take quite a while to get that sorted out. The complaints, quite frankly, are legitimate.

**MRS. C. OLESON:** Yes, the claims are legitimate, and they're increasing as the elk herd increases. But of course, that's a matter for the Natural Resources Department and I'll be raising it there.

One thing the crop insurance people have told me is that they do all the paperwork and they send the information in. They never get any feedback on actually what claims were allowed, how much. So their offices have no record and, of course, the farmers are asking them about it because they're the ones that were adjusting it. They would like a little bit more information on just what is happening, because when the farmers do ask where their payments are, etc., etc., they have no answer for them.

As I say, I think there needs to be a little more cooperation or liaison between the two departments, because it is an interdepartmental thing and I think a lot of information gets lost in the shuffle.

For the Minister's information, though, I don't think you need to tell the farmers around there to put up bangers to try and scare the elk away. They have tried every method short of shooting them to keep them out of their crop. It is a real problem in my area and, as I say, I will be raising it with the Minister of Natural Resources in those Estimates.

**HON. B. URUSKI:** Mr. Chairman, I thank the honourable member for her comments, and I am assuming she is referring to elk or big game damage.

**MRS. C. OLESON:** Yes. I'm sorry if I didn't make it clear.

**HON. B. URUSKI:** We do not receive a copy because it is paid by Natural Resources, and that's a good

suggestion in terms of whether there can be one step where at least a copy may be sent to our adjuster so the adjusters will know, in fact, that there will be a payment made and they'll at least have it on record that it has been acknowledged and the payment will be made and the amount. But the adjusters, of course, will have no say in the matter because the payment is made by another department. But I think in terms of knowledge of those claims, because they have adjusted them, the suggestion the honourable member makes, we'll look into that. That's a good suggestion.

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

**MR. C. MANNES:** Thank you, Mr. Chairman. I'd like to ask a question of the Minister with respect to Part II, Hail Insurance. It's rather a general question.

The Minister makes reference to the fact that southern Manitoba seems to be experiencing a greater degree of hail incidents over the last number of years, and certainly he's correct, or at least let's say the few that do come take a massive swath, and I guess the net effect being the same. But I'm curious about this Part II. I take contracts under Part II, and thank God I've never had to collect. But last year, which was the first new rate year, after the year before that when we had the massive hail, crop insurance people or individual farmers who had talked to agents were indicating to anybody who wanted to listen that crop insurance was actively selling its Part II, Hail Option, indicating that the premium charged in the coverage of it was much cheaper than could be found through private companies.

I guess my question to the Minister, knowing like I do that even though I may not have full coverage in all crops, the fact that I have a contract and cover one or two crops allows me the privilege to put Part II over all my crops. I would ask the Minister specifically whether that portion of crop insurance, hail Part II is actuarially sound? Is it maintained with its own fund, or is there any cross-subsidization at all?

**HON. B. URUSKI:** Mr. Chairman, we do cover all the administrative costs out of the program, and we've increased our proportion of overhead cost because it is becoming a larger portion of our program and increasing. So we're generally starting to pick up more of the overhead costs that should have been attributed in the past to Part II, Hail, and we have a small surplus in that program. I'm not sure if that was all the honourable member's question. Maybe I didn't get it.

**MR. C. MANNES:** The Minister has answered in part. Obviously then, what he is saying, and I haven't seen the rates for 1986, maybe they will be increasing to pick up a greater percentage of the overhead costs, or maybe to reflect the experience within the field, but my question is: basically, is crop insurance actively attempting to market this option? Are they trying to increase the number of clients that may use this service? And I guess again the main question, on any occasions, if there were a greater demand on that fund, would it be brought from Part I, would it be brought from Hail Spot Loss, is there any cross-subsidization at all?

**MR. DEPUTY CHAIRMAN, C. Baker:** The Honourable Minister.

**HON. B. URUSKI:** Mr. Deputy Chairman, there is no cross-subsidization. I believe the act does not permit that, and so there is no cross-subsidization as between one group and one coverage area, anything like that. If, in fact, there is a deficit in the fund, the province advances the money and covers off the deficit in that particular area, so there is no cross-subsidization.

**MR. DEPUTY CHAIRMAN:** Pass 2.(a) — the honourable member.

**MR. L. DERKACH:** Thank you, a question to the Minister of Agriculture.

I think we all recognize the importance of crop insurance, but I think we also have to recognize that we've got to be living in the Eighties and the values that have been — the bushel coverage on crops is not nearly adequate enough and I think that has to be seriously addressed. Although the Member for Pembina mentioned it, I think I have to emphasize that again, because in today's input cost, that 22-bushel per acre wheat coverage is certainly not nearly adequate enough for whatever it might be.

But more importantly, I think that we see farmers who perhaps are expanding some of their operations by buying or leasing land that might be five or six miles away. There is a bit of a difficulty there in that, although a farm in one area may have a fairly decent crop, a farm six miles away can have a disaster, but because of the averaging out, what happens is the farmer really cheats himself of the crop insurance. Unless he's able to put it in somebody else's name, many times he's not able to collect, and therefore a lot of farmers are actually dropping crop insurance because of the fact that their farms are scattered and it's not as easy to average it out to their benefit as if they had it all together in one area. I was just wondering whether the Minister of Agriculture would comment on that.

**HON. B. URUSKI:** Mr. Chairman, if in fact the farm is a large farm and given the circumstances that the member puts forward has a large amount of land five or six miles away, then what should happen, because of the averaging of the yields, there would be a discount that would be provided to the farmer in terms of the premiums that he would have to pay if in fact it is a low risk because of the size of the farm. That's how it would be taken into account. The member is shaking his head?

Mr. Chairman, I think the honourable member, if I as well heard him correctly, he was making the assertion, and let me see if I understood him, that lands that may be five or six miles away should be a completely separate contract and should be treated separately. Is that what he was suggesting?

**MR. L. DERKACH:** Well, Mr. Chairman, I was not implying or suggesting that. I was wondering whether there was any availability for those kinds of situations to be addressed through the crop insurance.

**HON. B. URUSKI:** Mr. Chairman, I guess in this kind of a situation, it would be taken into account on the basis — and I'm taking the member's comments at face value that if in fact the farm is a low risk and

because of the amount of land and some of it being further away from the unit and because of the averaging of the crops — there would likely not be a claim for the circumstances of land being away and a large amount of land, a discount would be worked into one's premiums, provided of course there would be no claims. That's really the basis of crop insurance. You're insuring yourself, of course, against the eventuality of a major and catastrophic loss.

I know that many farmers have indicated, from time to time, they would like to have basically spot-loss coverage on all-risk coverage. I can tell my honourable friend that if that did occur — because I've had those suggestions. Why don't you cover me on this field? — and I had a loss here — pay me for those bushels. I can tell my honourable friend, the premiums would not be where they are, even though they are subsidized 50 percent by the Federal Government and all the administrative costs are subsidized by the province. The premiums would not be where they are today. They would be far, far higher than where they were, because it would be just out of this world in terms of the coverage that would have to occur. As the payouts I mentioned earlier, Mr. Chairman, have been made an all-risk, that's where the bulk of the losses are.

**MR. L. DERKACH:** I would just like to address the area of premiums and costs. I think every farmer who has crop insurance realizes the escalation of crop insurance premiums over the last five years have been considerable.

But more importantly, when we compare the Estimates for crop insurance, I think it's very significant to note that in 1982 there was a budget for crop insurance of something like \$2.3 million or \$2.4 million; and then in 1984, it was about \$3.8 million; and then in 1985, it went up by almost \$1 million to \$4.6 million.

Can the Minister explain why the costs of administration have escalated in the way that they have, and why the premiums have also been escalating in the way that they have?

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

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend that the administrative costs are not reflected in the premiums that farmers pay. Let that be clear. That is clearly a 100 percent subsidy in the province to the farmers of Manitoba. The taxpayers of Manitoba pay 100 percent of the administrative costs of crop insurance.

The increase in administrative costs generally reflect the wide variety of new crops that we're undertaking and the amount of work associated with them. We are trying to expand the number of crops and we have over the last number of years, Mr. Chairman, and over a wide variety of areas. The whole area of livestock feed security, province-wide, a major undertaking in terms of administrative costs. The whole area of vegetable crops, fruit crops that we've gone into — for the Member for Portage, I'm hoping that he is a client now of crop insurance and has insured his crops with the corporation, since they were lobbying long and hard for this administration to put them under crop insurance. I'm hoping that he has taken out his policy for his crops.

The whole area of honey production and these are areas that we have brought into insurance coverage. A whole host of forage crops in the last four or five years, so there's been a major, major expansion of coverage. Just in 1986, Mr. Chairman, for '86, coverage will be available on rutabagas, carrots, onions and parsnips. I'm sure the Honourable Member for Portage is taking note of this; if he hasn't, he should have. Pedigreed alfalfa seed production and honey — those are just three major areas that we've brought into '86. As well, of course, is the expansion of the livestock feed security program on an all-province basis.

Clearly the corporation, I must say, and I would have liked to hear honourable members say, you've done a damn good job. You've reduced the waiting time in terms of claims to be paid out from 60 days to 40-some days over the last two or three years. You've reduced the amount of paperwork that farmers had to undertake, from seven forms to one. You're making those kinds of improvements, making the system more simple. You've provided greater options, and we have.

I haven't heard that kind of statement, but they want less bureaucracy. I want less bureaucracy and the corporation has been given a mandate to reduce the amount of bureaucracy that we can, and it does cost money, but service does cost money. I'm sure the honourable members will agree with that because they will be the first, Mr. Chairman, to rise in this House and say, "How come those adjusters, I had to wait. We couldn't get an adjuster to come and adjust my field and we had to wait two or three weeks?"

We have attempted to build up the service to the vast majority of farmers and we've succeeded, but it does take its cost, but it's not a cost borne directly by farmers through their premiums.

**MR. L. DERKACH:** I would like to say to the Minister that they've done a good job, but the figures don't indicate that completely, because we see that our bushel levels are still down where they were several years ago or have not increased very much at all, but then I notice that in the Estimates here we have an increase of almost \$1 million in administration from 1985 to 1986, and then we see a decrease in the Estimates for the year ending March, 1987.

Now is that an indication that there were some programs in the last year that you're not going to be developing this year, or was there some fat that you're going to try to trim this year? Can that be explained? And did the vegetables create . . .

**HON. B. URUSKI:** Mr. Chairman, far from it. We have, in fact, as I mentioned to the honourable member, expanded our portfolio quite extensively. The honourable member should be congratulating us for the efficiencies that the corporation has brought in to improve the service to farmers and clearly the length of time to pay a claim is the indicator as to how long it takes to process a claim — is the real indicator of the level of service that the corporation provides. That's been reduced substantially, Mr. Chairman, and the amount of paperwork has been reduced substantially.

It is clearly, as a result of this, that we have in fact been able to — I wish the reduction could have been even more — but far from it we have — and I gave

the honourable member the information as to the amount of new crops that we're insuring.

I want to tell the honourable member that we negotiated with the Federal Government, because all these changes in terms of increased coverage in crops, have to be negotiated with the Federal Government. I don't accept at all, Mr. Chairman, the honourable member's assertion that somehow there hasn't been enough recognition of increased bushel amounts on cereal crops.

For wheat alone — by the changes that we made a year ago — was a 20 percent increase in bushel coverage. Mr. Chairman, that is a major increase and there hasn't been one in the history of the corporation as large as this. So we will be taking into account technological advancements and the like, but for the member to suggest that there hasn't been a major move, I mean would be slapping his own colleagues in Ottawa in the face, saying they haven't let enough go through, because they're going to be paying half of that premium.

But, quite frankly, I have to say that in the crop insurance area at the present time, as the program exists, we have received generally good cooperation, federally and provincially; all except what's on the table now, which has major implications to both the farmers and to the province's taxpayers in the attempt to offload some of those costs.

Clearly, the member can't, shouldn't at least — he can, obviously he has done so — but shouldn't berate the level of coverage when in fact there has been a 20 percent per bushel coverage in wheat alone, and other crops as well.

**MR. C. BAKER:** I just wanted to add my remarks to the last few that were made about the low bushel coverage.

I just want to warn some of the members here that if, in fact, we would drop 10 years and go to 15 years, we would probably see a drastic increase in the bushel coverage because we would be catching up to the technological age of the Seventies and Eighties, where farmers have greatly increased their yields.

What would worry me is that, because of the economic squeeze we are in, we might see a lot of farmers decide not to take crop insurance. I think that would be a tragedy because I think we have to make sure that as many farmers as possible can take crop insurance. If we have a bad year, on top of the bad economic circumstances that we are under, I think we would be doing the farmers a disservice.

I am just saying that I think we should caution ourselves from getting the coverage too high because the premium would have to follow it and you might see an awful lot of farmers turn their back on crop insurance because of the economic circumstances. I just wanted to add that caution.

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

**MR. E. CONNERY:** Thank you, Mr. Chairman.

I am rather reluctant to really ask a question because the length of the Minister's answers is going to cost us an overnight stay by the manager from Portage.

I'm sure the information the Minister is giving us is the truth because the manager is a Rotarian and it is their motto to tell the truth, so I hope that follows.

Thursday, 5 June, 1986

I have a question. Can the Minister guarantee me, and I have been concerned, has there been any thought given to averaging premiums across the province?

**HON. B. URUSKI:** Mr. Chairman, I want to tell my honourable friend that in — now it is Liberal Ontario — but in 40-year Conservative Ontario, there has been for the life of the corporation one risk area for the entire Province of Ontario.

Mr. Chairman, we have in fact been discussing with the Federal Government the issue of blending of premiums, partly on the risk area and partly on an all-province basis, in an attempt to lessen the volatility of premiums on the risk area basis.

Quite frankly, if we continue along the lines, the Member for Virden's area, the southwest corner of the province and my area, quite frankly, are the highest premium areas anywhere in the province. Those areas would have the greatest — when I say benefit, they would have — with some blending, there would be less fluctuation of premiums. At the present time, we are not blending premiums but we are, in fact, moving that way to lessen the impact of a serious weather, or even drought, in a particular portion of the province which would tend to push those premiums way up for that one risk area and, in fact, push many people out of crop insurance, and do the reverse situation than really should happen.

I repeat for my honourable friend, in Ontario, whether you are in Kenora or Rainy River, and there is some farming there, or you are in the Ottawa Valley, the premium is the same for the same crop and the same soil condition, regardless of where you farm in Ontario. The premiums have been the most stable in that province because of the total blending of premiums.

**MR. E. CONNERY:** Can the Minister give us any indication as to the timing of this happening? I think what you are saying, then, is that the people on the better soils and the better farmers, or better climatic conditions, who chose to go to those better lands, to pay maybe a little more money for that land to have good land, will be paying the same premium as those people in the poorer land? Is that what you are saying?

**HON. B. URUSKI:** Mr. Chairman, no, absolutely not. In fact, they would benefit. If the honourable member had listened — maybe he did hear my comments earlier. The whole area of crop insurance, and I mentioned it before, that in areas where the all-risk premiums tend to be higher than other areas, the hail premiums tend to be lower. But, in the areas where all-risk premiums tend to be lower, the hail premiums tend to be a fair bit higher.

When we are talking about doing blending, we are talking about providing benefits to every area so that with the blending, the blending will occur from the point of view where you would have a blending of hail premiums and a blending of all-risk premiums so that, in effect, what would occur, a balancing off of both programs and a general benefit to all farmers.

That can occur, in fact, in the program. So the assertion that the honourable member makes is not accurate, not accurate at all in terms of the program. Quite frankly, if Ontario could have done it, and did

for 25 years with no adverse effect, would the member have said that those people in the Ottawa Valley, or in the Windsor-Leamington area who farm, and would continually say — and they have, of course, the best weather conditions in general terms of moisture and warmth — would say to the farmers in the Rainy River area or the Dryden area in the northwestern Ontario portion of the province, say you guys on those rocks and stones that are farming there, you shouldn't be farming there because you picked the worst soils and you are not very good farmers so you should be paying 10 times the amount of premium because your risk is higher.

They didn't do that; they didn't do that. They provided a program right across the province and, actuarially, it has proved itself for 25 years. Quite frankly, I say that we should look at this matter very seriously. I don't accept the assertion of my honourable friend.

**MR. E. CONNERY:** Before the Minister moves in that direction, will he give us assurance that there will be an opportunity to discuss this with the farm community, the Keystone Agricultural Group, and whatever farm organizations, to have input in that before making that decision?

**HON. B. URUSKI:** Mr. Chairman, there are changes every year coming to the Corporation and, in fact, there have been meetings held between the board and farm groups. This matter I did raise at my meetings throughout the province. While those kinds of concerns were raised with me there were, in fact, the reverse kind of comments where people from the Member for Virden's area said, look, maybe there should be some blending out, and blending from the sense — I'll give the example for the Member for Portage.

He is in a risk area that this year had severe wet areas. Here is what could happen in his area. You could have a severe rainstorm which would wipe out that whole area. What would happen to those premiums in that risk area if the whole risk was just carrying it. Zingo; up go the premiums.

The Member for Portage would be the first one to stand up in this House saying those premiums are too damn high; they are too damn high and our farmers can't afford them. How come you're raising the premiums so high?

Frankly, the larger the risk area, the less chance for volatility of premiums in the event of a major catastrophe in a small area. Do you spread the risk? That is what insurance is all about.

That is why, Mr. Chairman, for example in auto insurance, we have been able to treat all people of this province, including the youth, and the honourable member should know — he probably had youngsters under the age of 25 when Autopac came in — how much lower the premiums for those people became because we spread the risk amongst all the drivers. We didn't treat them as being a bad risk before they had a claim; we socked it to them after they were at fault and at risk. That is what we are talking about in terms of the blending of premiums in crop insurance, the very same way, of spreading the risk and lessening the volatility of premium increases.

**MR. E. CONNERY:** Yes, Mr. Chairman, maybe it saved my children some premiums but it sure cost me an awful lot more.

In the Crop Insurance, and I'm not a great Crop Insurance man, as you know. We haven't had this opportunity to be involved until this year. When a farmer insures his crops, does he have to insure all his crops or can he insure his wheat and leave his barley, whatever?

**HON. B. URUSKI:** Yes, the farmer can pick and choose the crop, but he can't say that I will only insure this wheat crop on this field. If he is going to insure wheat, he has to insure all his wheat, but he can certainly pick and choose which crop he insures.

I should mention to my honourable friend that the premium rate, and just so that he's aware that I didn't lead him down the garden path in terms of the question that he posed, the premium rate would not be the same with blending. The higher rated soils for production would have, as they have in the past, had a lower premium, and the lower rated soils would have a higher premium. So there would not be a blending of the premium on all soils; there would still be a differential premium based on the soil type.

So let me assure my friend that all premiums would not be the same throughout the province. It would still be related to the crop; it would still be related to the soil type. So there would be a difference in terms of what he was mentioning before about the farmers in better quality soils having to pay very high premiums to level off the premiums in the lower soils. There would still be a premium differential based on the quality of soil. So I want it to be clear for my honourable friend that that differential will exist, but it is to lessen the impact of a major catastrophe in a small area; blending would lessen the impact of that.

**MR. E. CONNERY:** Would the Minister then explain why the criteria in crop insurance is different in the vegetables than it is in the grain and special crops?

In the vegetables, if you grow the four crops — as you explained, there's four crops — and if you grow those four, you have to insure all four, you can't insure one. Why would you treat the vegetable sector different from the grain sector?

**HON. B. URUSKI:** Mr. Chairman, the reason that the requirement of insuring all four crops has been put in is that, first of all, we have no experience, and the area and the amount of area to be insured is so small, so there is no base to develop information from. So we're trying to get as much of a data base and, of course, to spread the risk in terms of the vegetable industry. The more crops we can get in, that does spread the risk, in terms of the premiums, to establish some kind of a base of information. That was primarily the reason we made the provision that all crops be insured.

Mr. Chairman, I am advised as well that as we develop the program and the experience develops, we will be reassessing that down the road. If the entire industry does eventually insure, and there's enough of, what I would say, a number of people insured in the program and the number of acreage increases, it may come to a point where we will, in fact, then treat each crop separately; but it's to gain some experience in the program right now.

**MR. E. CONNERY:** I would inform the Minister that there were concerns when they were developing the

program, and I'll explain our position. We only grow two of the crops, carrots and onions, that the benefits were too low in the carrot sector; that looking back over 20 years of production, one year we might have gotten a few hundred dollars out of the carrots for many thousands of dollars of premiums, so they just economically didn't pay.

But in the cooking onions, which is a different factor because there's other conditions that can affect cooking onions, there is a danger and we wanted to insure them. Our carrots are a much larger crop than the onions, so we've got to insure a crop that we really don't feel is any benefit, and it's a much larger one, to protect a very small crop. We have to do this.

Another farmer who has only cooking onions and has a very large amount of them can insure only cooking onions. Does the Minister think that is fair?

**HON. B. URUSKI:** Mr. Chairman, once we gain the experience, it may show that each crop should have a completely separate premium. But we don't have that experience as, for example, in the Feed Security Program when we were working it over the last couple of years. In one area, for example, we didn't have the staff and the ability to measure wild hay production, but yet when it came to assessing for pay out purposes, we were able then to say, yes, we'll assess it where it is to the benefit of the farmers in that area that was insured, and because we working out on the data. So pure equity may not be able to be worked into when you're just developing the program.

Quite frankly, I agree with my honourable friend that maybe the premium structure is inadequate, but it's only inadequate because we don't have the data base and the experience to make those changes; but with a year or two of experience, that situation may change.

**MR. E. CONNERY:** The data base was available. It was just we couldn't convince the staff that what we were saying was appropriate.

In winter wheat, can a farmer insure only winter wheat?

**HON. B. URUSKI:** Mr. Chairman, the policy indicates that you have to insure two crops. It can be two of any crop; winter wheat could be one of them. It doesn't have to be another crop of wheat, but it has to be two crops. You have to insure two.

**MR. E. CONNERY:** So he can have 20 acres of flax and insure his winter wheat. Do you have a data base on winter wheat to make it actuarially sound?

**HON. B. URUSKI:** Mr. Chairman, as I indicated before to my colleagues across the way, you can't insure a portion of a crop. If you have . . .

**A MEMBER:** Total winter wheat.

**HON. B. URUSKI:** . . . total winter wheat and total flax, if the total flax crop happens to be 20 acres, that's the second crop. There is enough data from past experience on winter wheat that we have a reasonable data base in which to insure winter wheat now. Although there are risks associated with it, over the last number



of years that we've insured it, the data base has increased.

**MR. E. CONNERY:** Would the Minister consider for another year to change the basis of having to insure all of the crops in the vegetable sector?

I think this is a very, very unfair system when we see other people who can insure their onion crop because they don't have the other crops that would detract from doing it. To me, I don't see any logic or any common sense or any justification, any fairness in the whole program of having done that.

But yet you justify all of the others and you waffle baggle around and give us a lot of rhetoric, but I think we need to have some answers to it and I think you've not played fair with the vegetable sector of Manitoba.

**HON. B. URUSKI:** I want to tell my honourable friend that certainly the corporation will look at that, but let's understand one thing. Let's go one step at a time.

Let's say the corporation does that and separates the two and finds that the risk on onions is far higher.

**MR. E. CONNERY:** Then the rates go up.

**HON. B. URUSKI:** Then the rates will reflect that accordingly.

**MR. E. CONNERY:** That's right.

**HON. B. URUSKI:** Okay, that's fine, as long as my honourable friend realizes that; and that assessment will be made over the next year or two, as to the data base that we have, in order for us to consider separating those crops. I have no difficulty in that, and the corporation will be doing that.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman. My question to the Minister is, do you always have to insure two crops?

**HON. B. URUSKI:** Yes.

**MR. H. PANKRATZ:** About 12 years ago, I insured sugar beets. Eight years ago, crop insurance cancelled me because it was only sugar beets. Two years later, you reinstated me and I still only have sugar beets, only one crop. The other question I have to you — and I didn't lose any discount on it, just for the record.

My question to the Minister is, the money that is in the reserve — if I understood you correctly, there is a reserve in the fund at the present, am I right?

**HON. B. URUSKI:** Which program are you speaking of?

**MR. H. PANKRATZ:** The crop insurance fund.

**HON. B. URUSKI:** No, no, but there are several portions to the crop insurance. Are you talking about the all-risk?

**MR. H. PANKRATZ:** Okay, basically what I'm referring to is the money that is in those reserves, is it bearing

interest; and whether that interest from those reserves, does it go to administrate or does it go into the fund?

**HON. B. URUSKI:** Mr. Chairman, the arrangement in terms of the reserve, there is no interest collected on the reserve. Conversely, when there is a deficit, there is no interest paid on the deficit. As I indicated to the honourable member, the fund has been in a deficit for eight out of the last 15, seven it has been in the positive. So it has basically balances itself out over the last data that I've got here. That was for hail.

**MR. H. PANKRATZ:** That's hail? Okay.

**HON. B. URUSKI:** There are two balances in the all-risk program, for the information of the honourable member. In Manitoba, there is a reserve of 1.8 million and, in Canada, there is a reserve of \$24 million.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for La Verendrye.

**MR. H. PANKRATZ:** No, I'm referring to only the province, Mr. Minister.

**HON. B. URUSKI:** Mr. Chairman, there are two reserves for the same program. In Canada's reserve, for Manitoba, there is a reserve of 24 million. The same provisions apply to the Canadian reserve of 24 million as they do to the 1.8 million in terms of what we have in the province.

**MR. H. PANKRATZ:** The 1.8, that's in the reserve for the province, is that the total for all the crop insurance funds?

**HON. B. URUSKI:** Mr. Chairman, the 1.8 million, plus the 24 million, is what is in reserve for Manitoba in the all-risk program, plus about \$40 million in terms of premiums that will be paid in, 20 million from Ottawa and 20 million from the farmers.

**MR. H. PANKRATZ:** What I'm after is the interest on those reserve funds.

**HON. B. URUSKI:** Mr. Chairman, I told my honourable friend there is no interest paid, nor is there interest collected when there is a deficit.

**MR. H. PANKRATZ:** Then I want to ask the Minister one more question, Mr. Chairman, if I may, and that is: what is the cost of administrating the crop insurance?

**HON. B. URUSKI:** Mr. Chairman, my honourable friend will see the Estimates Book on Page 11, Item 2., Resolution No. 7, \$4,670,900 is what is costs to administer the entire crop insurance fund.

**MR. G. FINDLAY:** Mr. Chairman, we're prepared to adjourn and reconvene on this topic next day.

**HON. B. URUSKI:** Do you have more questions?

**MR. G. FINDLAY:** Yes, we do.

Thursday, 5 June, 1986

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

**IN SESSION**

**MR. DEPUTY SPEAKER, C. Santos:** The Honourable  
Minister.

**HON. B. URUSKI:** Mr. Deputy Speaker, I move,  
seconded by the Member for Virden, that this House  
do now adjourn.

**MOTION presented and carried** and the House  
adjourned and stands adjourned until 10:00 a.m.  
tomorrow (Friday).