

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Wednesday, March 3, 1976

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the First Minister to ask him whether the proposed rate changes of Manitoba Hydro have as yet been submitted to the Federal Anti-Inflation Board for review.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the Chairman of Manitoba Hydro has been in northern Manitoba at construction sites in recent days. On his return which I expect will be possibly tomorrow I intend to discuss the matter with him in that regard.

MR. SPEAKER: The Honourable House Leader.

ANNOUNCEMENT - COMMITTEE MEETINGS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I wonder if I can just go back and indicate that there is a desire to have the Industrial Relations Committee meet on Monday next at ten o'clock and Wednesday next at 8 p.m. in the evening if necessary.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Minister of Correction and Rehabilitation Services. Can the Minister confirm or deny that at least four senior officials involved in alcoholic problems in the province, in the employ of his department, have handed in their resignations?

MR. SPEAKER: The Honourable Minister for Corrections.

HON. J. R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation) (Winnipeg Centre): Mr. Speaker, I'm apprised of some questions relative to the staff and I will be in a position to make an announcement at some future point in time.

MR. BILTON: Mr. Speaker, I thank the Minister for his reply and I wonder if he'd take under advisement and advise the House as to the reason for the resignations and whether or not more are anticipated in the near future.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the Minister of Consumer Affairs. In view of the fact that Winnipeg and Manitoba have had the highest cost of living increase over the past 12 month period and that the component part of transportation has been one of the main reasons, I wonder if he can indicate whether his department has made any assessment of what the Winnipeg transit strike means with respect to the increase in the cost of living in Manitoba.

MR. SPEAKER: The Honourable Minister for Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, I have not had my department look at the cost of the transit strike in terms of the component of the consumer price index in the province.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether his department will in fact make such an evaluation.

MR. TURNBULL: Mr. Speaker, my department will not be making that kind of

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(MR. TURNBULL cont'd) evaluation. There are two research people and I think with rent control and other matters they have their hands full now.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, could I have leave of the House to table the Report, the 17th Annual Report of the Municipal Board for the year ending December 31, 1975.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Fort Garry.

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MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Health and Social Development. I would ask him if he can confirm to the House that there are no interruptions in normal medical procedures and no evacuation of patients necessary at Victoria General Hospital as a result of the present work stoppage there.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Yes, I can, Mr. Speaker. All the information we get from this hospital is that there is business as usual.

MR. SHERMAN: A supplementary, Mr. Speaker. I would like to ask the Minister if there are plans to have the Emergency Measures Organization or any other standby contingency arrangement available in the event that it's necessary.

MR. DESJARDINS: If needed yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Speaker. My question is to the Minister of Colleges and Universities Affairs. In view of the fact that yesterday he took as notice my question about whether or not the current President of the University of Manitoba is receiving a retirement pension of \$36,000 a year for life, could he also at the same time inform the House if the same person during the past six years received a free house, free maintenance for that house, a free car, all expenses; all at the expense of the taxpayers of Manitoba?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Colleges and Universities Affairs) (Burrows): Mr. Speaker, as I indicated to the honourable member in response to the question which he put to me yesterday this is strictly a matter between the university and the President. I do not have knowledge of all the details of his contract of employment. However to whatever extent it may be possible for me to obtain such information, I'll take the question as notice.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I'd like to pose a question to the Minister of Education and ask him how many members are there on the Board of Governors on the university?

MR. HANUSCHAK: I believe, Mr. Speaker, and I am speaking from memory, that the Act provides for the appointment of 25 members. I've forgotten the exact breakdown, because several appointees are by virtue of their office ex officio and others appointed by the Lieutenant-Governor-in-Council.

MR. EINARSON: Mr. Speaker, of the, I think the Minister said about 25 on the Board of Governors, how many of them are appointed by the Lieutenant-Governor-in-Council?

MR. HANUSCHAK: As I had attempted to reply to the honourable member just a moment ago, I believe it's 13 or 12. I would have to check. That information, Mr. Speaker, I may indicate to the honourable member, is available to him too. It's within the legislation passed by this House.

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MR. EINARSON: Mr. Speaker, then I think it's important that we have the correct answer as to whether or not there is a majority appointed by the Lieutenant-Governor-in-Council so we can define whether . . .

MR. SPEAKER: Order please. Order please. Order please. I wonder if the honourable gentlemen would co-operate with me when I ask for order. I do not wish to shout, it's hard on the throat. Let me also assure you that this question can further be followed during the Estimates. The Minister's Estimates will be up and we can certainly delve into all the intricacies of it at that time. Any other questions? The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Urban Affairs. I wonder if he can indicate whether the province has been requested to intervene in the location of the CNR Piggyback facilities on Wilkes Avenue.

MR. SPEAKER: The Honourable Minister for Urban Affairs.

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Not to my knowledge, Mr. Speaker.

MR. SPIVAK: Mr. Speaker, my question then is to the Minister of Mines and Natural Resources. I wonder if he can indicate whether his department has requested for an environmental impact study or some study with respect to the location of CNR Piggyback facilities on Wilkes Avenue.

MR. SPEAKER: The Honourable Minister for Mines.

MR. GREEN: Mr. Speaker, for the information of the honourable member the Environmental Protection Branch deals only with contaminants to the air, land or water. If there are any such involved in this particular development they would have to apply to the Clean Environment Commission at which time they would have to present the information satisfying the Commission with regard to the release of said contaminants.

With regard to other matters such as traffic, such as location of industrial use, those are governed by the Planning Act and environmental regulations. When I say environmental regulations with respect to the city I'm talking about restrictions of zoning, etc., that are dealt with by the City of Winnipeg. As to whether they apply to the CNR or not, since it is a Federal Crown corporation, I'd have to ask my honourable friend to obtain legal advice.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I wonder then if I can ask the Minister of Urban Affairs another question. Have there been any discussions between the Province and the City of Winnipeg about the location of the CNR Piggyback facilities on Wilkes Avenue.

MR. SPEAKER: The Honourable Minister for Urban Affairs.

MR. MILLER: Mr. Speaker, not to my recollection. Now my memory may be faulty but I don't recall any discussions on it nor for that matter any correspondence on it.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister can indicate whether there have been discussions between the province and the city with respect to the East Yard Development.

MR. MILLER: Mr. Speaker, there have been some discussions with the city with regards to the East Yards Development, very casual discussions. The matter is in the hands of the city council and that is where it remains to this day.

MR. SPIVAK: I wonder if the Minister can indicate whether with respect to the discussion of the East Yards Development there was a discussion concerning the location of the CNR Piggyback facilities on Wilkes Avenue.

MR. MILLER: Mr. Speaker, insofar as the discussions between the city and the province are concerned, there was never any linking of these two projects.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question to the Minister of Health and Social Development. Can the Minister indicate to the House if a governmental program is now available anywhere in the remote communities, by itself or in co-operation with some dentists?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, no, it isn't. It won't be all across the

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(MR. DESJARDINS cont'd) . . . province at this time. It will start in a limited area and we can discuss that more during the Estimates. It'll be in a certain area of the province. It is not all through the province at this time.

MR. PATRICK: Can the Minister indicate to the House: has it been established by his department or the Minister what areas it will be started in?

MR. SPEAKER: Under the Estimates. Under the Estimates. Does the Honourable Member for Assiniboia have another question?

MR. PATRICK: Mr. Speaker, I have a supplementary. I'll rephrase my question. Can the Minister indicate to the House as well - he mentioned some areas and remote areas where there is no dentist available. Can the Minister indicate if the program will be available to adults as well in areas where there is no dentist available?

MR. DESJARDINS: Well, Mr. Speaker, it is a children's program. It definitely will not be available for adults. It is not to be mistaken with the components such as Medicare. That is not the program. It will not start until next school year in September so there will be plenty of time I'm sure to discuss that during the Estimates and give you more details.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Yes, Mr. Speaker. Although I do recognize the fact that the question posed to me by the Honourable Member for Rock Lake is one which perhaps was not the most proper one at this point on the Orders of the Day, nor do I wish to reflect upon the fact that the question was admitted, I do wish to accommodate the honourable member by pointing out to him that the membership of the Board of Governors of the University of Manitoba is 23; of the 23, 12 appointed by the Lieutenant-Governor-in-Council which is a majority. But despite that fact it never was the practice of this government nor is it now nor is it its intention in any way to interfere with the powers of the Board as outlined in Section 16 of the Act.

MR. SPEAKER: The Orders of the Day. The Honourable Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Speaker. I'm not quite satisfied with the answer I received from the Minister of Colleges and Universities and I would like to place the same question that I posed to the Minister of Colleges and Universities to the Premier, because I think something should be looked into this.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can appreciate the honourable member's concern with the numbers involved. But I think I would have to say that there is a very long-standing and well understood practice of autonomy of operation on the part of the University as far as its internal academic and related operations are concerned. Beyond that I have no comment, Sir, because I, like the honourable member, am left somewhat speechless by the magnitudes involved.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, to the First Minister. Will he confirm with respect to this matter and with respect to the items that have been discussed, that it is within the capacity and power of the University Grants Commission to deal with a particular matter if they so decide.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if my honourable friend is suggesting that there should be some significant deviation from long-standing past practice of the autonomy or quasi autonomy of operations of universities in their internal affairs, then I would appreciate hearing him say so. In the meantime we are operating here in the same spirit and fashion as universities in the rest of Canada.

MR. SPIVAK: But will the First Minister - I appreciate his remarks - but will he confirm that it is within the power of the University Grants Commission, in dealing with budgets of universities, to be able to deal and recommend changes and alterations; recommend alterations and changes with respect to budgetary measures.

MR. SCHREYER: Mr. Speaker, I think it's fair to say, that the University Grants Commission has and continues to operate on the basis of maintaining parameters with respect to global budgeting and that with respect to the internal allocation within the

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(MR. SCHREYER cont'd) university of funds within the global budget context, that this has historically and to the present day remained the purview of the Board of Governors and the administration of the University. There is, to put it in the colloquial, I suppose what one could call a certain sacred cow element to the way in which universities operate and are financed. That is not to say that we're happy with all of their detailed decisions of operation. My honourable friend is suggesting that we make some intrusions in that regard in order to guard the public purse better. It may be a valid point. I would like to hear him say so however.

MR. SPIVAK: Mr. Speaker, I wonder then if the First Minister can indicate whether the University Grants Commission have the opportunity to review line by line the budgets of the universities.

MR. SCHREYER: Mr. Speaker, it may well be that the University Grants Commission in order to arrive at global determinants does review line by line. However, I think my honourable friend will acknowledge if he is fair and he is fair occasionally, that there is a conundrum here. Because if the University Grants Commission presumes to be definitive as to what is expended on a line by line basis, then the University Grants Commission, by definition, becomes the administrative operator of the University which is not what its terms of reference are.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I would like to direct this question to the First Minister and ask him if the Honourable Member from Ste. Rose is a member of the Water Services Board.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable Member for Ste. Rose is best able to answer that. My recollection is that he is a member of the Manitoba Water Commission, not of the Manitoba Water Services Board.

MR. EINARSON: I'd like to thank the First Minister for that correction, the Water Commission. Can he indicate if there is remuneration for that service, and if so, how much?

MR. SCHREYER: Mr. Speaker, I believe that the remuneration of those serving on the Manitoba Water Services Board is - or Manitoba Water Commission - yes, indeed, Manitoba Water Commission is, as I recall, $12\frac{1}{2}$ percent higher than it was seven years ago which I don't regard as being unreasonable; $12\frac{1}{2}$ percent higher than it was in 1968 at which time I recall the Honourable Homer Hamilton was a member of the Board under the terms and conditions of the Act.

MR. SPEAKER: Orders of the Day. The Honourable First Minister.

MR. SCHREYER: Let me assure honourable members opposite that the pension is not \$36,000 a year. I doubt that it's even 36,000 cents per year.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

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

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - DEPARTMENT OF AGRICULTURE

MR. CHAIRMAN: I refer honourable members to Page 7 of their Estimates Book. Resolution 13(a)(1), Crop Production-Regional Division-Salaries. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Chairman, I think we're dealing with the Soils and Crops Branch.

MR. CHAIRMAN: We're on Resolution 13. Crop Production. Resolution 13(a) Regional Division - Salaries \$273,300.00.

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MR. GRAHAM: That's passed.

MR. CHAIRMAN: Pardon?

MR. GRAHAM: We passed that last night. We're now at (b), Soils and Crops Branch.

MR. CHAIRMAN: Order please. The honourable member is right. I'm sorry, I didn't have the original here. I'm sorry. The honourable member is absolutely correct. We're on (b)(1), Soils and Crops Branch.

MR. GRAHAM: I would like to ask the Minister under the Soils and Crops Branch to what extent his department is assisting in a financial manner with the soil testing program that has been in use in the province for quite some time. I understand most of it is done through the university but I believe there is some input from his department.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, the figure within this budget for that program is \$70,000.00.

MR. GRAHAM: Mr. Chairman, was it the decision of the Minister then . . .

MR. CHAIRMAN: Could we just have a little less noise. It's very difficult for the Chair to hear what the honourable member is saying. If you want to have discussions I suggest you go elsewhere and have them or try and keep the tone of discussion down. It is very difficult for the Chair to hear what's being said. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Can the Minister indicate if it is the Government's intention to raise the fees for the use of the soil testing services?

MR. USKIW: Yes, Mr. Chairman, the intent is to raise the figure from \$9.00 to \$10.00 per field.

MR. CHAIRMAN: Resolution 13(b)(1) - the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, in regards to the soil testing that my colleague from Birtle-Russell was mentioning, I'm wondering in view of the concern in prices of fertilizer that the Minister had taken upon himself to investigate in recent times, I'm wondering, in the past year farmers would go out and get soil samples and send in to the University for testing as to the amount of fertilizer that was required for the crops for the following year. Can the Minister indicate how many applications were made in the past year in regards to soil testing? I'd like a comparison with the year previous.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think I gave the wrong figure to the Member for Birtle-Russell. The figure should have been 97,000. I think I said 70. There's a recovery of \$40,000 in fees.

To the question of the Member for Rock Lake, we had 19,600 in 1974-75, and we had 21,000 last year, soil samples.

MR. CHAIRMAN: Resolution 13(b)(1) - the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I wonder if the Minister could indicate where the funds have been spent and the difference from last year and this year. There is roughly a 324,500 increase in the Estimates on that.

Mr. Chairman, probably I could expand a wee bit and ask if that is an increase in salaries or have there been some added staff taken on to his department in this area.

MR. USKIW: Mr. Chairman, there is \$295,000 more allocated for Crown land development, 295,000 for Crown land improvements.

MR. CHAIRMAN: Resolution 13(b)(1)--pass; (b)(2) - Other Expenditures--pass? The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, could the Minister indicate the difference in the cost of your Other Expenditures in this particular item from 1,609,300 to 2,001,300?

MR. USKIW: That's on (b)(2) I gather is it? The difference between 1.6 and 2 million?

We have 82,000 in crop investigation development; \$3,000 in special crops; 2,000 in cereal crops; 2,000 in crops for livestock production; 4,000 for horticultural crops; land and soil management 6,000; land management 1,000; soil management 1,000; soil surveys 4,000; crop services 5,000; weed control 1,000; horticultural services 2,000; plant pathology 1,000; soil testing 1,000; agricultural Crown lands 5,000. I'm

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(MR. USKIW cont'd) sorry, I'm reading the wrong line. I've got over on the wrong line, Mr. Chairman.

I'll go through that again, Mr. Chairman. Crop investigation 82,000; special crops 5.1; cereal crops 3.4; crops for livestock production 68.9; horticultural crops 4.6; land and soil management 121.2 thousand. There a slight reduction in land management of .6; a reduction of 10.3 thousand in soil management; an increase of 132.1 in soil survey; an increase of 115,000 in crop services; 15.5 in weed control; 48.6 in horticultural services; 22.3 in plant pathology; 26 in soil testing; 2.4 in seed production and variety testing. Then in agricultural Crown lands the figure is 374.3 thousand. I think I told him 295. The administration, that's in the Winnipeg office here, 40.4 thousand; field staff an increase of 74.9 thousand; land improvements is 259,000 as opposed to the 295 that I had mentioned. Branch administration 20,000. So that you have a total increment of 712.5 thousand dollars.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, I thank the Minister for that long list of figures. They came off very quickly and I couldn't take note of them all but the first one 82,000 for crop investigation. I wonder could the Minister elaborate on that one and then I have a few others that I'd like to ask him on.

MR. USKIW: That takes into account the whole Crops Branch activities, Mr. Chairman. We have crop management specialists amounting to \$382.9 thousand here with 15.21 staff man years.

MR. EINARSON: Mr. Chairman, did I hear the Minister correctly when he said crop management? I think he indicated crop investigation to the tune of \$82,000.00. What does he mean by crop investigation?

MR. USKIW: In that particular one it's \$494.4 thousand or an increase of 82 with 15.36 SMYS. The reason for the change is one additional horticulturalist for northern Manitoba; one contract technician for the Grasslands section; grassland development site 38,000 additional; artichoke and native fruit development 15,000 additional; greenhouse 2.5 thousand additional and the normal increase of 46.5 in salaries and operating expenses. There's a decrease of 63,000 in horticultural harvesting equipment in that figure.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: When the Minister indicates the staff man years there, are those contract employees or are those all civil servants?

MR. USKIW: Those are full time staff.

MR. GRAHAM: Does the department have any contract in this field and can he indicate in what area they're working.

MR. USKIW: I'm not sure of the totality of contracts. We do have eight in the soil survey section. There are two and a half in the computer field and eight in the soil survey.

MR. GRAHAM: That soil survey is conducted by the University and the employees are paid by the government. Is that correct?

MR. USKIW: Previously these people were budgeted for in a number of departments and they are now all housed budgetwise in this department and of course they do continue to provide services to other departments. But for discussion purposes or for the purpose of estimates, they are all within the Department of Agriculture. It's really a service function to other departments. Most of their time is outside of our own department.

MR. GRAHAM: Mr. Chairman, it's very hard when we get talking about figures and that; maybe the Minister might be able to give us at this time if there is a different handling of new crops, the breakdown between the Department of Agriculture and the University of Manitoba. In the past the University has done most of the research. Now is some of that being done by the department itself or is this just a breakout from the University budget to try and lower the University's budget.

MR. USKIW: The University does the initial phase, Mr. Chairman. When it comes down to the delivery of the program or field application it is then handled by the

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(MR. USKIW cont'd) departmental people. The field testing program for example would be done by the department.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, in response to a question from the Member for Birtle-Russell the Minister indicated that there were, I believe he said eight contract employees operating under this branch. Would they be listed under salaries or under other expenditures?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: They would be included in the Soil Survey Salaries which is 274.7 thousand.

MR. CHAIRMAN: Resolution 13(b)(2) - the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, the Minister indicated an increase of 121,000, I believe, in Soil Management. I'm wondering just what is entailed here when he talks about Soil Management insofar as his department is concerned. Because I illustrated an example I think yesterday of what I saw driving down the road one day where a farmer was using a corn planter to plant grass seed on virgin soil that was producing wild grass. I'm wondering if that's the kind of thing that the government is spending on. I wonder if the Minister could elaborate on this Soil Management thing where we have an increase of 121,000.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the particular incident the honourable member refers to has nothing to do with the Soils and Crops Branch. He's talking about some individual doing something which he didn't agree with. That has nothing to do with the Soils and Crops Branch per se.

But we are dealing here with soil survey; provide for professional staff for soil management input to new crop development and management, support regional staff and relate to soil testing, fertilizer industry and related fields such as universities and research stations.

MR. EINARSON: Then I'd like to ask the Minister, Mr. Chairman, on Crown lands, is that the Crown lands that have always been under the Crown or . . . ? There's an increase in some money there.

MR. USKIW: Well the Crown lands, the member would appreciate, were under the Department of Mines a few years back and I suppose it's at least two years now since they've been handled by the Department of Agriculture with respect to those Crown lands on which we provide leases or which we lease to the farm community. In that connection we have an item to provide for services to those lessees, including improvements to those Crown lands. So that that all falls under the Department of Agriculture now where it did not two years ago.

MR. EINARSON: Now there's one more, Mr. Chairman, I'd like to ask the Minister about. In land improvement, 200, and I believe there was a 59,000 increase on that. Could he explain where are the improvements that he's talking about and elaborate on what kind of improvements we are talking about.

MR. USKIW: The improvements referred to: 1975-76 cleared land to be broken, which is the coming year, 15,000 acres; 1975-76 broken land to be seeded, 14,000 acres; 1976-77 new land clearing, breaking and seeding, 15,000, 3,000 and 1,000 acres respectively. That is the program. That's to be seeded into forage, Mr. Chairman.

MR. EINARSON: These projects you talk about, is that land that is leased by the farmers under his Farm Diversification Program or land that has been bought by MACC?

MR. USKIW: Mr. Chairman, these are Crown lands in the traditional sense. It has nothing to do with the MACC program. Where land improvements are undertaken for pasture improvement or hay production and the farmer has an option of improving those lands himself, we allow a period of amortization to cover those costs before there's a change in the lease fees, or where the province provides capital for those improvements and charges an additional fee as soon as those lands are productive, on the third year.

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MR. CHAIRMAN: Resolution 13(b)(2) - the Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I understand that the essential purpose of that particular branch of the department is to, as noted in the sub heading, is to increase crop production of farm industry which includes the output of crops related to the expansion of livestock and livestock products and the output of special crops related to crop processing in Manitoba and export market development. Just the other day the Federal Minister of Transport, who also has the responsibility for the Canadian Wheat Board, has offered the suggestion that farmers should increase their acreages of wheat and I believe barley at the expense of other crops. I wonder, if the Department is engaged in the process of encouraging and developing special crops in this province just where does that leave the farmers of Manitoba if the Federal Minister of Agriculture is encouraging farmers to go in one direction and the provincial department is, I think rightfully, encouraging them to diversify as much as possible in order to take advantage of Manitoba's peculiar position in the market on the North American continent and indeed in the world.

Has there been any consultations or does the Federal Minister of Agriculture have any communication with the Department of Agriculture here before he makes that kind of a pronouncement, which could have an effect on the Minister's - and I don't criticize the Minister's intention here, I think that he's proceeding in the proper direction in attempting to encourage diversified crop production in this province. We have the capability of doing that and it's been demonstrated with corn; it has been demonstrated with rapeseed and it has been demonstrated with other crops. We are in a particularly advantageous position for the production of those crops.

But what kind of an effect does that have on the Minister's intention to encourage that kind of development, that kind of crop production and the searching out of those markets that could lend themselves to a more diversified crop production in this province.

It seems to me that the Federal Minister of Agriculture although I presume his remarks were particularly directed towards Saskatchewan, the larger wheat and cereal grain growing area of the prairies, it would have an impact and effect on the decisions that might be made by Manitoba farmers and could result in a decrease in production in this area. Is the Minister able to give us any indication, first of all, whether or not there has been any communication with the Federal Minister, and I doubt that very much knowing what the Minister from time to time has said about the Federal Minister of Transport, or is there any possibility that that announcement by the Minister could have an adverse effect on the farmers' planting decisions for the coming year.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, I think, Mr. Chairman, it would be fair to say that the Federal Governmental system does not make it a practice of sort of formally communicating to the provincial system that their intentions should be in some way fulfilled in terms of agricultural production. They have their own department which is regionalized across this country and they deliver their message directly to their client. At least in my experience I have never experienced an attempt where they have tried to deliver that message through the Department of Agriculture of Manitoba, nor any other department in any other province.

But certainly at the staff level there is always a very extensive communication as between the, shall we say, bureaucracies at the federal level and the provincial levels. There's also of course the Annual Outlook Conference where all of these matters are discussed and where we have all provincial governments represented as well as people from other countries of the world. So that there is an overview opportunity in terms of where we are heading in production and so on, and what the opportunities seem to be at that point in time, at least once a year. So that is a vehicle that is used to convey any information to the producers of this province. And of course we have our own conference in Brandon once a year which attempts to convey the message more definitively in terms of the Manitoba context.

But with respect to my own attitude I have never been a believer of the concept that we should rely on a single crop or one or two crops. So I am not terribly excited about the fact that we have obvious opportunities insofar as greater wheat production is

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(MR. USKIW cont'd) concerned. I think that each farmer has to judge in his own mind as to how that opportunity fits into his own plans in that there's a crop rotation system that has to be recognized that may be peculiar to the individual farming enterprise. No matter what the outlook is, it could be, in some instances at least that that crop rotation has to be respected, given the knowledge of what was produced on that field a year ago and what is the best ultimate crop or whatever, in that field in the coming year. So each farmer has to be his manager, but hopefully a better manager because of the information that is provided to him with respect to all of these opportunities that present themselves.

But certainly I wouldn't want to see us sort of throw in the towel on a whole host of special crops. Especially, you know, if one is to take a look at southern Manitoba, mainly south of Trans-Canada, and if one is to do some analysis of the economy of some of that part of this province, one can appreciate the value of diversification in crops within a crop section itself. Diversification in my mind has never been diversification out of crop production into animal industry but a good mix of diversification involving every possible crop opportunity as well as the animal species that we do engage in in this province. So that, no, I wouldn't want to give a blanket endorsement that we should drop all of our tools and just gear up for wheat production.

MR. JORGENSON: I think the Minister is perhaps over-sensitive everytime I rise to speak because I did not indicate that that was desirable, not by any stretch of the imagination. What I was concerned about, that the Minister's announcement, that is the Federal Minister's announcement, might tend to detract from the approach of the Minister of Agriculture in the Province of Manitoba to greater diversification, and this was my concern. I was questioning the Minister along those lines attempting to determine whether or not, in his opinion, that there was going to be any great detraction from his desire to create greater diversification of crop production in this province.

One other thing that the Minister must be aware of and that concerns me, is in that announcement of the Minister of Transport there seemed to be the implication that there was generally a surplus accumulating in some of the special crops and I think perhaps he was particularly making reference to rapeseed. That may well be true. But our experience in the past has been that unless we were able to supply a market continuously - and I think the Minister is aware that that is true not only in rapeseed production, it is true in almost every form of production. Any customer of agricultural products in the world, first of all, are concerned that they get quality production and I think that Manitoba is in a unique position to afford them that kind of quality; that they get it at the lowest possible price and of course, the world market will determine that and thank heaven the Minister of Agriculture hasn't got a great deal of influence over that particular market; and thirdly, and I think perhaps more importantly, they are concerned about continuity of supply. It seems to me that if an effort is made by the Minister of Transport who has the responsibility for the Canadian Wheat Board, if that kind of an announcement that received widespread attention by the news media, were to be taken to heart by most farmers there might be a possibility on the part of a good many farmers who had intended to go into special crops, to say, to heck with it. Special crops, as the Minister should know, require a great deal more attention; they're a great deal more expensive to produce and the risks are a great deal more. Consequently of course, if there happens to be a good crop and things work out all right there's also greater returns and that is the encouragement that is provided for farmers to go into special crop production.

I was wondering just to what extent we could expect that the announcement of the Minister of Transport could detract from the Minister's intention to ensure that we continue to diversify into special crops and to afford to our customers in the world markets the one essential ingredient that they look for everytime that they look for a supplier, and that is continuity of supply along with the other two factors that I mentioned.

It seems to me that if any overt or indirect move is made to reduce the continuous supply of special crops in this province, that it would have an adverse effect on

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(MR. JORGENSEN cont'd) our hope of maintaining continuous markets. It was in that regard that I was directing my question to the Minister.

I'm concerned that it might have an impact and I was wondering if the Minister might have some counter move to ensure farmers of this province that if they continued to go into the production of special crops, that the markets were available and that in the long run they would be better off because of the more specialized market that was available to them and greater profits. Because I don't think there's any doubt that in many of those special crops the returns are greater when the yields are average and the price is good. In the past that has been the case. Farmers would not go into special crops unless there was an advantage for them to do so. I would hate to see a situation develop where too great emphasis was placed on the need for wheat and barley to the detriment of the other crops that have been so successfully grown in the Province of Manitoba.

MR. USKIW: Mr. Chairman, I think that from Manitoba's point of view that the sentiments of the Member from Morris are pretty well motherhood. I think that's the way we prefer to look at our situation. In fact, at the Outlook Conference in Brandon, while our staff pointed out some of the latest information on the supply situation of some of these special crops, they did however indicate to the farmers that they would in the long run be better off to be as flexible as they can be, not to lock themselves into a wheat economy again as they had in the past. So that is the kind of message that we have been conveying as a matter of fact.

For example, this may be some interest to the Member for Morris, we are not about to terminate our black bean program because of the announcement of the Minister in charge of the Canadian Wheat Board. Last year we had for the first time 1800 acres on a pilot project in the black bean production area; this year we hope to have about 5,000 acres, so that we are pursuing new crop innovations and hopefully that will add to our diversity and provide for greater stability over the years ahead.

MR. JORGENSEN: There's one other aspect to this whole question of government edicts about what farmers should grow and should not grow. I know of a large number of farmers who wait very eagerly for the government to encourage them to grow one particular crop and then they'll do the exact opposite. And about nine times out of ten they're right. Now it could have the adverse effect. If the government in Ottawa is encouraging them to go heavily into wheat and barley production, they might just do exactly the opposite and go very heavily into special crops, and then the Minister will have a tremendous surplus of black beans on his hands. I wonder if he had considered that possibility and taken steps to ensure that that eventuality did not occur.

MR. USKIW: One of the nice things about a pilot project is that the people involved have some guarantees, unlike the marketplace itself. In the black bean program the department has provided for a minimum guarantee on the price and the department is the sole purchaser at the moment. Likewise for this year that will be the case, so we are not putting anyone into any degree of risk. They know their position on Day One. Now the risk is of course taken up to the public in the research activities that we are involved in but once we get beyond this and into a commercial area of course that will have to change. But certainly we appreciate the points mentioned by the Member for Morris.

MR. JORGENSEN: The Minister doesn't want to leave the impression that only his government has provided the kind of guarantees and pilot projects that he speaks of. I recall very well when I was farming I was under contract with Seagram's for a while, and I can tell you that Seagram's are a heck of a lot better group of people to be under contract with than the Department of Agriculture because they provide not only the price guarantees that the Minister speaks about, but there were

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(MR. JORGENSEN cont'd) other inducements as well that tended to encourage farmers to work with Seagram's very closely in the development of their corn program.

MR. USKIW: I wonder whether the member would indicate to me whether the contract was signed after the other inducements took place.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Well, Mr. Chairman, I'm sure this is all very interesting and maybe entertaining too, but in the black bean contract can the Minister give us some details of the guarantees that are involved in this. Is this on strictly per unit or is it on an acreage basis that the guarantee is there?

MR. USKIW: The contract that we had in effect last year was based on a price guarantee of 18 cents per pound as the initial payment with the possibility of a final payment if the market was beyond 18 cents plus our handling charges. So that in essence there is some hope that there may be an additional payment although it doesn't look very promising on last year's production given the market situation. But that is the nature of the contract.

MR. GRAHAM: Can the Minister then indicate how much of that has been sold in the commercial field and how much has been reserved for seed for the coming year?

MR. USKIW: No we haven't sold any of the production because we believe that it would be prudent to try to wait for an improvement in the market. We are hoping that we might be able to if we use our judgment perhaps increase that 18 cents a bit. But at the moment the market is not good and we are holding the production. As well we are holding in reserve the necessary feed requirements for an expanded acreage.

MR. GRAHAM: Has the Minister had the black beans tested for protein content and has there been much variation in the protein content from one area of the province to another?

MR. USKIW: I know there is information on the protein content and as a matter of fact I'm trying to think of the name of the lady who was involved - yes, Madam Benoit, is it? She was involved in recipes with respect to black beans only two or three weeks ago and apparently they are proving out fairly good and I gather the food value is high. But I can't give my honourable friend the specific content.

MR. GRAHAM: Perhaps the Minister can indicate, was the experiment conducted just in one area of the province or was it spotted throughout the province? Perhaps he could give us some indication of where the tests were conducted.

MR. USKIW: The bulk of that production was mainly south of Trans Canada so it's in the southern portion.--(Interjection)--I would think so, from Souris back to the Red River, yes.

MR. GRAHAM: Can the Minister indicate what the average growing time was on the beans? Was it in excess of 100 days, and if so what would be the average above that?

MR. USKIW: I'm not sure if we have those statistics with us. I know they're available but the question of having them here at hand is something that we're trying to determine at the moment.

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MR. GRAHAM: Mr. Chairman, while I have an interest in the black beans I also have an interest in some of the other crops that are grown in this province. And while I share some of the reservations of the Member for Morris on what farmers will do once government gives them the benefit of their wisdom, we do know that the Federal Government is urging greater production of wheat and at this time I think it would be appropriate for the Minister to give us some indication of what new varieties of wheat there will be on the market in the near future. As you know we have been wrestling with the problems of Neepawa wheat, and some of the problems that are inherent in that particular variety have been of great concern to farmers throughout the province. We do know that there will be available a limited supply of new wheat this year, and at the same time perhaps he could give us some indication of what is happening in the dwarf varieties and the non bread wheats because there is some concern on the part of the Federal Government not to overproduce in the field of non bread wheats. So if he could give us some indication now I think it would be most beneficial.

MR. USKIW: Mr. Chairman, I wouldn't have that information handy. It is available in document form either through the university or through the department or both, and if the member wishes I can provide him with all of the information by copy with respect to each variety, and so on. It may be in the university booklet that was just handed around yesterday, although I'm not sure.

MR. GRAHAM: Well then, not in terms of specifics, but can the Minister indicate whether there has been any increase in research in the cereal wheat field. I think some of the farmers have been concerned that we did make quite a few steps several years ago in the production of new varieties of cereal wheat or bread wheat and that has gone through a sort of dormant stage and I was wondering if there has been any significant increase in research in new varieties of bread wheats.

MR. USKIW: To give a general comment on that, I think it would be fair to say that the University of Manitoba research activities are one of the better activities across this country and they're certainly keeping up-to-date with information and their own research is certainly ongoing. I would have to say that we maintained a high level of research activity there for a good number of years. Whether it's increased dramatically or not I couldn't tell the Member for Birtle-Russell. But I do know we have a fairly good program.

MR. GRAHAM: I raise this issue because for several years we had a sort of a movement, an offshoot more or less, when we went into the dwarf varieties P . . . and some of the others Glenlea and the other non bread wheats which now, I understand, they are attempting to upgrade them to a milling standard. In fact I think that Glenlea has been used in milling and has had fairly good results. But coming from the western part of Manitoba where we are right on the fringe of the fairly high protein bread wheat area, which is predominantly Saskatchewan, there is a concern in that area particularly about new varieties in the bread wheats and some concern about the movement away and into the feed wheats and utility grades.

At the same time I think it would only be fair to point out to the Minister at the present time that the new policy implemented by the Federal Government in the barley industry is causing some concern to farmers and I was wondering if the Minister could perhaps give us some indication of the movement or if he has had much comment from the barley producers in the province with respect to the two-pool system in the marketing of barley.

MR. USKIW: Mr. Chairman, I think that the best way to handle that would be to refer the Member for Birtle-Russell to the document that was distributed yesterday. On page 87 there is reference to new varieties. But I am sure there is more extensive information available as well. But there's no point in going through what is already available to him.

MR. GRAHAM: Mr. Chairman, in respect to the barley field, has the Minister heard many complaints from the farming industry regarding the two-pool system in barley, the huge differential that is occurring between a malting grade of barley and the feed barley, I believe in the past year it's approximately 70 cents difference. It makes a significant difference to those that are in the barley industry.

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MR. USKIW: I've had one single complaint in that respect. The only complaints that I have received had to do with the inequity of the Wheat Board facilitating the off-board market with Wheat Board grains, thereby taking the option of the producer away from him. That is, that producer who decided to market through the Canadian Wheat Board. And a complaint with respect to what effect that had on the final payment. But I have not received any complaints in connection with the point raised by the Member for Birtle-Russell.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, my colleagues here have been talking about the various cereal crops and the Member for Morris made mention of the fact that the Federal Government are emphasizing a greater production of wheat and barley and probably less on the special crops such as rapeseed and flax. You know, Mr. Chairman, when the Federal Minister responsible for this makes an announcement of that kind, I am wondering if the Minister and the officials of his department were concerned to the extent that they would wonder why the Federal Minister would make that announcement in indicating to the farmers to get into a greater production of wheat and barley. There's been, and I don't want to be out of order, Mr. Chairman, but I think that this has a significance to what we are talking about when we talk about crops grown in Manitoba pertaining to the whole of western Canada. I wonder if the Minister has asked himself when he heard that announcement, I wonder why the Minister of Agriculture is emphasizing on a greater production now of barley and wheat and not so much on rape and flax. Now then is there a surplus of rapeseed and flax seed in western Canada, because as I understand it, Mr. Chairman, and I would be corrected if I'm wrong, but I think that Manitoba produces a good portion of both those two special crops such as rapeseed and flax. And I have heard, and I would like to hear from the Minister the reasons for our surplus, if we do have any, of rapeseed and flax, and if so, is it as a result because of the labour strike we've had at the west coast? Is Japan a country that is a customer of our rapeseed and our flax seeds, and as result of the labour strikes at the west coast we have lost sales of those two commodities? And if so, Mr. Chairman, I would like to ask the Minister of Agriculture if this is the case, what did he do about it? What did he have to say about it to his Minister of Labour when he heard about the problems at the west coast? I'd like to hear some comments because I think that this is very important. I believe that those labour situations at the west coast and our lakeheads are relevant to this subject we're talking now, when we talk about what kind of crops are we going to grow, say, next year.

MR. USKIW: Mr. Chairman, I don't think it's worthwhile of the time of the estimates to consider my opinions as to why there is a surplus or there isn't. That is the nature of a market economy and I leave the conclusions to my friend the Member for Rock Lake.

MR. EINARSON: Mr. Chairman, then I get it from the Minister of Agriculture that if there are problems for the farmers, and these are problems that are directed towards the farmer, and he suffers the consequences, Mr. Chairman, that if there are labour strikes at the west coast they're the producers of rapeseed and flax, and if because of these labour strikes and unrest, we have a market for these crops, and because of the strikes we're unable to deliver. And so I'm wondering here again if it is relative again to the whole department in establishing his policies relative to the assistance that he may be giving to the various commodities that are produced in the Province of Manitoba. And so I would just like to have it for the record if I can say to the farmers of Manitoba that this Minister of Agriculture is not concerned about whether the farmers sell their crops or not, even though it's on the provincial basis - I know he doesn't have the authority to take action which is a federal responsibility, but I think Mr. Chairman, that the Minister could voice some objection or some concern to the federal authorities and, Mr. Chairman, I've never heard him do that. To my knowledge, I've never heard him do that; rather, he will criticize some of the policies that they have not enacted themselves. But you know, when we have to depend on world market for our special crops, Mr. Chairman, I think that it's a sad day when labour strikes are allowed

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(MR. EINARSON cont'd)to go on for such a length of time that we create a surplus. So here again I'd like to say, Mr. Chairman, if the Minister is not prepared to make any comments on that, then I take it from him that he's not interested whether or not farmers sell the production that they produce in the Province of Manitoba.

MR. CHAIRMAN: Resolution, 13-b(2)--pass. The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, just before they leave this particular section, I wonder if the Minister had mentioned the tests that had been done by Madame Benoit. I wonder if he might get the results of those tests and some of her recipes and make them available to members of the House, because that diet of particular black beans might provide some change for some of our families from the diet of beans that they have been used to for so many years.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: . . .Marketing Branch has those recipes and we'll be pleased to provide members opposite with them.

MR. CHAIRMAN: Resolution 13(c) Canada-Manitoba FRED Agreement Salaries \$41,100. The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I wonder if the Minister might just bring us up-to-date on the FRED Agreement. It would seem that this program is being wound down considerably, and maybe after he has brought us up-to-date on just where we stand we may further question him on it.

MR. USKIW: Well, Mr. Chairman, this is the last year in the FRED Agreement, so that we're really spending what is now known to be residual funds of the total funding that was provided with the ten-year package.

MR. BLAKE: Is there any indication of an extension of this program, or have you got a definite decision now that this will be the last year of the program and no further projects are to be undertaken?

MR. USKIW: In this regard, Mr. Chairman, the Government of Canada through its new Minister has indicated that for the time being they have shelved any consideration of the extension of any ARDA type arrangement, so that FRED is completed at the end of this fiscal year, while ARDA has one more year to go. We will probably not know for another year or more, as they allege that this is due to their Anti-inflation Program of restraint that they're not now in the position to discuss the future. But that is the position that we are in at the moment.

MR. BLAKE: Does the province have any particular program undertaken under this FRED Agreement that is not completed or will require additional expenditures by the province to complete without the benefit of the federal assistance.

MR. USKIW: Well, the Member for Minnedosa would be aware of the nature of the program, I think he would appreciate that it was very specific in nature of a very specific duration, which we are now drawing to a conclusion, so that anything that happens from here on will have to be either provincial or under some new arrangement with the Government of Canada.

MR. CHAIRMAN: Resolution 13-(c)(1), pass; 13-(c)(2), Other Expenditures--pass. Resolution 13: Resolved that there be granted to Her Majesty a sum not exceeding \$3,820,600, for Agriculture--pass. Resolution 14: Marketing, 14(a) Regional Division \$25,000. The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman, I have a question for the Minister. Perhaps he can indicate - he must have some information in respect to marketing boards and I raised that question, I believe, on some other item on Planning and Management, and I want to raise it to the Minister again. I would like to know--(Interjection)--

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

MR. USKIW: The appropriate place for that is item (c), under this Resolution.

MR. CHAIRMAN: The honourable member raise his question under Article (c), please? Regional Division \$25,000--pass. The Honourable Member for Rock Lake.

MR. EINARSON: Under this, "Provide market analysis development and promotion for agricultural products produced in Manitoba, includes supervision of marketing plans and market stability," how many regions are there in the Province of Manitoba

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(MR. EINARSON cont'd)involved in this thing?

MR. CHAIRMAN: The Minister of Agriculture.

MR. USKIW: There are five regions here, Mr. Chairman.

MR. CHAIRMAN: (a) pass-- The Honourable Member Birtle-Russell.

MR. GRAHAM: Mr. Chairman, what would the \$25,000 be for the Regional Divisions, would that be for a Regional Director, or can he break that \$25,000 down.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: . . .of \$5,000 in a market information program, so it's strictly an informational service to each region.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): These five regions, are they the same as the Development Corporation Regions?

MR. CHAIRMAN: 14(a) pass-- 14(b) Marketing Branch Salaries, \$136,000. The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I note that in the Minister's Annual Report, there are a wide variety of marketing programs undertaken by the government in either attempting to find or locate or to maintain markets for various commodities that are produced in the Province of Manitoba. The objective, as I note in the Annual Report, is to provide market analysis, development, promotion, and market stability for agricultural products produced in Manitoba, and to provide producers of agricultural commodities greater influence in the marketing of their produce. I presume that that latter portion of that statement is dealt with in Section (c) under Marketing Board, but at this point I am interested in getting some information on the government's pork marketing program. A few years ago there was a great deal of controversy in this House and throughout the province amongst the pork producers as to a particular contract that had been signed with a Japanese firm of importers, and I wonder now if the Minister could give us some idea of the status of that particular contract, just how that program now is working in the light of the increases in energy. I understand that because of the increase in the energy costs that the Japanese have cut back a great deal in their imports of agricultural products from Canada.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, that particular item should properly be debated under (c), because it is under the direction of the Hog Producers Marketing Board, which is an elected body in itself and which has the responsibility with respect to any contracts.

MR. JORGENSON: Mr. Chairman, with due respect to the Minister's suggestion, the Marketing Branch must have some particular function, and it would seem to me that since it deals not with the specific functions of the Marketing Board but rather of the location and securing and maintaining of markets abroad, and that it could be more properly dealt with under this particular item. I've no great quarrel about it, one way or the other, but the reason I raised it here is because I thought it was more appropriate to raise it on this occasion. I was not going to question the Marketing Board's function but rather the market itself, and just at what stage we now are in, in the light of changing energies and in the light of the decision on the part of the Japanese government to change their priorities somewhat because of the increased energy costs. Has that had any impact or any effect on the contract that was signed? Has it any impact or any effect on the possibility of securing additional markets, or just where do we stand now with the export of pork to nations abroad? I wonder if the Minister could enlighten us as to just how this country now stands in relation to that particular question.

MR. USKIW: Mr. Chairman, the information we have is that the Japanese are very keenly interested in expanding our trade relationship in particular to both products. So that the question of energy doesn't seem to have deterred them whatever. To be specific, as far as the involvement of the Marketing Branch is concerned in the Japanese market, we were involved in 1975-1976 with the export of some 2400 tons of boneless pork that we shipped to Japan, and anticipated about 4,000 tons for 1976 is contracted. There is also a promotion in the Japanese retail market system, which bears the Manitoba brand name. It's called "Manitoba Cold Country Pork," and the attempt of the Marketing

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(MR. USKIW cont'd)Branch here is to establish a reputation under that brand name so that we can develop what we would consider to be a growing market based on Japanese consumer preference once we have established ourselves in that market through the retail system. So that is the main activity of the Marketing Branch with respect to pork sales to Japan.

MR. JORGENSEN: I'm encouraged to hear that our sales of pork to the Japanese market have not been affected by energy costs; reading some reports that one can find in the paper seem to indicate that there was going to be a substantial cutback in the amount of Japanese imports from Canada as a result of the increase in energy costs.

I note also that in the Annual Report the Minister indicates that another potential market has developed - not in this case pork, but beef - Grassland beef in Israel, and I wonder if he could give us some further information as to the potential and the possibilities of that particular market, particularly in the light of the surpluses that we have been experiencing in the Western world in the last three years with regards to beef. Are there suppliers in that particular market, or is Canada one of the main suppliers in the Israeli market? It seems to me that if there is a possibility that we can expand the sales of beef into that country, that every avenue should be explored to do just that, and I wonder just to what extent the Minister felt there was a potential for a permanent and in a large market in Israel.

MR. USKIW: Mr. Chairman, there was an attempt and there was product delivered to Israel from Manitoba. The current problem, as I understand it, has to do with the foreign exchange position of the State of Israel, which has had a dramatic effect on these arrangements, so that for the time being it doesn't look very promising because of that situation.

MR. JORGENSEN: I don't imagine that we're selling very much pork to Israel, but I heard the comment once that the definition of a born loser was a pig farmer in Israel. That may be true. But I wonder if there isn't a possibility then of that Israeli market developing; surely there must be some potential in some of the OPEC countries. They certainly are not short of the dollars to buy beef, and I wonder if the Marketing Branch had made any effort to ensure that we could secure markets, or if there was even a possibility of a market for Canadian beef in some of the OPEC countries. Perhaps the Minister could don a shawl, whatever it is these sheiks wear, and go down himself and see if he can sell some beef to the sheiks; it might not be a bad idea if, you know, there is a possibility of developing some kind of trade with those countries. They certainly are not lacking the dollars, it may be well worthwhile. I wondered if the department had made any effort or any overtures to try to develop markets for some of our agricultural products in the OPEC countries.

MR. USKIW: I can see the member's point, Mr. Chairman, I'm sure he wants to get some of our oil money back into circulation here. I'm not aware of any particular effort made in that part of the world other than Israel itself. The main efforts of the Marketing Branch with respect to the beef program was in the pilot project which involved 150 carcasses for our own institutional trade and some major retailers in this city, and that was a major activity on their part which provided some added benefit to our producers on that volume of production.

The other one was the sale of about 1,000 head of stock to Mexico. This would be breeding stock, which was facilitated by the Marketing Branch of this department over the last year, maybe a year or two, I'm not sure.

Then of course we have the big promotion of 22,000 lbs. of grass fed beef, which went over very well; that was an effort to introduce the consumer to grass fed beef so that they can at least appreciate that there could be an option in the supermarket if the demand was created. And these are the kinds of innovations that the Marketing Branch was involved in with respect to beef production and promotion.

MR. JORGENSEN: I note that in the report - and I don't want to get into detail on that report at this moment - but I noted in the report that was issued recently on the meat enquiry some suggestion was made about selling the cheaper cuts in some of the stores, and I wonder what kind of a promotion program the Minister had in mind in order

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(MR. JORGENSEN cont'd)to familiarize consumers in the City of Winnipeg or in Manitoba with the possibility of purchasing some of these cheaper cuts - and if indeed they're saleable - I'd be interested in knowing, even if they were made available, whether you'd get customers to buy them. I think there is some doubt in my mind as to whether or not the consumer would be satisfied with what would be advertised as a second class product, and I wonder if the Minister has any ideas of how this part of those recommendations could be implemented.

MR. USKIW: I would say the Marketing Branch was probably somewhat ahead of the Report of the Enquiry Commission in that they indeed attempted to draw to the attention of the consuming public that there is in fact a good edible product in the second grades of beef in this province that the public should become aware of. Unfortunately, I believe it was only one retail chain that was prepared to undertake the experiment, and that was the Bay; all other retail outlets as I recall it did not want to participate in such an educational program. But we hope to break that down with the experience that we have gained in the initial attempt through the Hudson's Bay Company - there, the consumer acceptance was reported to be excellent, and of course the media report on it was very favourable. So that I would say the pilot project of last year was a success story in that respect. And it may be with the support now of the report of the inquiry into the meat industry that other institutions or retail outlets might be more receptive to launching a fairly massive educational program through the retail system in co-operation with our Marketing Branch to introduce this product more fully, or at least the options to the consumers of this province.

MR. JORGENSEN: It would seem to me, Mr. Chairman, that with a meat cutter retailing at about \$22,000 a year and cashiers at \$16,000 a year, I would not be surprised at some reluctance on the part of the other retail outlets to market a product that would return them somewhat less in the way of a profit. I wonder if the Minister has any other suggestions as to how he could indeed promote this kind of a program. I do believe that the suggestion does have some merit, but it's going to take a considerable amount of publicity on somebody's part to sell it to the consumers and to find the outlets that will take the trouble to market that product. If the Minister can enlighten us as to how he intends to go about that kind of a program we'd appreciate it very much, because it does seem to me, as I said, it does have some merit and we would like to see it continued.

MR. USKIW: Mr. Chairman, we as a department are fairly excited about the options that are available providing we do a good job of making the information available to the public. In that respect, we did get involved with the University of Guelph and the University of Manitoba on studies relating to tenderness, fat content or lean content, variation in quality and cuts, so that we might have a more up-to-date package available as consumer information to go along with the next promotional phase. I think it's fair to say that we are in the initial stages of innovation here and it's our intent to be more aggressive as we gain with experience and knowledge. Perhaps some of the traditions, and that's all it is in most instances, can be set aside once the public is fully aware of all of the answers to the questions that they have in mind with respect to quality, price and so on.

MR. JORGENSEN: I take it then that the Minister is intending to become more actively involved in the promotion of that kind of a program rather than leaving it up to the retail outlets to do that themselves. Or will there be a combination of both perhaps working in conjunction with the retail outlets and assisting them in promotion programs?

MR. USKIW: Well, I think it would be foolish to attempt to do it without their co-operation, and I have to say that the Hudson's Bay Company has been most co-operative and I would hope that that kind of co-operation could be achieved with all of the other outlets. But we certainly have a start, and I think from here on it will be a little easier sledding.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I was interested in hearing the information of the Minister. It seems though that we have to pursue quite a deal of questioning to find the information that is important and of interest to us, and I thank him for what we have

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(MR. EINARSON cont'd)received so far.

But I notice, Mr. Chairman, in the beef that was exported to Israel April, 1974, and I'm wondering, did a delegation come over here and specify that they would like to get grass fed beef rather than beef that was fed through on grain as a finished A-1 carcass? And I'm wondering, how did this start? Also, April, 1975 - quite some time has passed, and I'm wondering, how did the people find that grass fed beef? Did they enjoy the flavor of it? And if they were to be given a choice of a Grade A-1 steer, to try both, what would be the results? I'm interested in knowing, Mr. Chairman, of the outcome. And then to know whether we could expand; if they are satisfied with that commodity that they have now received, whether we could expand on that trade.

MR. USKIW: Mr. Chairman, that particular market was developed through the efforts of our Marketing Branch who happened to be touring that part of the world and stumbled on the information, or whatever, I don't know. They did learn of the interest of the Israelis in the cheaper cuts of beef, and so it resulted in shipments of front quarters only, and the price was a big question. They were looking for the cheaper cuts and not necessarily the high grade product that we utilize so much in this country. So they were interested in grass fed beef and only the front quarters of grass fed beef. So that in essence the Marketing Branch was faced with the problem of finding a market for the hinds and so on. The comments are favourable from there, but they are hung up on price.

MR. EINARSON: Is the Minister saying then that there is no possibility of future sales to Israel because of the price?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well no, Mr. Chairman. What I said, though, was that the State of Israel was having a foreign exchange problem and for the moment it appears that we have to sort of shelve activities, but it may be re-opened again.

MR. EINARSON: Yes. Well then if we could get back on the pork situation, Mr. Chairman, and indicate to the Minister, that while we had a problem here not so terribly long ago where an embargo was placed on cattle and hogs going across the United States and that had some effect on our pork market to the United States, I'm wondering if he can elaborate on what the situation is insofar as the market that was developed in California, have we now regained that market of say, stags, boars, and heavy sows. I think, Mr. Chairman, that was an area in the pork business that was certainly well established in the United States and I think we had a market there, and I would ask the Minister if this did not improve the overall picture of our hog market in this province.

MR. USKIW: Mr. Chairman, I appreciate the interest of the Member for Rock Lake. I think it's fair to say that there may be undertakings under way that the Hog Producers Marketing Board would prefer that were not debated, that is, during discussions or negotiations that they are involved with. I wouldn't want to prejudice their position, and so I simply want to say in a general way that there is activity in that area, but I wouldn't want to enter into a specific discussion.

MR. EINARSON: Well then Mr. Chairman, do I understand that there has never been any sale of pork to California? I would be interested in knowing just to what extent. I thought there was a negotiation with the Marketing Board and progress was made in regards to selling pork to California. And because, as I stated, the embargo that was placed on our market between Manitoba and the United States had some adverse effect on our marketing to that country, that's why I was wondering if that has had any effect on the California market and if they're able to pursue it again. Also, have we re-established our markets on sows, stags, boars, and so on, that type of pork that was not found to be marketable here in Manitoba, or even in Canada. Also the fact that because of the Food and Drug Act, which does not allow for the output of boars, if they're able to sell in the United States. And while on that point, Mr. Chairman, has there been any discussion with the Minister and the officials of his department, or the Manitoba Hog Marketing Board, whereby that Food and Drug Act could be changed in Canada as it is in the United States.

MR. USKIW: Mr. Chairman, let me assure the Member for Rock Lake that while there was some disruption with respect to exports to the U.S., exports of Canadian pork, that that is now behind us and there are sales being made to the California market. That is as far

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(MR. USKIW cont'd) as I would want to go, so that I would be at least in keeping with commitments to the Hog Board. We wouldn't want to elaborate much more than that. That is their private affair, the question of food and drug problems. No, that problem has not been brought to my attention by the Hog Producers Board. With respect to sows, boars, and stags, they are now moving into the south as well.

MR. EINARSON: Mr. Chairman, in view of the fact that the Minister has put such a tremendous input into the beef industry, I'm wondering if his Marketing Branch is doing anything in the way of trying to establish new markets in the world insofar as beef is concerned. Because with the kind of stimulæ that he has in the way of monetary funds into the beef industry, in case that there should be quite an increase in the cattle numbers in the Province of Manitoba, is the Marketing Branch contemplating on investigating new markets for this product?

MR. USKIW: Mr. Chairman, I've indicated before that the Marketing Branch is involved in a whole host of activities with respect to all commodities produced in Manitoba. The answer to that has to be, "yes, they will continue their work."

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thanks, Mr. Chairman. I'm not too sure if this is the right place to ask about it, but I'd like to find out from the Minister in the grading and the marketing of the various types of carcasses, steers versus heifers, versus cows, etc., if there is any indication that there would be a better way of marketing these so that the buying public know what they're getting; because we know that there's a spread of roughly five, six and seven cents between a heifer and a steer, and in edibility I don't think that there is this much difference.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I think that that was a subject of the Report of the Enquiry Commission and that it will be dealt with in due course.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, while we're dealing with the Marketing Branch - the Minister has a figure here of a \$136,000 for salaries; in that \$136,000, is any of that money allocated to members of the various marketing boards, or is this purely a Marketing Branch carried out by his department? If so, how many people are involved?

MR. USKIW: Those are the salaries of eight staff people in the department.

MR. GRAHAM: The Minister has talked about trade missions that have been carried out by his department. In those missions I imagine there would be representatives from the various marketing boards involved as well. Now would the expenditures and the expenses of the board members be allocated to the particular allocation here for marketing boards, or would it all come under the Marketing Branch? Or is it broken down that much that it is allocated to the various boards?

MR. USKIW: There are variables here. On some occasions the Marketing Branch has paid the air fare for a representative of an agency to go along with them; in other cases they have cost shared between the Board and the Branch the cost of one or more people who have gone on one of these exploratory trips. So you know, I think if you wanted specifics on that, the best way would be to file an order. But it's done both ways. In some instances, some boards look after their own affairs in that respect.

MR. GRAHAM: Mr. Chairman, then, can I ask the Minister if there are other individuals or corporations other than members of his Marketing Branch and the marketing boards that are involved in these tours that take place from time to time.

MR. USKIW: Putting a good example would be the Purebred Association Beef Sector who had gone along to Czechoslovakia on a promotional tour, and Mexico as well. We did succeed in marketing about a thousand head of beef breeding stock. So, yes, we've had those types of arrangements involving associations, as well as Marketing Boards.

MR. GRAHAM: And their expenses would be paid by the province on those occasions, would they?

MR. USKIW: Usually it's a portion - it's usually air fare that's covered by the Marketing Branch and the other costs are usually borne by an association or the boards, or whatever. But as I said, there are variables here and one could not be specific unless one had the detail.

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MR. GRAHAM: Well, Mr. Chairman, maybe I wasn't too proficient in the three Rs when I took my education, but we have here a figure of \$136,000 and we have eight members that . . . Could the Minister tell me what the average salary of those people would be?

MR. USKIW: Mr. Chairman, there are eight people, some of whom are receiving higher salaries than others, but on average it appears to be around 15,000 or 16,000. I would suspect the director must receive \$25,000, the head man in charge of Marketing; and then of course there would be his assistant below that, and then the regular staff. So the average seems to be working out to 15,000 or 16,000.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Chairman. My question through you to the Minister is - I understand in reading one of the agricultural News Bulletins that came out in the past few months that the department gave, I think it was six boars to China as a gift, and I'm wondering if the Minister could advise, were they presented as a gift to try and develop marketing of hogs in China?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Yes. Mr. Chairman, it was not to China, it was to Guiana where six boars were donated.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could advise what the six boars were worth and are they included in this year's budget or last year's budget?

MR. USKIW: I would think that was in last year's appropriation, Mr. Chairman, and I don't know the value.

MR. MINAKER: I wonder if the Minister could advise if the gift had created any success in the marketing of . . .

MR. USKIW: Well, I would hope that we have helped the country of Guiana improve on their breeding program, that would be a very small contribution on Manitoba's part to the welfare of another country.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, I note also in the Annual Report that the Minister has been engaged in an intensive study on the feasibility of promoting farmers' markets in the Province of Manitoba. I know of one such attempt that was made in establishing a farmer's market here on the Legislative grounds, it was anything but a success. At least from the consumers' point of view it was anything but a success. And I wonder if the Minister could now bring us up to date on this program, the results of the study, and the potential of establishing farmers' markets throughout the Province of Manitoba.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I couldn't report anything on that particular effort; there's nothing concrete that has developed from those studies. I suppose it would be worthwhile, however, to compare the relative success of the two efforts on the grounds of the Legislature, that of the efforts of the Member for Morris and that of the National Farmers Union.

MR. JORGENSON: I would be happy to report on the success of the venture that I conducted.--(Interjection)--Well yes, that was the intention, because there are greater sources of wealth elsewhere, you know. It's easy to . . . There's no trouble at all bilking the consumer. I mean there's a great deal of difficulty bilking the consumer because he's too well informed now thanks to the Minister, and Consumer Affairs, and others. But I'll tell you the taxpayer has a lot to learn, and I, along with a lot of other people, find that it's much easier to get to the taxpayers through the government than it is directly to the consumer.

But this program does interest me, and I'm sorry to hear the Minister say that to all intents and purposes nothing really came of it, nothing has come of it yet. I would hope that the Minister could have reported to the House that in the light of high food costs and the complaining on the part of the consumer, the prices that they have to pay for food, that there would be some response to that kind of a program, that they would make some effort to ensure that they could effectively compare costs as between direct

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(MR. JORGENSEN cont'd) transaction between the producer and the consumer as opposed to a transaction where the product went through several different hands. My impression of the one venture that was carried out on the Legislative grounds was that the consumer would much rather shop in the comfort of a supermarket and pay the kind of price that they were paying out here. It seemed to me that the consumer got the short end of that deal. And if the Minister has conducted other experiments to prove that the consumer as well as the producer can benefit as a result of the establishment of these markets, then we would be glad to hear from the Minister because we want to help him in any possible way that we can to ensure that his ideal of eliminating the middle man can be realized. And this is one of the ways that that can be done.

MR. SHAFRANSKY: How many stalls?

MR. JORGENSEN: My honourable friend the stentorian member for Radisson.

MR. SHAFRANSKY: Why are you stalling?

MR. JORGENSEN: Why am I stalling? I'm seeking information. After all this information is contained in the reports of the department, and since they're contained in the reports there are no conclusions drawn and I'm simply asking the Minister for the conclusions that are contained in the suggestions in the report. And I would like to hear as much as possible about the success, or otherwise, of farmers' markets because to me, to my knowledge, they are conducted very successfully in other parts of the world. It seems rather strange that in other parts of the world that farmers' markets can be overwhelming successes, and indeed a very important part of the conduct of the transacting of produce from the producer to the consumer, why they do not go over here. Perhaps the Minister's study could indicate just why that happens in that country. Are the consumers too well satisfied in the surroundings in which they do their shopping today? Or is it because they have not been educated enough to realize the benefits of direct purchasing from the producers?

MR. USKIW: Mr. Chairman, I'm sure if I didn't rise at this moment that someone else would, so I'll take the remaining two or three minutes which my honourable friends are looking forward to, to deal with that subject. It's obvious that they're not ready to move on the next item and I appreciate their tactics.

No, we are interested in the concept of farmers' markets, but I think it's fair to say that we haven't done adequate research, or haven't had adequate discussion on ways and means, and it is something that has yet to be worked on, it is not as if we have discarded the idea. So just to rest the mind of the Member for Morris, let me indicate to him that we've exhausted the afternoon and I do appreciate all of the little questions and comments as we moved along, and I hope that they would be ready to deal with the subject matter that they want to deal with tomorrow, when we arrive here tomorrow.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): I'd like to ask the Honourable Minister if they were going to have the farmers' markets, could they operate due to so many marketing boards, like the Egg Marketing Board and the Vegetable Board, where everything has to be graded? If they ever set up these Producers' Marketing Boards, like it's in this Annual Report of yours, could they operate and sell ungraded material?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, of course, that is another matter that has to be considered, Mr. Chairman; I don't really know whether I could give the Member for Pembina the answer today. That is one of the considerations that had to be taken into account.

MR. CHAIRMAN: Resolution . . . The Honourable Member for Birtle-Russell.

MR. GRAHAM: I don't know whether the Minister could give us a quick answer . . .

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MR. CHAIRMAN: I'm sorry, I meant the Honourable Member for Rock Lake.

MR. EINARSON: Also, Mr. Chairman, I noticed in the report also that we've discussed a lot on the beef situation and the possibilities of finding markets on beef that is being spotted in this province to other parts of Canada and other parts of the world, and I'm wondering, and I'd like to just read this, it takes a moment, this section of the report: "A mission of the USSR livestock specialists from state farms visited Manitoba in March and indicated considerable interest in the possible purchase of some breeding stocks in 1975 to include Hereford, Angus and Shorthorn." This is something that I'm sure would interest the purebred breeders in the province, Mr. Chairman, and I wonder, could the Minister indicate were there any purebred cattle, or cattle of these breeds that I mentioned purchased by the USSR?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: I'm not aware, Mr. Chairman, whether there were any conclusive arrangements with the Soviet Union on livestock, I don't have any mention of it in my report from the Marketing Branch. We can check that for tomorrow.

MR. CHAIRMAN: Order please. The hour being 4:30, the last hour of every day being Private Members' Hour. Before we rise I'd like to advise the Committee we've spent 16 hours and 10 minutes on the Department of Agriculture. We have passed five resolutions. Committee rise. Call in the Speaker.

Mr. Speaker, your Committee has considered certain resolutions, reports progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose, that the Report of the Committee be received.

MOTION presented and carried.

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PRIVATE MEMBERS' HOUR - RESOLUTION NO. 5

MR. SPEAKER: First item is Resolution No. 5. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): I move, seconded by the Member for Fort Rouge:

WHEREAS it is a long-held precedent in the parliamentary system as practised in Canada, that members of the Executive Council who hold a portfolio have a responsibility to answer for actions of omission or commission in the handling of his portfolio to the other members of the House;

AND WHEREAS the Manitoba Public Insurance Corporation is also marketing general insurance;

AND WHEREAS all Manitobans are required to pay either taxes, premiums, penalty surcharges, and increased costs of drivers licenses;

THEREFORE BE IT RESOLVED that this House instruct the Minister responsible for the Manitoba Public Insurance Corporation to present a set of estimates for examination by this House, during the current Session.

MOTION presented.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, again this resolution has been presented for the second year in a row and I think some of the reasons may have changed as to what I did say last year.

To begin with, Mr. Speaker, I believe, the Minister responsible for the Manitoba Public Insurance Corporation is the only Minister in the House that does not present estimates in the Chamber, and of course, I feel he must feel slighted because of that. I'm sure he would like to have the opportunity to defend his policy and his actions for the previous year. The very fact that the Corporation has expanded its business activities into the fire and casualty insurance field also makes more reasons as to why the members of the House, every member of the House, should have the opportunity to debate the Minister's Department and the Minister's actions for the previous year.

I think that the Minister in replying last year said, "Well, members of the House can attend Committee and ask any questions they wish." This is true but that decision should be made by the House, it shouldn't be made by the NDP, it should be made by the House. The decision to send a department out to another committee is a House decision, it's not a political decision made by one party, which is now the case. And I say that not every MLA is on a particular committee to which his department would be referred to.

For example, I'm interested to know, Mr. Speaker, how much staff the Minister has and what are their duties. If the Minister is only a figurehead for the Manitoba Public Insurance Corporation, well then we should know that: and if that is the case, if the Minister is not putting in his full time working on Government business, namely, his departmental business, well then the Manitoba Public Insurance Corporation should be treated the same as the Hydro or the Telephones, that they are responsible to a Minister and by the decision of the House that department can be taken outside the House to a committee for examination.

If the department on the other hand is important enough to have a full-time Minister with a staff, then the obligation is to defend government actions in that respect in the House. So I say, again, that to say that the Minister's response last year isn't good enough that we can examine his estimates in Committee. I don't think it's good enough to say that we can examine his activities under the Legislative Branch where there's the provision for his salary. There's no provision for any other spendings of the department, not included in the Annual Report of the Manitoba Public Insurance Corporation.

The very fact that the Manitoba Public Insurance Corporation is subsidized is enough of a point that it should be examined by all members of the House. Now I know anyone who gets up on the other side will get up and indignantly deny that there's any form of subsidization, but there is. The very fact that there's been an extra two cents put on gas, which is paid by everybody who buys automotive gas; it doesn't matter whether a vehicle gets five miles to the gallon or 25 miles to the gallon, the people who buy gas

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(MR. G. JOHNSTON cont'd)are subsidizing insurance. And I think everybody in the province realizes that except some of my political friends on the other side. They say that's not subsidization, but the general public do consider it as subsidization. --(Interjection)-- They do. Well then, my friends opposite say that their well worn argument is that if the people use their car more then they pay more insurance, but some people's car gives 30 miles to the gallon and some give 10 miles to the gallon, so this is very unequal and it's a form of subsidization.

The person that has not had an accident all year has contributed an extra \$20.00 to the operations of my friend's Public Insurance Corporation, is subsidizing, he's subsidizing, he's not had an accident.

A MEMBER: All insurance is a subsidy on that basis.

MR. G. JOHNSTON: Well, all insurance, we understand insurance is, you pay for what you get and through your premiums, that's how it should be done. Well I'm interested to hear friends opposite are quite willing to jump to the defense of their actions and I'll look forward to hearing them, hearing their statements.

But I'm saying again, Mr. Speaker, that the Manitoba Public Insurance Corporation is receiving subsidy --(Interjection)-- It is through the gas tax. So therefore, that's all the more reason why the Minister's actions should be debated in the House; he should bring in a set of Estimates for debate, and then if the House decides that it can be sent to a committee, that's another matter. But at least the Government should be responsible enough to have their full-time Minister present his estimates in the House.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, it seems to me that I recall these same arguments from last year, and I think they are equally fallacious.

The Member for Portage once again made a number of arguments. He claimed that in effect the Minister responsible for MPIC should present estimates like any other Minister. But the essential problem is that estimates are a procedure for MLAs, for members of the House examining appropriations, and the only appropriation in these estimates is the appropriation for the Minister's salary. In every other way Autopac pays its own way, and the fact is that if you want to debate the question of Autopac on principle, if you want to cover the waterfront on Autopac, you can do so on the debate on the Minister's salary which is contained under Executive Council, I believe it's (1)(f), under Administration in the Executive Council. You have every opportunity to debate Autopac on principle, you can cover the waterfront under that section of the estimates, and that is the only appropriate place where this should be debated in the House, because that is the only appropriation made by this House in connection with Autopac. If you want questions of detail answered - the Member for Portage for example wanted to know how many employees there are in Autopac - you can ask this question in his office; you can ask this question in Public Utilities Committee, which is the proper place for the examination of the Annual Report of any Crown Corporation. You can ask any question because any member of this House, whether a member of that committee or not, is entitled to go to that committee and to ask questions, and to have answers given to him.

So there is no shortage of opportunities for members of this House to debate Autopac, to ask any questions that they want to ask. They have the Question Period also of course, and they have already used it this session to question the Minister about Autopac, and they will continue to do so. This is good. I believe that the more debate on Autopac the better, because I believe that the more it is debated the more public control there is over it, the better it will be. I believe also that the more it is debated the more the people of Manitoba will realize what a good thing they have in Autopac. --(Interjection)-- Yes. Even the Free Press says so, and when the Free Press is beginning to tell the truth we are approaching the millennium.

Mr. Speaker, the Honourable Member for Portage also repeated this old accusation which dates back to 1970 that we are subsidizing Autopac, and you brought up the two cent gasoline tax. And the very fact that the honourable member referred to it as a tax undermines his argument. Because this is what it is, the two cents on gasoline and motive fuels is a premium tax; it is a premium tax which the motorists of this province pay towards the revenue of Autopac, towards covering the cost of running our automobile

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(MR. JOHANNSON cont'd)insurance system. And, Mr. Speaker, when we debated Autopac in 1970, we had every member of the Opposition benches getting up and accusing us, claiming that we were going to secretly subsidize Autopac, secretly subsidize the government auto insurance system.

And Mr. Speaker, how secret, how secret is this two cent gasoline tax? I have here the '75 report for MPIC, for Autopac, and on page 12 there is a couple of diagrams which show among other things the distribution of the dollar, gross income, gross expenditure for Autopac. What do we find? We find that there are four sources of revenue for Autopac. The major source is the vehicle insurance premium. Another source the driver's insurance premium. The percentage is shown, the figures are given. Another is investment income, percentage shown, figures given on another page. And gasoline revenue, 4.1 percent. The figures are given; there is no secret about it; we have not tried to hide it. This is only one of four methods by which the motorists of this province pay for the cost of running Autopac, for the costs of running the automobile insurance system that they own. There is no secret about it. There is no subsidy. There is simply a different system of paying a premium, a premium tax to Autopac.

Now, Mr. Speaker, the Annual Report not only points this out but it points out that Autopac made a profit. And --(Interjection)-- the honourable member across the way says we're cooking the books. Simmering the books, which is another way of saying we're cooking the books. And you know, Mr. Speaker, we have a peculiar kind of intellectual activity that occurs on the opposite side of this House. Last year when Autopac showed a loss of 9 million, the Opposition roared with delight. They didn't question the figures. They loved those figures, and they accepted the truth of those figures. And, Mr. Speaker, the figures were accepted by them because the figures happened to bolster up their particular argument. And their argument was of course that this was proof-positive that Autopac was a failure, it was proof-positive that a government enterprise was not working and could not work.

The year before Autopac had a loss of 10 million. Did we have the Opposition questioning the figures? No. Those figures they loved again because those figures happened to bolster up their particular position, so they accepted them.

The year before though, Mr. Speaker, contrary to what you read in the Free Press, Autopac made a profit. And I can recall the debate that occurred in this House after the Annual Report was then presented in the House, the books were cooked, the books were cooked. We heard this from the, I believe the Member for Riel. Autopac was cooking the books because it couldn't make a profit, couldn't make a profit, the books must be cooked. The Honourable Leader of the Liberal Party at that time of course claimed that we were charging too much. The fact that we made a profit was proof that we were charging excessive premiums. So we got it from both sides. The Conservatives said we were cooking the books; the Liberals said we were charging too much, charging too high premiums. --(Interjection)-- And the Honourable Member for Fort Rouge says that they were right. Well I don't agree with him. I would have preferred that we charged more and made a bigger profit.

Mr. Speaker, there was an accounting change, and the accounting change was made with the assent and the approval of the Provincial Auditor. It was made with the assent and approval of the Department of Finance. It was made in line with recommendations of the Canadian Institute of Chartered Accountants, and it did have the effect of giving us a profit, whereas on the old system we would have had a loss. But under the old system of course we would have had higher future profits because of amounts accumulating through subrogation that wouldn't be shown on the current books. They would have been shown later as higher profits. But the fact is that the profit that is shown this year is done according to accounting system, according to general accounting methods, and it is approved by the Provincial Auditor and the Finance Department.

So we made a profit in 1975. And I'm happy about that, because I prefer that we make profits rather than losses. We have to balance the books, and I would prefer that we more than balance the books that we build up a reserve so that we don't have to go through the experiences like we did the last couple of years.

I think more and more it's becoming evident that Autopac is a real success, it

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(MR. JOHANNSSON cont'd) is a great success. One of the most conclusive pieces of proof is contained in this Annual Report, and that piece of proof is that our expense ratio in Autopac went down from 19 percent to 17.6. And the expense ratio is the best possible measure of the efficiency of an auto insurance system, and ours is improving. It was already twice as good, it was already twice as good as the private system in the rest of the country, and its' getting better. It's getting better. Now I would think that the people of the province would be happy about this. I know that the members opposite aren't. They want Autopac to fail. They would be happy if Autopac failed. But the people of this province will be happy because they own Autopac, and if Autopac succeeds they can only benefit.

Mr. Speaker, we've made a profit this year. A government enterprise, which has been probably the biggest political target in the history of this province, has made a profit this year. What's happened in the private industry? You know, Mr. Speaker, it's a sad story but I think it should be told. It's a very sad story. It's a sad story. In 1973, according to the industry's own figures, they lost in auto in general over \$134 million in Canada. \$134 million loss - and I think my figures are conservative - in 1973. You know, Mr. Speaker, that is private enterprise. In 1974 the industry in auto in general lost \$330 million in auto in general. They were improving. That was private enterprise. They were twice as good, their losses were twice as high. Mr. Speaker, we haven't yet seen the figures for 1975, and I am anticipating those figures. I don't know if the private insurance companies are, but I am. --(Interjection)-- I'm not bragging, Mr. Speaker, I'm telling a very sad tale.

Mr. Speaker, not only has this happened in Canada but in the United States, in the United States, Mr. Speaker, over the past couple of years 30 private companies in the auto and general field have folded. They've had to close up because of losses. Mr. Speaker, this is private enterprise. In 1975, the auto and general companies lost \$2.3 billion, \$2.3 billion in the United States. You know, there should have been shake-ups. They should have --(Interjection)-- Well there was a shake-up, 30 companies went broke. But, Mr. Speaker, the private companies lost \$2.3 billion in 1975. In that same year Autopac made a profit.

Now, Mr. Speaker, if we raise rates we can make a bigger profit perhaps. We can make a bigger profit if we raise rates. But I just happened to read on Saturday an article in that gospel of truth and voracity, the Winnipeg Free Press --(Interjection)-- I'm sorry, I'll change that, I'll withdraw. In the Winnipeg Free Press of Saturday they have an article which is part of a comprehensive survey, a report on a comprehensive survey on auto insurance across the --(Interjection)-- Oh yes, apparently Fred Cleverley was not involved in this survey. But, Mr. Speaker, this article in the Saturday Free Press was done by . . .

MR. SPEAKER: Five minutes.

MR. JOHANNSSON: Five minutes? Was done by a collective effort by the reporters of the Vancouver Sun, Calgary Albertan, Winnipeg Free Press, Toronto Globe and Mail, Montreal Star. It was collated and analyzed by Jess Odum of the Vancouver Sun. Thank God it wasn't Fred Cleverley. No the Canadian Tribune is not part of this group.

Now this article states that car insurance is the costliest in Montreal and the cheapest in Manitoba. We not only made a profit, Mr. Speaker, but we provided the people of Manitoba, according to the Free Press, with the cheapest insurance in the country. You know, Mr. Speaker, I don't accept the Free Press as gospel, and I am willing to be conservative about this. I would be willing to share credit with Saskatchewan with having the lowest insurance in the country. I'm not greedy. I will share credit with Saskatchewan but Saskatchewan also has a government system, a publicly owned system of auto insurance. And I think they're both good systems.

Now, Mr. Speaker, not only did we make a profit, not only do we have, according to the Free Press, the cheapest insurance in the country, but they also say that that the three government systems have the speediest claims service in the country, speediest claims service in the country. The Free Press says that the three government system have the speediest claims service in the country. That is not bad,

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(MR. JOHANNSON cont'd) Mr. Speaker. You know, that is not bad. And, Mr. Speaker, I think you know, I think that the majority of people in this province realize that they have a very good system of auto insurance. They own it, they control it through their elected representatives. We are the elected representatives. The people of Manitoba elect us and through us they control, they control the auto insurance system. It has never before been debated so much in the history of this province, and never before have we had a better system of auto insurance.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. I just don't know where to start after that great and glowing account of this wonderful public insurance corporation that we have. So I'll throw whatever notes I had away I guess and wave the white flag.

Mr. Speaker, I just want to add something to the debate in support of the resolution put forward by the Member for Portage La Prairie because I think it's deserving of a little consideration. And I can't let all the statements of the Member for St. Matthews go unchallenged because if we have one of the speediest claims settlement systems in the country, I'd sure hate to see some of the bad ones, because we have quite a few letters and phone calls crossing our desks that the Minister and I have little discussions with from time to time and some of them are real "beauts" aren't they? So I really can't buy all that stuff that the member was trying to have us believe on this great insurance system standing on his own two feet and showing a profit. I think it would be a little more honest if he were to tell us this year that they decreased their deficit by a half a million dollars rather than say they made a profit of a half a million dollars. And we all know how that came about.

The resolution is rather straightforward that the House instruct the Minister responsible to present a set of estimates to the House. Now they've got a fairly large and impressive looking statement here so if the operation is large enough to have a minister in charge of it, it probably should be large enough to have a set of estimates presented before the House and debated properly. If it is not that large, you know, there are several other Crown corporations that have another minister responsible. We're handling a pretty massive housing program in Manitoba today and there's no Minister of Housing. There may be one aspiring to that position, but there's no Minister of Housing to date. And I think probably if they have a Minister completely in charge of the Public Insurance Corporation maybe - you're always saying to us we're criticizing and you're saying show us where to save money - well maybe we can save a whole bunch of money right here in that one department. I am sure an operation like this can't be a full-time job, someone like the Minister of Mines, there could probably handle this during lunch. So maybe there's something we should consider over and beyond the resolution that's before us.

But one of the controversies that sprang up this year was an article in the newspaper that was mentioned earlier, and the Member for St. Johns made a statement in this House earlier that there were those running around making irresponsible statements and questioning the integrity of the Provincial Auditor. And I certainly can take exception to that. I think probably he's referring to me, and I don't think the statements that were made on this side of the House were irresponsible, we were merely saying, let's get this thing out where people can understand it.

MR. SAUL CHERNIACK (St. Johns): Would you permit a question?

MR. BLAKE: Yes, as soon as I'm finished. I have a letter from the Provincial Auditor that discussed it with me, and he provided all the figures, and it's understandable to, I would say, maybe five percent of the people in the province. There's not very many people that you give this set of figures to and have them understand where the cash flow, or how the cash flow is handled whereby all the money comes into the Minister of Finance and goes back to the Corporation as they require funds. So one of the moves that could be made that would be most beneficial, and something that I would urge the Minister to consider or those people responsible with that particular function, would be to alter the year-end of the Public Insurance Corporation to coincide with the year-end the fiscal year of the government, and in that way there would be no question of these funds being at loose ends. You'd be able to get an absolute accurate picture of how many dollars were taken in as premiums, what was paid out, and exactly where the Corporation

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(MR. BLAKE cont'd) stood, and it would clear up any controversy or any suspicion in the minds of the people that came about as the result of the apparent difference in premium income and money paid out.

This happened at a particular time when the problems with the B. C. Public Insurance Corporation were prominent in the papers, and I don't think it did anything to allay the fears of the motoring public in Manitoba to find out that there's a \$181 million there that had to be written off. Hopefully that small decrease in the deficit that was provided this year can be continually increased until the deficit in Manitoba is wiped out and doesn't have to be a burden on the taxpayers, or on the capital account as it was, or the method they chose to clear it up in B. C. Hopefully, hopefully the subsidy being provided from the gasoline users of the country will be sufficient over the next ten years maybe to wipe out the deficit.

But now that we're into the general insurance field and, of course, the Member from St. Matthews mentioned what atrocious losses they're suffering in that field. And of course you know in the private enterprise system when that happens the rates are going to be adjusted accordingly so as they stop those losses. They don't have a gasoline tax to fall back on or any large well of funds to back them up, they've got to start breaking even or they're going to be in real serious trouble. But the fact that we're proceeding at a fairly fast rate to become one of the largest homeowners or landlords in the province, and this is going to provide a great deal of premium money for the general insurance field, and that's something that I think they should keep a pretty close eye on because they can take some lessons from the private industry. If they've lost that much money in the private sector, let's make sure it doesn't happen in the general field as it has happened in the auto field.

But to present a set of estimates to the House to be thoroughly examined as are the other departments, where the Minister comes before the House with his advisors, and they have an open area to question all of the activities of the Corporation, I don't see why there's so many objections to the resolution. I think it's something that can be considered without any problems whatsoever. The Corporation is becoming larger and larger with the entry into the general insurance field, and there are going to be more and more questions asked as time goes on. The premium rate this year was up something I think like \$20 million, \$68 million taken in, so this is becoming a pretty good sized operation. If there's going to be a Minister in charge of it, let's set it up like the other departments and handle it properly.

There was another item touched on by the Member for St. Matthews when he had the comparable rates throughout the country, and let's hope that we do have the lowest rates. I know what I paid this year and if it gets much higher I don't know I'll probably be riding a bicycle. But he's comparing all of these rates across the country but then he zeroed in and says, Montreal has the highest rates and Manitoba has the lowest rates. Now that's absolutely ridiculous to compare Montreal with Manitoba. Anybody that's ever driven in Montreal and driven in rural Manitoba, there's certainly no comparison there. And their rates should be twice as high as they are down here. So when you're going to make comparisons like that, let's be a little fair, let's compare Winnipeg with Calgary or London or Red Deer, or somewhere there and you're going to get a little closer.

--(Interjection)--

MR. SPEAKER: Order please.

MR. BLAKE: It's not as bad as Montreal, let's face it. And the insurance corporations out in Alberta I would say are probably breaking even, or making a dollar; they're not losing \$20 million in two or three years.

So these are some of the things, Mr. Speaker, that I think the members opposite while we know they love to crow and glow about this great and wonderful people's insurance Corporation, they've got to be honest when they do show comparisons. And there's an awful lot of cost with the claims centres and various other aspects of the auto insurance. Some things about it are good, there's no question about it. I just happen to believe that I should have a choice on where to buy my insurance, and it's going to be very difficult to change my attitude on that. If I should have an accident I hope I don't have to sit in line for eight hours as some people have, and I hope I don't have to go

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(MR. BLAKE cont'd)crying to the Minister to try and get my adjustment up to what I think it should be. But these are some of the things that the public are still conscious of. It's been said on the other side that Autopac will never be an issue any more, that the people love it, and we've got it and everybody is immensely happy with it. I say, Mr. Speaker, that that's not exactly the case. That Autopac is an issue with an awful lot of people, and it's going to be an issue with an awful lot of people for a long time. Now we may not find out till next election. I know the Minister is extremely happy over the way they chose to knock the deficit out of B. C. and give the old motorist their premium right in the head the first year because he's going to say, look you elect these guys, look what they're going to do, they're going to jack your Autopac up \$150 each just like they did in British Columbia. But I think the people in British Columbia maybe had a little hard lesson to learn about government ventures into business, and how they got into that predicament out there I'll never know.

We had one of the, I guess one of the best examples of a government-run insurance scheme that has been running for 20 or 30 years in Saskatchewan. How we got into a mess after taking all the good features from their operation, I think we took a lot of their people too, and of course, I guess when we found we got into the problem here we sent those people out to B. C. and they got them into a bigger problem out there. But after having two shots at it, we had a go at it with Saskatchewan. We should have learnt from their bad experiences, and British Columbia certainly should have learnt from the problems that we had here, and how they got into that mess I'm sure the people out there are still wondering when they look at the \$181 million that went down the drain in a very short while.

So, Mr. Speaker, I don't have any problem in supporting the resolution. I think it's . . . We talk of open government. The people across the way there are great believers in open government. Here's a chance to lay the estimates on the table before the House. There's going to be no more critical examination probably than there would be in committee, but it might just be a little fairer to set the ministry up, you have a Minister in charge of it, set it up and let's run it as a special department with a set of estimates.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, the honourable member agreed to permit a question dealing with the Provincial Auditor. I'd like to know whether he did, and whether he does question the independence and the integrity of the Provincial Auditor.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: No I certainly don't, Mr. Speaker. I merely said for the benefit of the general public who don't understand the set of figures that was provided, they probably believe more of what they read in the newspapers than the Member for St. Johns and I do, and this would be one way to, I think, satisfy them. They would say, well okay there's been private auditors come in and they have audited the books and they find exactly the same thing, so it's got to be all right. That's merely what we were saying. We certainly weren't questioning his independence or his integrity whatsoever.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, would the honourable member permit a question? I'm wondering, Mr. Speaker, whether he would refresh my memory in naming the Crown corporations which had to table their estimates in the House during the days when the Conservative Party was the government.

MR. BLAKE: Mr. Speaker, if I would have been a member of that government I would certainly have had no problem refreshing my memory but unfortunately I didn't come into the House till '71.

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, I think that we should direct ourselves to the resolution because I think that that is the important feature of what we are talking about, and I would not like it to be misunderstood as to whether or not there is opportunity for questioning line by line the estimates in terms of the Manitoba Public Insurance Corporation. I want to get that point on the record: That this resolution is a good

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(MR. GREEN cont'd) resolution to debate; it is a good time for us to sort of vent our differences on Autopac. I expect it to take place every year. I think that it's an appropriate means of bringing the subject to the surface as any, but as being a necessary means for going over the expenditures and the income of Autopac, I would think that every member in this House knows seriously and does not doubt that those things can be gone over as seriously and with more detail and more examination than the estimates of any other department. And that is the point that I wish to make clear because there may be as a result of this debate in which there will be a conflict, and the conflict will be really the efficacy of the automobile insurance program being questioned by the members of the Opposition, and the effective and the desirability of the automobile insurance program being expounded or extolled by members on this side of the House and perhaps in the end a vote which registers an affirmative vote on one side and a negative vote on the other, that that vote is really going to reflect the differences on Autopac. They are not going to reflect the differences which are suggested by the resolution. And the differences that are suggested by the resolution that the Member for Portage la Prairie has pointed out, and the Member for Minnedosa has just skipped by, are whether or not the books of Autopac are open, and whether the expenditures of the Minister can be thoroughly dealt with. And on that issue, Mr. Speaker, I wish to make it abundantly clear that there is no doubt by the members on this side of the House, and I am equally certain no doubt in the minds of the members on the other side of the House that those books are open, that the estimates are available, that they are subject to line by line and if need be cheque by cheque, and I say that in terms of money cheques by money cheques scrutiny when the Minister appears before Public Utilities Committee with the General Manager of the Automobile Insurance Corporation, and deals with all of the expenditures of the automobile insurance. So lest there be any suggestion in this issue here that somebody is trying to keep something secret, I want, Mr. Speaker, to underline my view that that's not the intent of the resolution, that may be the words of the resolution. The intent of the resolution is to provide during Private Members' Hour a forum when we can exchange comments on this issue of Autopac.

Now that hour having arrived, and I suppose it will arrive two or three weeks hence when we reach this resolution again, I am sure that it's going to be one of the more enjoyable, one of the more volatile, one of the more exciting debates. And on that basis, Mr. Speaker, both sides of the House welcome it.

On the debate itself, and I think that the Member for Minnedosa who is the critic for the department on that side of the House, has been most enlightening by the things that he did not say, Mr. Speaker. Because the biggest issue with respect to Autopac this year would surely, would surely be the issue that somehow this government took \$51 million in public funds and subsidized Autopac for the last three years, that that would be the biggest issue, if there was a scintilla of truth in that suggestion. The Honourable Member for Minnedosa, yes, Mr. Speaker, the Honourable Member for Minnedosa as I say spoke eloquently with his silence. If the members of the opposition of the Conservative Party believed, or had the slightest suspicion that \$51 million was diverted from public revenue to Autopac that would be the theme of every speech in this House by the members of the Opposition. That was not the theme of the speech of the Member for Minnedosa. And the Member for Minnedosa received from the Auditor a letter explaining exactly the financial position of that company, and I would suggest that the Member for Minnedosa has deduced from that position, and he says only five percent of the people understand it. I am suggesting to you that the big majority of people in the Province of Manitoba although they might not understand every transfer of funds, do understand that Autopac is financed through premiums and through a two cent levy on gasoline taxes, that it has incurred cash outflows greater than inflows by some \$20 million in its four years of operation, and that it has not received support of public funds in the way that was suggested by the Winnipeg Free Press with a newspaper editorial which said, "Public Kept in the Dark." Now, Mr. Speaker, there's nothing more satisfying than I, as a member of this government, because I said when I saw that story, that if that is true I will resign my seat, that that is how certain that I was sure that that story was false, and that if it was true it was kept from me too, but when I saw that story, and every

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(MR. GREEN cont'd)other member on this side of the House, that is what I said when I saw that story. There's nothing that could have given me more satisfaction, Mr. Speaker, in this House, with respect to the public view of Autopac than that the Conservative critic on Autopac got up, after that story appeared in the paper, got a report from the Auditor, and did not make anything resembling that allegation a part of his attack on this Government's operation of that program. Because I would suggest, Mr. Speaker . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: I raise a question on privilege. I understand the Government is suing the Free Press. Do I understand correctly? If that is the case, is this topic that he's now broaching not sub judice.

MR. GREEN: Mr. Speaker, the Government is suing the Free Press. The topic which is sub judice, if I may suggest it, is as to whether or not the Free Press committed a slander. The Statement of Claim suggests that there is no public diversion of funds, that matter is on the record. That is what I am repeating. I am happy that the Member for Minnedosa did not repeat that allegation, and I'm suggesting to you that the reason that he did not repeat it is not because it is sub judice, because that is not what is sub judice, the question at issue is whether there has been a slander by the Winnipeg Free Press against Autopac.

As to whether or not there has been a slander involves much more than the issue as to whether \$51 million in funds were diverted. And I suggest to the Honourable the Leader of the Opposition that the filing of that Statement of Claim, and I put this on the record, would under no circumstances prohibit the members of the Opposition from suggesting and inquiring into whether \$51 million had been diverted from public funds to Autopac. And do you tell me that when we file a Statement of Claim in that respect, that you will stop asking questions, because, Mr. Speaker, if that were the case then an unscrupulous government would file Statements of Claim on every sensitive issue which they were involved in to prevent talk by the opposition. The issue is whether or not there has been a slander, not whether \$51 million in public funds have been diverted. And I'm suggesting to you that if \$51 million in public funds were diverted, that the Member for Minnedosa could raise that issue, and everybody else could raise that issue, because it would be part of the accounts of the Province of Manitoba and we could not escape discussing it because there happens to be a statement of claim across the room.

Now, Mr. Speaker, I say to you that the Member for Minnedosa did not raise that issue because he is satisfied, as a result of receiving the Auditor's Report, that that is not what occurred, and that that is the only reason. I say to you that that gives me great satisfaction because I know that that is not what has occurred.

Now the Member for Minnedosa and other members on the Conservative side of the House continue to talk in terms of a subsidy for Autopac. And I'll tell you why they talk about a subsidy for Autopac, because the members of the Opposition from traditional usage have a large preference for raising money through premiums. They think that if you raise money in premiums it hurts the people less than if you raise money through taxes. And, therefore, every time they see something raised by general revenues or by another means of taxation, they regard that as a subsidy and they regard the premium as the legitimate forms of payment.

So weathered, so doctrinally attached were they to that principle that when they had to raise \$30 million, and we all remember it, to pay for the provincial share of the Medicare Program, they said, "We're going to charge it by means of a premium and therefore it will not be subsidized, it will be a fully premium paid for plan." Now it was brought to their attention, you know, that a premium is charged to every family equally to be entirely accurate, except those on social assistance. And if I'm leaving somebody out I'm sorry, but the premium was to be charged to everybody except those on social assistance, and it worked out, I think, to roughly \$110 per family per year. A family in the middle income groups, if they paid for the same \$30 million by a uniform raise in the income tax rates, in order to achieve that \$30 million would have paid in the neighbourhood of \$45.00 a year. But so in love, so weathered, so doctrinally attached were the members of the Opposition to premiums, that they said, "The public will be much happier to pay \$110 if we call it a premium than to pay \$55.00 if we call it a tax."

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(MR. GREEN cont'd) And as a result of being so doctrinairally attached to that system of financing they found that they, and I repeat this, had converted many people to what they called socialism.

Now, I say to the Honourable Member for Minnedosa, who is a banker and should know about money matters from his experience, that the manner of raising the revenue can be equally valid, and in some cases more intelligently raised, if raised through a different form of system than through a premium.

And let me deal with the auto insurance specifically. You know, when we were first talking about automobile insurance, there was some suggestion by some of us, and this was discussed, I'm not revealing secrets, that the best thing to do for Autopac would be to raise the insurance, not by policies, not by premiums, but by gas taxes, that this would eliminate all problems which we were going to experience at that time of issuing policies, of keeping records with regard to policies, etc. It would eliminate all problems of the people who wanted to pay on a quarterly, or on a time basis, that the premium would be related very closely to what it should be, the person who used more gas, either drove a bigger car or drove more, and that it made as much sense as the rating systems of pleasure, business, and what have you, and that you could wipe out perhaps \$2 million in administrative costs by doing it that way.

MR. SPEAKER: The Honourable Minister has five minutes.

MR. GREEN: And, Mr. Speaker, I must say that it was given serious consideration, and at the time - and perhaps the Minister will help me - I think it required about 14 to 16 cents. I think that it required about 14 to 16 cents and at the time we may have been paying 45 cents a gallon for gasoline, somewhere in that neighbourhood. And people said, "My God." --(Interjection)-- Question?

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker, I just wanted to, seeing as we were going to run out of time, if the Minister might care to comment. What would he think of altering the fiscal year end of the Corporation to coincide with the Province's year end?

MR. GREEN: Mr. Speaker, to me it's six of one and half a dozen of the other; I don't care. To me you can make it a fiscal two year. You know, it might have been better if it had been a fiscal two year we'd only have lost \$10 million in the two years rather than a one year. That doesn't matter, those things are to me mechanical.

But the other thing had an effect and it would have cost 14 cents and a lot of us sat around and said, "My God 14 cents, I mean, we'll be strung from lamp posts a 14 cent increase in gasoline," even though it would eliminate \$150 premium, which would mean that the payment would have been \$85.00 or \$90.00 as against \$150.00. And it would have made a lot of sense. But, Mr. Speaker, I think that generally it was felt that it was too much difference in what we have been doing up until now and that that represented too high an increase in gasoline. Isn't it ironic, Mr. Speaker? Isn't it ironic that gasoline is now selling for 75 cents a gallon. And when I was in Israel it was selling for \$2.00 a gallon. And we could have had gasoline selling for 60 cents a gallon, 61 cents, and no automobile insurance payments by means of the sending out of the cards, and the checking as to whether you have paid, and the returning of the licenses, and things of that nature. So let's not say that under no circumstances should we be dealing with financing, provided, provided it is clear that this is the actuarial need . . .

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Speaker, I wonder would the Honourable member permit a question?

MR. GREEN: Go ahead, sure.

MR. HENDERSON: Do you not agree that the two cents a gallon that's paid on gasoline, that is used in snowmobiles, motorboats and lawn mowers, and other things like this, is really a subsidy to Autopac.

MR. GREEN: Mr. Speaker, I'm advised that none of that money goes into the Autopac fund, that there is a calculation made and that money does not go in. What really happens is that person may be paying two cents a gallon more in taxes than other people but it's going to general revenues, not to Autopac. They may be a problem, but

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(MR. GREEN cont'd)you know there are so many little problems of that kind that you can raise that do not really cause great problems, that I can give you headaches that we have got that are much more serious than that one. That two cents I am advised does not go to Autopac. There are things that they have done with that kind of thing in Toronto like when you buy it you can claim a refund, and stuff of that nature, but we did not see fit to do that.

Just let me continue, Mr. Chairman. I'm dealing with the fact that there are different ways of raising the money, and that provided that actuarially, and this is the important thing, that actuarially at the beginning of the year you say you need \$65 million, and you say it's going to require, let's say 10 cents in gasoline or 14 cents in gasoline to raise that, you are going to have an increase of 14 cents, and that's the amount that goes to Autopac, and that that is all that you do; and next year you again actuarially have a loss, you have to raise it or reduce it as the case may be, then it is not a subsidy, then it is not sort of a cushion to make up for your losses, then it is a part of the premium.

Now, I'm not going to convince you of that; I'm not going to ask you to adopt that. All I can do is to be satisfied in my own mind and try to convey that to the people who I am seeking support this Government, that that is the case, that part of your auto insurance premium is in the premium, part of it is in the two cents in taxes, part of it is attached to your license, and part of it may be added in terms of a surcharge when you are involved in accidents. Even if you had a total financed gas system you'd still need a license fee, and you'd still need a surcharge fee in case of accident. --(Interjection)-- I'd love to help my honourable friend but it's 5:30 and I'm not going to be able to . . .

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): I think, Mr. Speaker, the Resolution says "Autopac Estimates before the House," would the Minister tell me, because I'm a new member, where do the estimates go, and do all members of the House get an opportunity to ask questions at that particular committee?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: I will answer that question. If you were here from the beginning of my speech I will answer. Were you here at the beginning? --(Interjection)-- Well I said to all of the members in the House, if you were here I will re-explain it, but if you weren't here I wasn't going to do it. The automobile estimates go to Public Utilities Committee. There is a committee in which certain members are named, line by line you can deal with every item of expenditure on Autopac, and any member can be there and is permitted to participate.

MR. STEEN: Ask questions?

MR. GREEN: Any member, yes, is permitted to ask questions on it. He is permitted to debate, Mr. Speaker. No member, no member of the House is not permitted to make his voice felt in the Committee. He is not permitted to vote. And if there is an item which you want to vote on you can then bring it into the House and deal with it during the Estimates of the Minister's Salary, which also has to be approved by the House, so there is no question but that every item of expenditure is surveyed by any member of the House that wants to survey it. Yes, I have no doubt about that whatsoever.

MR. SPEAKER: The Minister's time is up. The Honourable Member for Flin Flon.

COMMITTEE CHANGES

MR. THOMAS BARROW (Flin Flon): Before you adjourn, Mr. Speaker, I'd like to announce, with your leave, two changes on the Labour Relations Committee. The Member for Flin Flon will replace the Member for The Pas. The Member for Churchill will replace the Member from Thompson. Thank you.

MR. SPEAKER: Order please. Did the Clerk catch that last one? Would you repeat it?

MR. BARROW: The Member from Churchill to replace the Member from Thompson.

MR. SPEAKER: Agreed? Very well. The hour of adjournment having arrived the House is now adjourned and stands adjourned until 2:30 p.m. tomorrow afternoon. (Thursday)