

THE LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, April 6, 1978

Time: 8:00 p.m.

SUPPLY — AGRICULTURE

MR. CHAIRMAN: We are dealing with Item 1.(c)(3) — Special and Emergency Programs — \$16,800.00. The Minister of Agriculture had the floor as we adjourned at 5:30. The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, the Special Emergency Programs, there is \$1,000 for assistance re seed and fodder to farmers for feed and seed that may be required in case of flooding and other emergencies; emergency grasshopper control of \$1,000, and the special assistance to farmers and municipalities for severe grasshopper and insect infestation; and the final one for \$14,800 is a grant to the Winnipeg Gardeners.

MR. CHAIRMAN: 1.(c)(3)—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I don't believe the Minister is terribly serious, or perhaps is, about allocating \$1,000 for an emergency program I am wondering whether it isn't possible for him at this moment to elaborate on the potentials of those appropriations.

MR. DOWNEY: Yes, Mr. Chairman, it is because of an emergency situation. The funds are usually provided by a special warrant because it is very difficult to prejudge an emergency situation, a natural catastrophe.

MR. USKIW: Mr. Chairman, I am very pleased to hear that from the Minister of Agriculture because the Minister of Finance led us to believe that we should have not anticipated expenditures of that nature which ultimately resulted in greater deficits than what we had planned upon and in particular having to do with the emergency programming. So at least we have one Minister of the government who recognizes that those kinds of contingency provisions are essential in a modern system of government management.

MR. DOWNEY: I might, however, at this time, say that because of the flood, if the assistance for seed and fodder is for an emergency such as flooding, it appears that there will be no problem this coming Spring. And also the grasshopper control certainly does not look like it will be used to any great extent this coming season.

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

MR. ADAM: Mr. Chairman, I find it difficult to understand how the Minister can come to the conclusion that it appears there won't be any problem as far as emergency situations. As you will recall, last Spring we began the season with a very dry Spring, so much so that an emergency program was set up to assist farmers in the event of a very serious drought. That program was put into motion, it was all prepared, and I believe this is an area where you can call on Federal dollars.

After the Spring drought, we suddenly ran into a severe flood and as a result of this, we had a very very poor crop because there was no growing season in the Spring because of the drought, and then we had these terrible rains in the Fall which prevented farmers from harvesting their feed in good condition. As a result of this, the Parkland area was severely hit. I don't have the exact figures from what took place in my own area but it may be of some concern for the members to have some of the figures as they applied to the Member for Gimli, a constituency which was represented by a Conservative member.

Before we adjourned for the supper hour, the Member for St. George had asked the Minister what the purpose was for the appropriation of \$16,800, which seems to be a very modest sum. In the Fraserwood area, the cattle count was taken there by people in the area, and in fact there were resolutions sent out, passed by the Local Government District of Armstrong: "Whereas due to heavy rains this past summer a large amount of hay was lost that had already been baled and stacked; and Whereas also due to heavy rains, the farmers were not able to put up the balance of their hay crop; and Whereas a loss of hay was as bad or worse than 1975; therefore be it resolved that this district request the Department of Agriculture for assistance for hay loss due to heavy rains."

I presume that the Minister of Agriculture received that resolution. Also, there was a petition along with it showing the sections and the amount of cattle involved, the amount of hay on hand and spoiled, and so on.

To recap the amount of losses in that particular area, they had 14,502 livestock and the needs were 43,506. The total hay on hand was 21,425 and this included the feed that had been spoiled because of heavy rains. There was spoiled, 8,373; net on hand, 13,052.

This was a very serious situation. The same thing prevailed in the Parkland area. Many requests and meetings were held with the Minister and the Minister did not see fit at that time to come up with

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assistance to these hard-pressed farmers in spite of the fact that last Fall the livestock market was very depressed. We are pleased that it has strengthened since then somewhat, but at that time the livestock prices were in a very depressed situation. We believe that these are important programs, unlike the "pinko" government of Alberta . . .

MR. CHAIRMAN: Would the honourable member put that word in the record again just in case Hansard missed it, that Alberta . . .

MR. ADAM: Mr. Chairman, I'm trying to compare this present government here in Manitoba with the government of Alberta and I consider the Alberta government to be "pinko" . . .

MR. CHAIRMAN: Ah, "pinko," that was the word.

MR. ADAM: . . . in comparison to this government. Where their ranches were in the same situation as the Manitoba farmers here, the Alberta government saw fit to come in with a program which would at least assist each farmer up to a maximum of \$2,000 for the transportation, not for the purchase, but at least for the transportation. But this Minister here has not even seen fit to do that, not even to allow them to . . . I would like to know, Sir —(Interjection)— Well, would you like to speak, the Member for Pembina wants to speak, I am sure he can get the floor.

I would like to know what is the intentions of this government, are they going to continue to disregard the need of farmers when they are hard hit as they were last fall?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, I think I will start off by discussing the figures that we were discussing, not try to deviate too far. I would like to make a comment, however, on part of the statement made by honourable member opposite and it is certainly not time to criticize last year's budget, but it has been indicated by honourable member opposite that at this particular time there were serious drought conditions that the government was being faced with. At this time the conditions look very favourable and we have still maintained the same amount of emergency funds in the budget for a problem which we cannot foresee. There was a bigger problem foreseen last year and I think we are certainly being responsible in maintaining that same amount of money in the budget.

As far as the feed assistance program is concerned, in case the honourable member opposite has not heard the answer in the House the many times that he has asked it, after negotiations with the Federal Government and certainly our department looking at the problem and we were concerned that there was a cash shortage for the purchase of feed in areas where feed had spoiled, that we did implement an emergency loan fund through the Manitoba Agriculture Credit Corporation, which individuals could come in and borrow \$2,000 to assist them.

So I would like to go on record again as saying that we did implement an emergency program, a loan fund for those individuals to help them out in times of distress.

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

MR. ADAM: Mr. Chairman, that is certainly an earth-shattering program of assistance to go to farmers who do not have money, who have cattle on hand, the price is depressed, there is all kinds of lending institutions, and here the Minister is trying to lead us to believe that putting up a program of loan for the purchase of feed is something out of this world. I would like to ask the Minister if he could advise us how many ranchers have taken advantage of this grand program of assistance that he is so proud of. Could he give us the figures of how many ranchers who were short, hard-pressed for feed and had to purchase feed because they had lost it because of heavy rains, how many farmers took advantage of this great program?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: MR. Chairman, I don't have those figures available to us right at this time. The feed program, I believe, is still available and I think it indicates that the fact that there was a program available if people were unable to obtain cash, it certainly provided them the opportunity to help if they were really in trouble with a sincere feed problem.

I think it indicates the true fact, whether there really was a catastrophe feed situation or whether it was a matter of feed assistance being available without any repayment or whether it was a loan that they really wanted — that's a difference in cash shortage and feed shortage.

MR. ADAM: Mr. Chairman, I think last fall I brought it to the attention of the Minister and I believe I did warn him at that time that there was a very very heavy run of cattle being sold just because of the fact that there was a very poor crop and a deteriorated crop of feed that had been harvested. In my own particular situation I had to make a decision in my own operation as whether to keep my livestock with the kind of feed which I had on hand which had badly deteriorated after it had been harvested and stacked, and my decision was to liquidate the entire herd and several ranchers in our area did likewise or at least drastically reduced their herd and I understand now that the livestock

population is down about 7 percent across Canada.

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

MR. USKIW: Mr. Chairman, this is a very intriguing discussion. I would like to know from the Minister if he is prepared to, sometime during the course of the Estimates debate, advise us as to how many farmers took advantage of his loans program, sometime in the course of the next two or three days, whether we can get that commitment from him.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. ORCHARD: Mr. Chairman, I might comment on the Honourable Member for Ste. Rose's concern about what he considers to be quite a modest amount budgeted under special and emergency programs. If he were to look in the budget for last year he will find the figures identical and I wonder why he might not have increased that modest amount last year. It would almost appear as if the Member for Ste. Rose has approximately the same amount of influence on budget this year as he had when he was in government. I think that vis-a-vis the much brighter outlook in the province for agriculture this year that I think that our Minister of Agriculture is due a very warm round of commendation for being able to convince Cabinet to allocate the same amount of funds to emergency as there was last year, vis-a-vis last year we were facing a very serious drought situation. I think under the circumstances the Minister deserves a great amount of credit for tenaciously fighting for equivalency in budget from year to year.

Just as one more comment for the Member for Ste. Rose. When he compares the, and I almost shudder to say it, the "pinko" program in Alberta and vis-a-vis their help to their livestock producers on hay assistance, I would just caution the Member for Ste. Rose that perchance he should listen to his own leader who, upon occasions says that comparisons with provinces that have oil resources are not valid, because oil-rich provinces have resources much beyond the Manitobans and it might be something to listen to your leader in terms of comparison to Alberta.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: yes, the numbers that the gentlemen opposite were asking — the number of emergency feed application loans that were let out were a number of 38 farm people for a total of \$66,993 to date.

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

MR. USKIW: Mr. Chairman, I would like to take advantage of this opportunity to welcome the Member for Pembina to this discussion because I am sure with the passage of time he is going to learn something about the Estimates of the Department of Agriculture. I think if he did his research he would have known that those items, or that particular amount has been shown in Estimates for probably a decade or two. It has nothing to do with whether there is an intent on the part of a government from time to time to indeed spend any portion of it.

And that is the reason for the question here today — is while the item is here, the proviso is here for dealing with whatever emergency situations arise from time to time in the next 12 month period, what we want to know from the Minister is whether he is intending to use his authority because last year he didn't use that authority in spite of the fact that we had from the government of Canada a readiness to participate on an equal cost-sharing basis with the Province of Manitoba on whatever feed program the Province deemed advisable to launch into, so that it has nothing to do with the printed Estimates, it has to do with the willingness of the government of the day as to whether anything is going to happen as a result of those provisions.

MR. CHAIRMAN: The Minister of Agriculture.

MR. DOWNEY: Yes, for the record, I would just like to let the Committee know that after contacting the federal government last year, we were unable to qualify for feed assistance through the federal-provincial agreement because of the fact that it was not because of the drought condition and in fact, if we had qualified, the Province has to put up the first million dollars before they become eligible for the federal assistance. So, with the numbers that have certainly applied for feed assistance through the program we did implement, there would be certainly no way that we would have qualified for the federal participation.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. I think then, vis-a-vis the comments that the Honourable Member for Lac du Bonnet made in reference to traditional budgeting methods of special and emergency programs, that at this time the Member for Ste. Rose could possibly change the implication he is leaving on the record in terms when he says, "This year is quite a modest figure compared," — maybe he would like to change that seeing how it is so traditional. If it's quite a traditional figure, then modest is perchance not the right word, and we wouldn't want you to go down

on the record as misguiding the Committee.

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

MR. USKIW: Mr. Chairman, I would like to suggest to the Committee that the Minister of Agriculture does not know what he is talking about when he tells this Committee that the Government of Canada, through the Department of Agriculture, was not prepared to share in any cost of feed assistance unless those costs were in excess of a million dollars. I would like to remind the Minister that only a few years ago, we had a total cost of something in the order of \$300,000, where there was no federal program announced, or agreed upon, but afterwards they came in and rebated 50 percent to the Government of Manitoba. So there is no validity whatever, Sir, to that assumption of yours that you have to be in excess of a million dollars, unless, Sir, you have applied under the wrong program. And I believe there is a program that formulates just that way, talking about disasters of one kind or another, involving different areas of the province whether its urban or rural. Yes, there is a benchmark figure below which the Government of Canada has not shared in that had to do with hurricanes or tornadoes or whatever else came along.

But with respect to feed assistance in particular, we have been able to traditionally . . . In the last five years, we have been able to receive assistance from the Government of Canada on a 50-50 basis on any amount of money and it has been as low as about, less than \$200,000.00. So I beg to differ with the Minister; unless he can advise us that there has been a most recent policy change. If he can advise us that, then that is fine, I will accept that.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Chairman, I think there has been some strong accusations here made here by honourable member opposite that information that I have been providing is not correct. The information provided to our department and to myself after requesting a participation with the federal government and the province was as I have stated it, that we, in fact, did not qualify because of the fact that it was a drought condition and it could have been covered by the provincial crop insurance program, and because of drought conditions. And also, to qualify, the first one million dollars would have to have been spent by the province. That is the information that was provided to me at that time from the department and from the federal government.

MR. USKIW: Mr. Chairman, I would ask the Minister to please indicate to me, under crop insurance, where benefits would have been available in the grassland area of Manitoba?

MR. DOWNEY: Mr. Chairman, I believe that the Province of Manitoba qualifies, I am sure that it qualifies for crop insurance for forage crops in obtaining forage. You can insure your alfalfa against crop loss.

MR. USKIW: Mr. Chairman, the area in question does not involve a great deal of tame hay; it involves a lot of natural, or wild hay. Now, I also believe that we are not past the — well perhaps I can be corrected — maybe we are past the pilot project stage on insuring tame hay but I believe that I am correct, that it is too early to expect a great number of people to be participating in that particular program. I am not sure if it has been in operation for one year, perhaps the Minister could correct me if I am wrong.

MR. CHAIRMAN: 3.—pass — the Honourable Member for Ste. Rose.

MR. ADAM: I am waiting for the Minister to reply to the Member for Lac du Bonnet. I would like to put on the record that the program in Alberta was also cost-shared with the federal government and the Alberta government saw fit to draw on these federal dollars to look after their ranchers when they were in trouble, and this government did not.

MR. DOWNEY: I would just like to respond that we in fact did not qualify. We sent staff to Ottawa to discuss it with the federal government and were turned down. The provinces of Alberta and Saskatchewan qualified because of the drought condition and we were not in that same category and we were turned down by the federal government. We did approach the federal government.

MR. CHAIRMAN: (c)(3)Special and Emergency Programs, \$16,800—pass; (c)(4)Milk Control Board, \$29,500—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I think this would be the right time for the Minister to indicate to us what his policy intentions are with respect to the Milk Control Board's operations in Manitoba. What are the intentions of the government?

MR. DOWNEY: Yes, the rate at this time, Mr. Chairman, we have no plans to change the Milk Control Board as of this date. We are reviewing in that area, the area of Milk Control Board and the dairy

programs.

MR. USKIW: Could the Minister then explain to me, Sir, the reason for the substantive reduction in the appropriation under the heading Milk Control Board?

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

MR. ADAM: While the Minister is looking up the information for the Member for Lac du Bonnet, I would like to know what this \$29,500 is going to be spent on.

MR. DOWNEY: I would like to clarify the reduction in the Milk Control Board expenditures. There is a non-recurring legal settlement with the Milk Producers Marketing Board which was paid out of appropriations last year of \$40,000, and a reduction in the Planning Secretariat expenses — (Interjection)— Oh, I see, yes, the reduction in the Planning Secretariat expenses of \$17,500 in the Milk Control Board.

MR. CHAIRMAN: (c)(4)—pass — the Honourable Member for Selkirk.

MR. PAWLEY: Would the Minister advise us what the function of the Planning Secretariat was that he has indicated a reduction in the expenditure of?

MR. DOWNEY: I'm sorry, Mr. Chairman, that Planning Secretariat is not under the Milk Control Board. I'm sorry.

MR. PAWLEY: I'm just wondering if the Minister could advise us the nature of the decrease from last year's expenditure to this year's expenditure — there's a very sharp reduction.

MR. DOWNEY: In the Milk Control Board? Yes, it was the non-recurring legal settlement with the Milk Producers Marketing Board, and they break down this way: Legal fees of \$7,000. — (Interjection)— Oh, I'm sorry. I see. The total reduction for the Milk Control Board being \$17,500. . . —(Interjection)— Mr. Chairman, the \$17,500 is made up of reductions in general operating expenses, and a secretary was given to them from the Marketing Branch to help them there instead of hiring one.

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

MR. USKIW: I am trying to understand the difference in the Estimates figures as between last year's publication and this one. As I understand it there was a total appropriation of \$104,000 for the Milk Control Board, but in our current Estimate it's shown as \$87,000 for last year. What explanation can we get from the Minister to justify or to explain that particular difference in figures? There's \$17,000 of a reduction shown from last year's printed Estimates.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, the reduction is due to the \$40,000 non-recurring legal obligation to the Milk Producers Board, and \$17,500 cut in expenses of the Board which was made up of the salary of the secretary.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: Could you just advise the Committee what were the non-recurring legal expenses to the Board?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, it was a transfer of assets from the Milk Control Board to the Manitoba Producers Marketing Board; the past administration agreed to purchase them from them.

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

MR. USKIW: Mr. Chairman, I'm still not satisfied with the two figures. You have the transfer figure from last year's Estimates shown as \$17,000 less than what is printed. Is that just a printing error or what is that? You have \$104,000 shown in last year's Estimates, and this year you only show \$87,000 for last year's Estimates, so there's a \$17,000 discrepancy initially to establish the base figure.

MR. DOWNEY: Yes, I believe it's the Milk Control Board that's under review and the last year's Estimates were \$87,000. In Budget for this year is \$29,500 . . .

MR. USKIW: Printed Estimates last year, Mr. Chairman, are \$104,000, so, in effect, Mr. Chairman

MR. DOWNEY: Yes, Mr. Chairman, the record that I'm going by is the new Estimate book which I have . . .

MR. ADAM: That's what we're here to question, Mr. Chairman, whether these records are accurate — that's what we're here for.

MR. USKIW: It was not accurate, Mr. Chairman.

MR. DOWNEY: It would appear, Mr. Chairman, that there has been a further reduction than we are showing at this time and we will check it out in last year's Estimate book.

MR. USKIW: That's the point that I'm getting at, Sir. The reduction is far greater than what is shown here — and I ask the question, what is the policy of the government with respect to the Milk Control Board with such a large reduction in its appropriation, because it is a greater reduction than what is evident in this year's Estimate? We're moving from \$104,000 to \$29,000 — not from \$87,000 to \$29,000.

MR. DOWNEY: Mr. Chairman, the information that I have is that the \$17,500 which was shown was taken out twice — \$17,500 in salary, and also \$17,500 as the expenses from that same appropriation from last year.

MR. USKIW: So we should be moving, Mr. Chairman. That figure should then be \$104,000 on the left-hand column, am I correct?

MR. DOWNEY: Mr. Chairman, yes, it is indicated to me that the amount taken out has been transferred to another appropriation, that \$17,500 — the salary and the SMY.

MR. USKIW: Well, Mr. Chairman, if that is so though it still represents a greater reduction than what is shown in the Estimate — a greater reduction of support to the Milk Control Board. And if that is so then I would like to know what is the policy of the government as to the operations of the Milk Control Board. Are they reducing their involvement in the question of determining the prices of milk to producers and consumers or is there a change of policy involved or what are we doing here?

MR. DOWNEY: Mr. Chairman, in this year's Estimates there has been enough money allocated to operate the Milk Control Board.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: I just wonder if the Minister could advise what the rationale is in the salary from the secretary in the marketing branch, being charged to the marketing branch while she is working for the Milk Control Board — is she working also in the marketing branch in addition to the Milk Control Board?

MR. DOWNEY: Mr. Chairman — just to correct two things — it is a male secretary and he is serving in both capacities.

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

MR. USKIW: Well, then the Minister is telling us that there's a figure elsewhere that will contribute to the Estimates of the Milk Control Board. Therefore the total expenditures are not what are shown but are this amount plus an additional amount involved in the sharing of a staff man year.

MR. DOWNEY: That is correct. There would be a portion, if a portion of a SMY or secretary's time could be shown it could have been shown here but it has been shown in the other part of the Budget.

MR. USKIW: Mr. Chairman, for a moment I thought that this was going to be the first example of the new Minister's efficiency; I've now been convinced that it's not.

MR. CHAIRMAN: (c)(4)—pass; \$29,500. (c)(5)Manitoba Farm Lands Protection Board—\$75,800—pass — the Honourable Member for Selkirk.

MR. PAWLEY: I would like to be advised as to the basis for the reduction as far as this Board is concerned.

MR. DOWNEY: Yes, Mr. Chairman, there's a reduction of one permanent staff man year, and one secretary, which makes up the amount of . . . —(Interjection)— That's right. We're also using the Attorney-General's office and the legal fees are somewhat less than they were in last year's Budget.

MR. PAWLEY: Well, could the Minister advise us as to the volume of activity before this Board. How many applications, for example, would this Board be dealing with in the space of a month?

MR. DOWNEY: Mr. Chairman, the volume of people going before the Board or applications going before the Board — there was a backlog of them waiting to be approved because of the retroactivity and the change in government and the getting into operation of the Farm Lands Protection Board so I would have to get those figures from the department. We can make that available, Mr. Chairman.

MR. PAWLEY: One final question — the Minister is then indicating to the Committee that the public sector is able to provide the legal services at less cost than the private sector?

MR. DOWNEY: Mr. Chairman, I think it is a move to more efficiency within the operation of government. We have the Department of the Attorney-General that can provide that kind of service.

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

MR. USKIW: Mr. Chairman, could the Minister explain to me how he arrived at the figure of \$98,200 as being last year's expenditures for this item when in last year's Estimates book it's a nil figure? There is no figure for last year.

MR. DOWNEY: Mr. Chairman, they were transferred from within the department to cover that.

MR. USKIW: Mr. Chairman, is it not correct that this amount should have been included under (1) (b) — \$8,100,000? That's where it was last year.

MR. CHAIRMAN: The Honourable Member for St. Johns. The Honourable Minister of Agriculture.

MR. DOWNEY: Some of that came out of the Farm Income Assurance Plan.

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

MR. USKIW: Mr. Chairman, I would have hoped that the Minister would have, in his opening remarks, pointed out to us at least where in each item there has been some shuffling of money from one area to another, that at least we would know that in the first instance so that we don't have to search it out from where we sit, because as it appears here it certainly is not the most candid presentation that I've ever seen and it's very difficult for opposition members to compare last year's expenditures with the proposed expenditures when the figures have been tampered with.

MR. CHAIRMAN: (c)(5)—pass . . .

A MEMBER: Mr. Chairman, we're not passing that item that easy.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, it has been brought to my attention that the Act was brought in last year, by the last administration, without providing any money at all in the Budget for it.

MR. CHAIRMAN: (c)(5)—pass — The Honourable Member for Lac du Bonnet.

MR. USKIW: How many staff man years are, in fact, now allocated in the proposed? What are the two staff man years?

MR. DOWNEY: Yes, there are two staff man years proposed, Mr. Chairman.

MR. USKIW: What do they consist of, Mr. Chairman? What kind of positions are they?

MR. DOWNEY: They consist of a Director and a Secretary.

MR. USKIW: Well, Mr. Chairman, I would now want to take issue with the Minister on that particular point, because two people, a Director and a Secretary — a Director of what, of oneself, a Director and a Secretary are now going to be in charge of a whole program overseeing all of the land transactions in Manitoba under the Farm Lands Protection Act. That's That's really what this Minister is telling us, Mr. Chairman, and if that is so, I think there is an obligation on this Minister to tell us what he is doing to that legislation and what kind of a program he envisages, because I can't see any kind of a program administered by one man and one secretary, one Director and one Secretary. Surely the Minister is obligated to tell us what it is the program is going to consist of.

MR. CHAIRMAN: (c)(5) — The Honourable Member for Selkirk.

MR. PAWLEY: Further to the questions posed by the Member for Lac du Bonnet, the Minister indicated applications before the Board, and I suppose the Minister is not prepared to provide us with a statement as to his legislative intentions, but I'm wondering if in those applications before the

Board if he would like to break down for our information: (a) those that involve non-family farm corporations and (b) the non-resident applications, and (c) those by foreigners outside the Province of Manitoba, or outside of Canada.

I can see, if the Minister is intending to amend the legislation to reduce the workload significantly, that that may be the reason he is intending to reduce staff, and I am wondering if the Minister would like to acquaint us with his intentions at this point.

MR. DOWNEY: Yes, Mr. Chairman, I would say that as well as co-ordinating the Farm Lands Protection Board that has been appointed, the Director has been spending quite a bit of his time trying to interpret the Act as it was presented by the last administration and trying to make it so it is a workable piece of legislation, and we will be presenting amendments to that Act in the near future to the Assembly.

MR. PAWLEY: Would the Minister indicate what percentage of the applications for instance would be made by corporations, non-family farm corporations?

MR. DOWNEY: Mr. Chairman, I don't have that information right at hand but I can get it available maybe very shortly, see what the Director has here.

MR. PAWLEY: Mr. Chairman, I believe the Minister has indicated some legislative intention, am I correct already, Mr. Chairman?

MR. DOWNEY: That's right, there will be some amendments to the Act that will be presented to the Assembly in the near future.

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

MR. CHERNIACK: Mr. Chairman, I have been trying to understand the left-hand column compared with last year's right-hand column. I assume they are supposed to total the same when you add in capital to the current — I am having difficulty in doing that. I'm wondering whether we could ask the Honourable Minister to lead us along to an understanding of the reconciliation between what were the Estimates passed last year and what are alleged to be the same Estimates shown in this year's, that is on the left-hand page. It seems only right — I don't know whether they can do it right off the bat, but it would be very helpful to know — because when you talk about the Manitoba Farm Lands Protection Board having had budgeted \$98,200 and when we are now told that that came out of Farm Income Assurance Plan \$4.5 million, Mr. Chairman, surely we should have that kind of reconciliation.

MR. DOWNEY: Mr. Chairman, as I indicated earlier, I think I indicated to the committee that in fact there was an Act brought into the government, to the Legislative Assembly and the administration at that time had no money in Budget, and was brought over from that other appropriation.

MR. CHERNIACK: Well, Mr. Chairman, I understand, I heard the Honourable Minister say that just a few minutes ago, but that does not give us the reconciliation that I am asking that we have, and that is that there was no item last year provided for — the money was taken out of the Farm Income Assurance Plan of \$4.5 million — how was the \$98,200 shown to be correctly shown, and not \$98,300, or \$98,100.00.

MR. DOWNEY: Mr. Chairman, when it was set up, and the information that I am provided is that it was set up as a separate sub-appropriation and added to the Budget as a new item.

MR. CHERNIACK: Thank you, I don't understand that much. Sub-appropriation by whom and where and when and in what means?

MR. DOWNEY: Mr. Chairman, it was provided as a sub-appropriation through the Department of Finance.

MR. CHERNIACK: Is there some written directive to that effect?

MR. DOWNEY: Mr. Chairman, the department informed me that there was a sub-appropriation transfer.

MR. CHERNIACK: Well, Mr. Chairman, my impression is that the Department of Finance doesn't really know how much money is required for any sub-appropriation in a department like Agriculture. Surely the Department of Agriculture would have indicated that it required the sum of \$98,200 for this particular program, so that should have emanated from the Department of Agriculture rather than the Department of Finance.

MR. DOWNEY: Mr. Chairman, it was requested by the Department of Agriculture to the Department

of Finance, for that amount of money.

MR. CHERNIACK: Well, that's helpful then, Mr. Chairman. Then by the same token, can we have some kind of an understanding . . .

MR. CHAIRMAN: the members who weren't here earlier, and when we started the committee, there's been some problems with the records of the province at Hansard, so I just ask the members to stick their finger up so I know and I can announce your name and they will have no problems with the transcriptions or who made certain remarks. So - if you will kindly bear with us, we've sort of set that ground rule and it's worked pretty good. I know members come and go from both committees, so we are trying to follow that rule in this committee. Thank you.

The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, that's a very sensible rule, and I endorse your efforts to keep this record straight.

I'm trying to keep a record straight too, Mr. Chairman. I'm trying to figure out, even more, how the rationale came about. The Farm Income Assurance Plan in the 1978 Estimates, that's last year, is shown at \$4,550,000.00. The comparable figure shown in this year's Estimates is \$8,100,000.00. I understand there was a supplement, but I assume that somewhere \$98,200 was pulled out of there, and a portion of Farm Lands Protection Board, and I gather that that was done by a departmental directive.

I'd like to know what else was done by departmental directive in this sub-appropriation so that we can better understand the reconciliation from last year to this year's figures.

MR. CHAIRMAN: (c)(5)—pass — The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, the authority was given in the Spring Session last year for a sub-appropriation for \$8.2 million, I believe, to bring it up to \$8.2 million, and the Director and the Secretary were transferred out of that beef income money to the Farm Lands Protection Act to look after it.

MR. CHERNIACK: Now we're getting there. That is as close as \$1,800 which is pretty good. Could the Minister then give us a breakdown of the \$98,200 and a comparable breakdown of the \$75,800.00?

MR. DOWNEY: Mr. Chairman, those figures are not available right at this time. The breakdown of the figures will be made up of wages and board fees, computer costs, board fees, office expenses, travel. That's right — and a year ago there were legal fees included in the . . .

MR. CHERNIACK: Well, Mr. Chairman, the \$75,800 — I understand there are two staff man years — there must be a figure opposite them. How much are you planning to pay your Director?

MR. DOWNEY: Mr. Chairman, I believe the Director was appointed by Order in Council by the last administration in the neighbourhood of \$37,000.00.

MR. CHERNIACK: Well then you do know how much the Director is getting. What about the Secretary?

MR. DOWNEY: Yes, Mr. Chairman, in the area of \$11,000 to \$12,000.00.

MR. CHAIRMAN: (c)(5)—pass — The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I wanted to raise the question on whether or not it's possible to operate such an agency with that amount of money, or whether the Minister is really telling us or not telling us that he is somewhat depending on the theory that if he runs short he is going to have a special warrant, but in the meantime his figures look a little bit on the low side and that's what he wants us to believe. How can we run that kind of an agency with two people whose salary is going to take up two-thirds of that figure, with the remainder left for administrative expenses, office expenses, etc.

Yes, Mr. Chairman, they hope to be able to operate it fairly efficiently.

MR. USKIW: Well, may I pursue that question further? Is the Minister telling me that if they can't operate on \$75,000 that they will have, of course, lost confidence with him, that that is going to be their test? They'd be killing the program.

MR. CHAIRMAN: The Honourable Minister for Selkirk.

MR. PAWLEY: Would the Minister advise us whether or not the cost that he referred to earlier as being saved through the legal, whether or not this figure of \$75,000 includes the legal costs of the Department of the Attorney-General? Or are the costs of the Attorney-General's department involved in serving this branch included within the Attorney-General's Estimates?

MR. DOWNEY: Mr. Chairman, we do not anticipate a lot of legal work to be done with the amendments to the Act. Mr. Chairman, the legal work will be provided by the Attorney-General's department.

MR. PAWLEY: The Minister is telling me then that all the costs attributable to legal would be found within the Attorney-General's Estimates for this particular function?

MR. DOWNEY: Mr. Chairman, that is correct, that it will be borne by the Attorney-General's department.

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

MR. CHERNIACK: Mr. Chairman, thank you. Maybe the Honourable Member for Selkirk can be more helpful but I am under the impression that when the Attorney-General's department provides legal services to any department of government that a charge goes through, that there is a billing.

MR. DOWNEY: Mr. Chairman, I am informed that that was changed approximately a year ago.

MR. CHERNIACK: Then, Mr. Chairman, can we assume that the Attorney-General's Estimates have been increased by the amount that will be necessary to provide that free service to the departments?

MR. DOWNEY: Mr. Chairman, that's right. I have been informed that it was done by the last administration and I am unaware if it is budgeted in the Attorney-General's Estimates for their legal service to this department.

MR. CHERNIACK: Mr. Chairman, I am under the impression that the Honourable the Minister is a member of the Treasury Board and indeed, I think, a member of the Management Committee. And therefore, although he may not know now whether or not the Attorney-General's department has had an increase in Estimates based on the provision of free service, I would have to ask him to find out because his responsibility goes beyond this department. If they are going to be using services then surely he would want to make sure that the entire Estimate is correctly shown. I wonder if he would undertake to investigate that and inform the Committee.

MR. DOWNEY: We would have to go back to two years ago for the budgeting to see what the change was at that time in the increase in the Attorney-General's budget for this kind of service.

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I don't believe there was anything ever included in the Attorney-General's Estimates for this function in previous years because as the member acknowledged, the approach of direct billings from one department to another discontinued about a year ago. But I do not believe there was anything ever added to the Attorney-General's Estimates at that time because the Board did not come into operation until — when was it, September or October of last year?

MR. DOWNEY: The Act came into force the 1st of April last year, Mr. Chairman.

MR. PAWLEY: The Attorney-General's department, then, was not providing the legal services. You indicated yourself, Mr. Minister, that the Attorney-General's department only recently, since your administration, commenced to provide the legal services.

MR. DOWNEY: Mr. Chairman, I am informed that the Attorney-General's office did provide that service at no charge, right from day one of the Act.

MR. PAWLEY: I wonder if the Minister, then, would indicate that his earlier statement to the effect that there was a big savings here because the former government had been using the private Bar and had transferred the legal work to the Department of the Attorney-General, was in fact not correct.

MR. DOWNEY: Mr. Chairman, I understand that it was in the budget to use private law firms but were instructed by the previous administration that they use the Attorney-General's office.

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

MR. CHERNIACK: Yes, Mr. Chairman, I don't quite understand that that is an answer to the question. Could we be a little more precise and find out how much of the \$98,200 was spent on legal fees, and how much of the \$75,800 is a portion for legal fees?

MR. DOWNEY: Mr. Chairman, there weren't any of those funds expended on legal fees, of that \$98,200.00.

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MR. CHERNIACK: I was under the impression that we were told that the reduction was due to the fact that there is now a transfer from the use of private lawyers outside and the Attorney-General's department. If that is not the case, then why the reduction of \$23,000.00?

MR. DOWNEY: Mr. Chairman, yes, I think the money was put in the budget for the use of legal fees outside the Attorney-General's department and they were not spent. That is the reason for the reduction in the budget.

MR. CHERNIACK: Then, Mr. Chairman, are we correct in concluding that there is no reduction in the amount set aside for this year compared with last year's needs?

MR. DOWNEY: It could be quite possible but there are also two staff man years less in that too.

MR. CHERNIACK: Mr. Chairman, we are not really dealing with a lot of money but we are dealing with a concept of an apparent great reduction. The Minister of Finance said \$300 million was reduced in the overall Estimates. We are given the impression of great austerity being applied, restricted use of moneys. Now, on this small item of \$98,000 last year compared with \$76,000 this year, I am still not clear on what is the actual reduction. I am not clear on how much was set aside for legal fees that were not used. I now gather that there were four people who must have been planned for last year because I am told that there are two this year and two dropped off. I think therefore that although I asked earlier for a breakdown and I didn't press for it, that I would like to have a breakdown. This shouldn't be difficult. It may not be available now but it certainly shouldn't be difficult to get a breakdown of these two amounts because they are added up to something. They are not just a rough estimate; they come within a \$100.00 figure.

MR. DOWNEY: We can provide those figures at a future date for the honourable member opposite.

MR. CHAIRMAN: (c)(5)—pass — the Honourable Member for St. Johns.

MR. CHERNIACK: I am just wondering about the words "future date." I assume the Minister means that tomorrow they should be available.

MR. DOWNEY: As soon as they can be made available within the department.

MR. CHERNIACK: Yes, but it shouldn't be a problem because . . .

MR. DOWNEY: No, it shouldn't be.

MR. CHERNIACK: . . . because, Mr. Chairman, I assume that the department asked for an amount — I don't know how much — and then it was reviewed by the committee of which the Honourable Minister is a member and that committee, according to rumours, cut requests down to what they feel is a realistic figure so that somewhere or other, either in Management Committee or in the department, there should be an actual breakdown as to why it is \$75,800 and not \$75,700.00.

MR. CHAIRMAN: I think the Honourable Minister said that he would provide that information if I heard correctly.

MR. CHERNIACK: But could we get it tomorrow?

MR. DOWNEY: It is indicated to me, Mr. Chairman, that they can provide it tomorrow.

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

MR. ADAM: Mr. Chairman, I am just wondering if this is going to be the pattern all throughout the Estimates. Are we going to be running into this on almost every Estimate?

MR. CHAIRMAN: Well, for the information of the honourable member, the Committee system has always been that if the Minister does not want to provide the information there is nothing we can do. You can vote and stand up and demand it, but if he doesn't want to provide it, there is nothing that the Committee can do and I hope that the Honourable Member for Ste. Rose understands that. We try at Committee to get all the information that we can for the members but that is a very surmountable task that you are asking the Committee to bring. I'll help you every way I can. But if the Minister doesn't feel that he can provide the information it's left in my hands and the Committee.

MR. ADAM: Mr. Chairman, it is not that I'm trying to be difficult or anything but it is getting more difficult . . .

MR. CHAIRMAN: By the way, to the Honourable Member for Ste. Rose, I apologize, Sir.

MR. ADAM: It is getting more confusing to reconcile these figures. They are different than last year's budget. We have only started, we have only begun and we are running into it in every Estimate now and I'm just wondering whether there should be some — I think the Minister of Corrections and Rehabilitation last year had something that he provided to the Committee, a comprehension that we were able to reconcile what was going on in the Estimates. And that was the only department it was done in though, but it looks to us as if we are going to have to — there's going to have to be some getting used to here to try to analyze this.

MR. CHAIRMAN: (c)(5)—pass — \$75,800; (c)—pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I admit that I came later than I had hoped to come when I arrived, but under (c)—pass, I want to ask whether I am correct in assuming that this department does not have a Deputy-Minister yet? Am I correct? Is the Deputy Minister now still an Acting Deputy Minister?

MR. DOWNEY: That is correct, Mr. Chairman.

MR. CHERNIACK: Well, Mr. Chairman, then I would have to ask why is it that five months have gone by and we still don't have a fully-appointed Deputy Minister? What's the problem?

MR. DOWNEY: Mr. Chairman, the appointment of Acting Deputy at that time was for a six-month period; we have gone five months.

MR. CHERNIACK: Mr. Chairman, does that mean that there will be a new Deputy Minister in five months?

MR. DOWNEY: I really am unable to answer that question in the affirmative or in the negative. I think it is probably . . .

MR. CHERNIACK: . . . you haven't been told yet.

MR. DOWNEY: We are certainly in the position to make that decision when the time comes.

MR. CHERNIACK: Mr. Chairman, does the Minister share in the responsibility for the decision to fire the previous Deputy Minister, the last Deputy Minister?

MR. DOWNEY: Mr. Chairman, for the record, the last Deputy Minister of Agriculture resigned from the department.

MR. CHERNIACK: Would the Minister care to confirm that his resignation was requested by the future head of the government at that time?

MR. DOWNEY: Mr. Chairman, I am unable to answer that because the person had resigned before I had taken the job of Minister.

MR. CHERNIACK: Well then, Mr. Chairman, is it fair to assume that the Minister had no knowledge of the competence or otherwise of the former Deputy Minister?

MR. DOWNEY: Mr. Chairman, I think as a citizen of Manitoba I think I was pretty well aware of the individual who was in question.

MR. CHERNIACK: Well then, does the Minister accept the firing of that Deputy Minister, or the request of the resignation of that Deputy Minister, as being his policy?

MR. DOWNEY: I would have to say that I did not agree — it is my understanding that the individual in question resigned from the position of Deputy Minister.

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

MR. USKIW: Mr. Chairman, I would like to know from the Minister whether he agrees or concurs with a procedure that a senior official of the department should be asked to resign by a government not yet sworn into office, whether he was in agreement with that procedure?

MR. DOWNEY: As I have stated, Mr. Chairman, I am not aware that the individual did not resign of his own accord.

MR. USKIW: Mr. Chairman, is the Minister telling us here that he had no communication or discussion with the premier-elect of this province at that particular time or before the request for the resignation of a number of Deputy Ministers but in particular this one?

MR. DOWNEY: Mr. Chairman, I am not aware of the fact if the individual in question was requested to resign or not. I am of the understanding that he resigned of his own desire .

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

MR. ADAM: I wonder if the Minister would agree that if the transition over of the department from the old Minister to the new Minister would have been more orderly if the former Deputy Minister had not resigned for whatever reason?

MR. DOWNEY: Mr. Chairman, the answer to that is no.

MR. CHAIRMAN: (c)(5) — \$670,000 — the Honourable Member for St. Johns.

MR. CHERNIACK: I would like to know from the Minister whether he has any principle in the way he will in the future deal with senior employees of his department when it comes to disposing of their services. Would he indicate that he would think that there should be acceptable notice and discussion given or would he be prepared to just fire them out of hand or request their resignation at a moment's notice in dealing with them? —(Interjection)— Would you say that for the record so we can debate that too?

MR. CHAIRMAN: Order please. Deal through the chair. Please members, deal through the chair so that we can keep the committee orderly, and deal with the matter that is before us.

(c)(5) — \$670,500 — the Honourable Minister of Agriculture.

MR. DOWNEY: In answer to the honourable member's question on the disposal or removal of senior officials within the department, I would think that we do not have any plans to remove them and certainly would do so in an orderly fashion and which is set down by the guidelines of government policy.

MR. CHERNIACK: Mr. Chairman, I must say that I appreciate the forthright statement by the Minister of Agriculture and note that it is an undertaking which I think is honourable and that is that there would not be any out of hand firing or requesting resignation without proper discussion and notice. And I point out, Mr. Chairman, that in spite of the fact that he doesn't seem to know whether or not the former Deputy Minister resigned voluntarily or was requested so to do, that the action, as the public has been informed, of his Premier was certainly contrary to the finer statement that this Minister has just stated. I think it should be noted that way because if I am critical of one person and not of the other I should say so.

Mr. Chairman, I just want to comment that the Member for Gladstone made some comment about the actions that were taken in 1969 and I would challenge him that if he is able to point out similar activities in 1969 as took place on the Saturday before the Cabinet was sworn in, in 1977, in all fairness, and in all integrity he ought to say so, who are they?

MR. CHAIRMAN: The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I know the Member for Gladstone was trying to respond to the Member for St. Johns, I would like to hear his answer as well.

MR. CHAIRMAN: The Honourable for Selkirk has the floor. I have not got the Honourable Member for Gladstone on my agenda. The Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I just want to ask the Minister one short question pertaining to the former Deputy Minister. Is he indicating to the committee that he was not consulted by the premier-elect prior to the discussions with the former Deputy Minister of Agriculture, prior to, and also is he suggesting that he was not advised of the outcome of those discussions by the premier-elect?

MR. DOWNEY: Mr. Chairman, the information that I have is that the individual in question resigned from the Department of Agriculture, that is the information that I have.

MR. PAWLEY: Is your information then that the Deputy Minister resigned without a request being made from him for his resignation?

MR. DOWNEY: I do not have that information at this time, Mr. Chairman.

MR. CHAIRMAN: (c)(5) — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Rather than bog down on each particular line, I wonder if the Minister would ask his staff to undertake a — to arrive at a figure for me. In each sub-item there are other expenditures which usually includes the printing. I am very much concerned about the amount of goods and services which are being purchased in the community, and your department, as other departments, and there

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is considerable decrease in the amount of printing which will be contracted out in the community. I wonder if your staff will undertake to provide me with that figure rather than go each time we come up on other expenditure. You know, it is a lengthy process if I say how much was spent last year, how much are you budgeted this year, so if they could just come up with a total figure on a department line in each sub-appropriation. What their purchasing was — or what they have contracted out or sent to the Queen's Printer which is subsequently contracted out?

MR. DOWNEY: We will attempt to get that information for the honourable member, Mr. Chairman.

MR. CHAIRMAN: (c) \$670,500—pass; (d) Management and Operations Division: (l)Salaries \$883,500—pass — the Honourable Member for Lac Du Bonnet.

MR. USKIW: Could the Minister explain to us the discrepancy between last year's figure and this year's figure. Last year's right-hand column versus this year's left-hand column.

MR. CHAIRMAN: Vi versa.

MR. USKIW: No, its not. Last year's right-hand column has \$786,600, this year it is \$819,200.00. What explains that change?

MR. DOWNEY: The addition to that is the allocation of general salary increase which has been divided throughout the departments, the different departments, that is the reason for the increase in the — that is from the collective agreement.

MR. CHAIRMAN: \$883,500—pass — the Honourable Member for Lac Du Bonnet.

MR. USKIW: Could the Minister tell us how many staffman years are in this resolution of this vote.

MR. DOWNEY: Mr. Chairman, yes, there are 58.38 smy's, an increase of one.

MR. ADAM: Mr. Chairman, is there any position unfilled, or any staff man years to be added?

MR. DOWNEY: Mr. Chairman, in that Management and Operations Division there are eight vacancies. Mr. Chairman, those vacancies are being reviewed and will be filled on a priority basis.

MR. ADAM: I wonder, Mr. Chairman, we know that it is in the Management and Operations, could we get a breakdown of actually what these priorities are? Is that difficult?

MR. DOWNEY: Mr. Chairman, they will be discussed with all the vacancies within the department at executive level to fill on a priority basis, it will be within the entire department.

MR. USKIW: What is the additional staff man year for, Mr. Chairman?

MR. DOWNEY: Mr. Chairman, the additional staff man year is reassigned to that job to do program analysis.

MR. USKIW: Yes, this particular appropriation involves the communications branch of the department, can the Minister give me an indication as to any changes in the operation of the communications branch?

MR. DOWNEY: Mr. Chairman, there are no proposed changes.

MR. CHAIRMAN: (d)(l)—pass — the Honourable Member for Lac Du Bonnet.

MR. USKIW: Mr. Chairman, with respect to publications, is there a change in the appropriation for publications and what is the amount?

MR. DOWNEY: Mr. Chairman, there is no proposed change.

MR. CHAIRMAN: (d)(1)—pass — the Honourable Member for Lac Du Bonnet.

MR. USKIW: Is there going to be any change in the publications produced external to the department, that is, farmed out to other printers, from the last year's figure, is there any change there?

MR. DOWNEY: Mr. Chairman, there are no changes anticipated.

MR. CHAIRMAN: (d)(1)\$883,500—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, just on that. As I understand it if there were to be some changes in that

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they would be reflected in the figures that the Minister has agreed to provide on the question that I asked.

MR. CHAIRMAN: Or salaries.

MR. BOYCE: No, but on the total department, for this or any other appropriation. If there were printing or publication shifts then that would be reflected in the response that is forthcoming.

MR. DONWEY: As I have indicated we will attempt to provide those figures for the member.

MR. CHAIRMAN: (d)(1)—pass; (d)(2) Other Expenditures \$353,00—pass; 1. (e)Research:(1) Policy Studies \$107,100 — the Honourable Member for Lac Du Bonnet.

MR. USKIW: Mr. Chairman, would the Minister indicate to the committee what the intentions are — what kind of research is he contemplating for the coming year? **R. DOWNEY:** Mr. Chairman, the same proposal as last year with an additional \$100,000 to the University of Manitoba for research work.

MR. USKIW: I am aware as to the figures, I can see the figures. I am wanting to know whether there are any particular studies that the department is to undertake this year that the Minister is aware of or is this just a sum of money put in place in the event that there is a need for studies. Is the Minister today aware of the studies that he intends to undertake?

MR. DOWNEY: Yes, Mr. Chairman, there has been some areas of need identified — one of the areas of need would be to work on varieties of forage and grass seeds that are more — (Interjection) — I see, I stand to be corrected, Mr. Chairman, I was referring to the University of Manitoba grants — is that what you were referring to?

MR. USKIW: No, I was referring to the first item.

MR. DOWNEY: The first item would be transportation studies. To this date the main one that is identified, but there will be possibly others.

MR. USKIW: Is any of that money going to be allocated for any work connected with the beef checkoff?

MR. DOWNEY: No, Mr. Chairman.

MR. CHAIRMAN: (e)(1)Policy Studies, \$107,100—pass; (e)(2)Agricultural Research Grant (University of Manitoba), \$800,000—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: What is the arrangement with the university faculty with respect to the program that they are going to carry on as it relates to the needs of the department?

MR. DOWNEY: Mr. Chairman, as I am sure the honourable member opposite is aware the research grant to the university certainly hasn't been overly abundant in the past number of years and a project which I have identified that I would like to see some work done on is the development of more hardier grass and forage seeds for the Province of Manitoba, and it will be used with programs that they feel that they would like to use for the betterment of production in Manitoba.

MR. USKIW: Would the Minister commit himself to tabling the approved projects whenever they are ready, it doesn't matter when, as long as we have some access to the program that has been carried out under this appropriation.

MR. DOWNEY: As I have indicated, it will be provided for ongoing studies and one that I have identified that I would like to see some work done in.

MR. CHAIRMAN: (e)(2)\$800,000—pass; (e)\$907,100—pass; (1)(f)Regional Administration:(1)Salaries \$1,031,700—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would have thought that the Minister would want to introduce this particular item. To clarify, there is no similar item in last year's estimates, so there has to be some reconciliation here, especially when it involves a million and a third.

MR. DOWNEY: Mr. Chairman, the Regional Administration has been identified separately, it has been taken out of the 9.(a)(1) of last year's, which was Regional Administration and identified under General Administration, which includes an increase in some 8.4 Home Economists — I'm sorry, they're not in there? I'm sorry, this is the Regional Director's staff that is indicated here.

MR. USKIW: I am wondering whether we shouldn't clarify this before we proceed. Can one find a figure in last year's Estimates which we simply transfer into this particular position in this year's Estimates?

MR. DOWNEY: The money shown here was in Regional Development in last year's estimates, I believe.

MR. USKIW: Mr. Chairman, does the Minister mean Community Improvement, perhaps?

MR. DOWNEY: Mr. Chairman, it is indicated to me that it is transferred from Community Improvement.

MR. USKIW: Mr. Chairman, may I make a suggestion? Could I suggest that we leave that item in abeyance, and that would give staff an opportunity to prepare the Minister for tomorrow's consideration of Estimates. We could come back to that item tomorrow and proceed with those items that we can. . .

MR. CHAIRMAN: Agree? (Agreed)

We move on then to 2. Manitoba Crop Insurance Corporation -Administration \$1,865,700—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would have thought the Minister would want to give us some introductory remarks as to what is taking place with the Corporation — if there are any changes or whether it is just ongoing programming, where the grassland crop insurance program is at, etc? The pilot projects that were entered into — are they now in the mainstream of the program or where are we at with those programs?

MR. DOWNEY: Mr. Chairman, I could make a statement on some of the programs. The increase in the grain corn area that we will be covering, also the increase in the size of the area for the forage — silage corn area has been expanded to the larger regions, and certainly look forward to developing the program as more protection for farm crops are needed. The area of the forage coverage, I believe we are now in some full programs, that they have surpassed the test stage, and it says here, "It makes available to livestock or forage crop producers all risk crop insurance in years of hay crop disaster due to natural hazards," and so there is an ongoing program there now — it's past the pilot stage.

MR. USKIW: Could the Minister tell us whether there has been any enthusiasm, participation in, or whatever, in that particular aspect of the crop insurance program? Are the farmers involved with forage production entering the program or is it sort of a stalemate situation?

MR. DOWNEY: I would have to check that out further, I believe there is some use of it but it is not one of the more important parts of the program. No, it is not growing at a very rapid rate; there has been an increase in the budget of the crop insurance. We have the increased acreage for crop insurance. An increase in the acreage covered in the last year was from 47 million acres to 57 million odd acres in the last year, an increase of just under 10 million acres of coverage.

MR. USKIW: Could the Minister indicate to us whether there is any intention to bring into the program the natural grassland area, or in other words, wild hay production, or are we staying out of that one?

MR. DOWNEY: Mr. Chairman, correction on the insured acreage — the acreage insured a year ago was 1,321,000 and it has increased to 1,530,000 acres; the figures I gave previous were the dollar figures.

The question I believe was, do we plan to extend coverage to native hay. There has been no indication to me from the crop insurance director or the board to expand the program into the native hay coverage.

MR. USKIW: Would the Minister then explain to us the need for the vast amount of new expenditures in this program? What explains the large increase in expenditures?

MR. DOWNEY: The increases are due to the supplementary collective agreement adjustments for \$32,800; salary adjustments for \$31,900; price increase of \$700; one new position due to general increase in corporation workload of one permanent position and 9.6 thousand dollars; lost adjusting increase from 200,000 to 300,000, a total increase of 100,000 so we don't have to go back for appropriation over and above the budget for a Special Warrant; staff turnover allowance due to stable employment conditions in the Portage la Prairie area — the staff turnover predicted because of the corporation's relocation in 1977-78, \$118,300; increase adjuster training from \$25,000 to \$40,000; increased corporation capital tax from \$10,000 to \$20,000; field office rents increase from \$19,300 to \$23,500; new funding for special studies \$6,000; for a total of an increase in one SMY and \$328,500.00.

MR. USKIW: Would the Minister tell us how many SMY we will have with this appropriation?

MR. DOWNEY: Mr. Chairman, there will be a total of 83 positions.

MR. USKIW: Is that a growth of one; an increase of one?

MR. DOWNEY: Mr. Chairman, that is correct, it is an increase of one.

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

MR. ADAM: Mr. Chairman, I would like to ask again — the figures shown in the Estimates are — (Interjection)—yes, last year's, \$1,564,500 and the figures in last year's Estimates—(Interjection)—is this the salary increase between last year's Estimates as shown in the new book? How do we reconcile that?

MR. DOWNEY: Mr. Chairman, it's salary increases — is the reason for the increase.

MR. USKIW: Mr. Chairman, to help my colleague here, I think we should remind everyone that the negotiations were, of course, not complete visla-vis the Civil Service during the preparation of the Estimates, and all of those have to be added in at the end of the year or some time during the course of the year. I believe that's standard procedure for a long time.

MR. CHAIRMAN: 2. \$1,865,700 — the Honourable Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman, what is the status of the hail insurance program — Part II of the hail insurance program, in terms of staff man years and in terms of volume and in terms of its self-sustaining ability? Are we in deficit or are we in surplus there, or how is the program going?

MR. DOWNEY: Yes, the hail insurance coverage under Part II of the Crop Insurance Act was offered for the first time on the 1970 crop to all risk contract holders. As of March 31, 1977, the reserve for the payment of the indemnities in the hail insurance has a deficit balance of \$403,604. An estimate is given for the 1977 program, and it increases the deficit to \$520,304.

MR. USKIW: Mr. Chairman, am I hearing the Minister correctly? Is it right that they are anticipating an additional deficit on the current year?

MR. DOWNEY: That's right, Mr. Chairman. We are unable to really anticipate what the 1978 participation will be.

MR. USKIW: Mr. Chairman, I am just trying to clear up a point, the deficit that is increasing is in the past tense, not in the future. Is that it? —(Interjection)— I see, okay. Yes, okay. So then my question, Sir, is whether there is a rate adjustment to take into account the increasing deficit position of that part of the insurance program. Is there a rate adjustment for 1978 to offset the deficit position?

MR. DOWNEY: Mr. Chairman, I have had no indication of a change from the Board or the Directorate.

MR. CHAIRMAN: 2.—pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Well, I would hope that the Minister would consult with the Board and the corporation because we could end up with a situation of stacking our deficit year after year without rate adjustment which could in effect injure the program because at some stage you're going to have to catch up and you will have a whopping increase all at one time to wipe out a huge deficit, so I would hope that if there are adjustments being made they are made on at least a current basis or at least no more than one year behind so that we don't discredit the program, number 1, and don't indeed jeopardize the program.

MR. DOWNEY: Yes, Mr. Chairman, it has been certainly worth taking the information and I will have discussions with the Director and the Board of the Crop Insurance to keep them abreast of the situation.

MR. CHAIRMAN: 2.—pass; \$1,865,700 to the Crop Insurance Corporation.

3. Do you want to go back now and do (f)? Do you have that information? We'll go back to 1.(f), Regional Administration, Salaries— \$1,031,700. The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, referring to last year's Estimates under III 9.(a), the last year's figure showed \$1,322,300. There was an additional general salary increase of \$50,500 which brings it to the total in this year's Estimates which is under 1.(f) to the total of \$1,372,800.

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

MR. USKIW: It's just that first item that is transferred from Item 9., Community Improvement. And would the Minister then indicate what that all entails in terms of staff complement and so on.

MR. DOWNEY: Mr. Chairman, it's a total of 82 SMYs. It includes 5 regional directors, 4 administrative officers, clerk typists and other clerical assistants in all ag- rep and regional offices.

MR. USKIW: Is that an increase or a decrease in SMY?

MR. DOWNEY: Mr. Chairman, no change.

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

MR. ADAM: Mr. Chairman, I was wondering, are there any vacancies now?

MR. DOWNEY: Mr. Chairman, does the member want the total number of vacancies?

MR. ADAM: Yes, in that regional administration.

MR. DOWNEY: Mr. Chairman, would the member opposite be prepared to wait until tomorrow so that we can provide the figures tomorrow? w

MR. ADAM: Of course, e're very amenable.

MR. CHAIRMAN: Well, can we pass the resolution and bring those figures tomorrow? We'll have them in a second. The Honourable Member for Lac du Bonnet.

MR. USKIW: I'm just wondering, Mr. Chairman, whether the Minister would tell us whether it's for presentation purposes or what is the reason for changing the format here — for pulling that appropriation out of Community Improvement and putting it under Administration? Is there any particular advantage?

MR. DOWNEY: Mr. Chairman, the reason for that was to have all the administration under one classification. Mr. Chairman, in answer to the number of vacancies, there are 12 vacancies.

MR. ADAM: These vacancies, are they going to be filled or . . .

MR. DOWNEY: They will be filled on the same basis as I mentioned earlier, at senior staff and priority basis.

MR. ADAM: Could we have a breakdown of (2)?

MR. CHAIRMAN: Other expenditures? Before we deal with that one (1)—pass; \$1,031,700—pass. Now 1.(f)(2) Other expenditures, \$419,000. The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, the question, I believe, was a breakdown of the \$419,000? We'll have to provide that information, we'll have to take that question as notice and the department will provide that information.

MR. CHAIRMAN: Can we pass that item, members, and deal with it .1(f), or do you want to leave it open.

MR. USKIW: Mr. Chairman, if we pass it then it will be difficult to come back to it.

MR. CHAIRMAN: Okay.

MR. USKIW: I have no problems with it if the Member for Ste. Rose wants it held, I'll yield to him.

MR. CHAIRMAN: Manitoba Agricultural Credit Corporation, . . .

MR. USKIW: Mr. Chairman, a point of order, I think we should decide what we're doing with that.

MR. DOWNEY: Yes, Mr. Chairman, we can give you a breakdown of the increases in that if that is satisfactory. Mr. Chairman, the price increase of \$32,600 — it's an 8.6 percent increase over the 1977-78. The other one is the Home Economist T.V. production in the northwest and southwest regions for \$8,400.

MR. ADAM: That's it?

MR. DOWNEY: That's right. It's a \$41,000 increase, Mr. Chairman.

MR. CHAIRMAN: 1.(f)(2)—pass; 1.(f)—pass; Section 3. , Resolution (10), Manitoba Agricultural Credit Corporation, \$1,724,400. Administration, \$1,624,000 — the Honourable Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I wonder if the Minister of Agriculture could give us an outline of what the future holds for the Manitoba Agricultural Credit Corporation and what are the new thrusts? Are they going to take place and give us an outline of what's happening in the departments?

MR. DOWNEY: Mr. Chairman, there will be an announcement coming forward very shortly. It has to have the Caucus and the Cabinet approval. We do propose to do some long term land financing in the future, and the land that is under land lease, the Land Lease program hopefully will be continually offered for sale to the individuals who are now leasing the land. That announcement will be coming within a very near future.

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

MR. ADAM: I wonder if the Minister could give us the number of people who are now leasing land with an option to buy and who have taken advantage of the option to purchase since the previous administration had changed the length of time from five years to one year.

MR. DOWNEY: Mr. Chairman, I don't think we have those figures available, but I could make them available first thing tomorrow and get them from the Manitoba Agricultural Credit Corporation. We don't have them with us here.

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

MR. ADAM: Could the Minister advise how many applications are still on hand that have not been as yet finalized?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Not the exact amount. There are still some in the process stage and I can't indicate exactly how many there would be but there are still approximately some 30, I would say, and that's an approximate figure. I would have to get the exact amount also from MACC.

MR. ADAM: I wonder, is the Minister able or willing to provide the figures of those applications in process or on hand and are there any further applications coming to the Manitoba Agriculture Credit Corporation at the present time or has that been all frozen?

MR. DOWNEY: Mr. Chairman, yes, we are not accepting any more offers to sell land or to continually buy any more land. That was frozen. I believe it was the 28th of October that that program was frozen.

MR. ADAM: Is the Minister saying now that there isn't going to be any change in that policy to assist young farmers to get into farming other than those other programs that we are supposed to hear about in the near future?

MR. DOWNEY: That is correct, Mr. Chairman. There will not be a Land Lease Program in the new proposal.

MR. ADAM: I wonder if the Minister could give us a breakdown of the staff man years now. There is an increase in the figures. I don't know if they correspond with last year's. Yes, they do. It's not a large increase. Could the Minister give us a breakdown on the staff man years; how many vacancies; how many positions have been filled and so on?

MR. DOWNEY: Mr. Chairman, the staff man years remained the same at 50 and there is one vacancy.

MR. CHAIRMAN: Resolution 10, Appropriation 3 — the Honourable Member for Lac du Bonnett.

MR. USKIW: Mr. Chairman, the Minister indicated an intention to introduce a long-term land financing program. Would it be unreasonable to ask him the basis for such a program? Why would we want to get into a program that is now being provided by the Government of Canada through FCC? Would it not make more sense to set up something that would complement or work with FCC in their long-term mortgage program as opposed to setting up a program of our own? We have had that kind of arrangement before where we were in the long-term lending business and in our experience, Mr. Chairman, during the depression years in agriculture, from 1968 through to 1971 — and they indeed were depression years — we were involved very much in refinancing agriculture in Manitoba and

quite a number of those refinancing loans did involve picking up delinquent loans with FCC and of course other agencies.

I don't believe that it would be in the public interest, at least for Manitoba that is, to sort of pick up the residue from the FCC Program, that is, all the rejections of FCC will likely fall into your lap, Sir, and you will find yourself in a position of either having to say "no" to an awful lot of people simply because they are not viable propositions, or you will be accepting a tremendous risk with a great number of them. And I say that simply because the FCC Program has had historically a lower interest rate factor than our provincial program and that if people were considered to be non-viable with lower interest rates, then it didn't seem logical that they would be viable with higher interest rates through the provincial program. That's one of the reasons why our government got out of long-term mortgage lending.

So really what is new, Mr. Chairman? We are now heading back into a recessionary period farm-wise, agricultural-wise, price-wise, and I'm afraid that we are going to be back into the same kind of a program that we had in the late 1960s, early 1970s, well, early 1970s because the MACC Program wasn't really functioning in 1968-69 but it became re-established in 1970 under our government. But our experience was not good there, Sir, and I wonder why you are not looking at a different approach, something that would tie more readily in with Federal programming in the credit field?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Chairman, yes, the Manitoba Agricultural Credit Corporation has been a corporation which has provided long-term financing historically before the change over to the Land Lease Program. In discussions with the people in the FCC, the Federal Credit Corporation, and the people involved in the banking industry, there still is a certain area that is not being covered to assist young farm people and people who are certainly wanting and desirous of farming and they have been unable to probably obtain financing through FCC. We will be certainly covering the government's interest, that they will be fully-secured loans, that we will not be putting the province in jeopardy but we will certainly plan to assist the young farmer and the farmer who has difficulty in obtaining financing through other sources. It is to fill a gap that is now there and certainly assist the farm people in long-term lending programs.

MR. USKIW: Well, you know, again we are getting on to the same point though, Mr. Chairman, and that is that we went through this kind of an approach before and it was the Conservative Government of Walter Weir, I guess, which phased out of the direct lending field through MACC. The Minister indicated that it was this government or the NDP Government when they brought in Land Lease. That is not correct. We inherited a program that was phased out. There was no direct lending program on the part of MACC in the latter part of 1968 and certainly 1969. It was completely phased out.

There was a program of guaranteed credit, provincial guarantees to private lending institutions which resulted in virtually no loans being made for a whole year. The reason for that at that time was that we had a very tight money situation in Canada and indeed in North America at that time and the private sector was just not willing to become too heavily involved in farm credit of a long-term nature or of any kind for that matter. Even the FILs were being played down. It was very difficult to get a Farm Improvement Loan at that time.

So that in essence we had no loan program for about twelve months during the last year of the Conservative administration of the 1960s. So in 1970 when we were faced with the problem of having to refinance a bankrupt industry — and really that is where we were on the prairies, it was really an industry on-the-rocks, so to speak — we ventured back in. But in doing so the bulk of our money for a couple of years had to go for straight refinancing as opposed to the provision of new loans for new farmers. And we will find ourselves doing that again.

Now, if with respect to young people the Farm Credit Corporation deems that an applicant is not viable and therefore they would refuse a young person a loan, on what basis would the Minister then argue that under his terms of reference the individual would indeed be viable if he was already rejected by the FCC as being a non-viable applicant?

MR. DOWNEY: Mr. Chairman, as it has been indicated to me, the FCC people are certainly not going to have the funds available to cover the needs of the people in the farming industry to fully finance the people who are wishing to buy farm land and so a shortfall of funds provided by the Federal Government is another reason for the province to provide funds for individuals in the province to buy farm land on long-term agreements.

MR. USKIW: Well, does the Minister envisage some sort of a subsidy to the program? Is that what he is indicating? — that would offset the problem of viability where he has an applicant that has been turned down by another lending agency for reasons of lack of viability? Is the Minister saying that he will change the viability by way of some sort of government input, support, subsidy or whatever in order to introduce that kind of an applicant into our program?

MR. DOWNEY: That information, Mr. Chairman, will be made available when the program is announced after it has gone through caucus and Cabinet.

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

MR. ADAM: Mr. Chairman, I was just wondering if the Minister would agree that as far as a young farmer getting into the agriculture business that it would be to his advantage to have funds available to pay off high interest purchases such as farm implements and so on which carry a very high rate of interest, rather than to have his paying on land which usually carries a lower rate of interest, instead of tying up capital in that manner? Is it the intention of the Minister, then, to provide interest-free loans or low-interest rates, subsidized interest rates? In my opinion, it is more desirable for young people getting in to try to put as much of their capital into these high, high interest purchases rather than in low-interest rate farm loans such as the FCC has been providing. And herein, I believe, is our main concern.

And also, if in fact you are providing funds to purchase land — you haven't announced just what your program is — but I presume if we are putting up mortgage funds for land, that we will be holding the paper, the mortgage, and in the event that there are failures, and there will be, then you will in fact become owners of land which you have been saying all along that you did not want to be in, owners of land. It is going to be the same thing as what is happening with the — what is that other agency where we lend money to businesses? Those businesses that we have loaned money for private business to get established and those companies that have gone under and failed, we have ended up with those companies even though we didn't want them, such as the Lord Selkirk and ManFor and so on. I am just wondering whether the same thing may not happen with a program of the government financing land.

MR. CHAIRMAN: The Honourable Minister of Agriculture. I

MR. DOWNEY: Yes, Mr. Chairman, I would just like to make a general statement on that, that I have a lot more faith in the young farmers in Manitoba than the Honourable Member for Ste. Rose has, that I have a lot of confidence in the individuals who want to get into the farm industry and certainly think we should have a program to help them accomplish the goals that they see — get into the industry that they feel that they would like to enter into.

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

MR. ADAM: Mr. Chairman, I want to advise the Minister that I have just as much faith in the young farmers as he has, but I have no faith in the market system that will keep the young people in farming, and if he wants to know the facts of what's happening today. . . I think I mentioned to him last night at our social, that 60 percent of farm income now comes from non-farm income. That is what's happening, and I suggest to you, Sir, that we are probably looking at the last generation of farmers. You know, I would hope that the Minister would take this into consideration, because I am not worried about the lack of willingness on the part of young farmers and the initiative and the get-up-and-go and all that, I am just concerned that the market system will not assist them to remain viable. And that's been proven over the past years.

MR. CHAIRMAN: Resolution 10 — The Honourable Member for Lac du Bonnet.

MR. USKIW: I would like to know from the Minister whether he envisages a loans program that will be more liberally applied, so to speak, than what is now available to the private sector and through FCC? Is it going to be more generous to the young farmer, to the client? How does he envisage this program unveiling?

MR. DOWNEY: I think, Mr. Chairman, I have stated earlier that this will certainly be presented in the near future and at that time there will be an opportunity for the members to discuss the program as it is being proposed.

MR. USKIW: Well, but Mr. Chairman, if I may, we are being asked to approve \$1.7 million on the premise that the Minister doesn't know anything about his program. That's really what he is asking us to approve. He's telling us to wait for the legislation. Well, I suggest to him that we should wait with this item until we see the legislation, or that he should be more candid with us and tell us what his intentions are. Now I appreciate the fact that it may require legislative changes, but surely he can give us an idea of where we're going because we can't just give him a blank cheque for \$1.7 million. I mean, it just isn't done that way.

MR. DOWNEY: Mr. Chairman, I could briefly discuss the program as it is being proposed. I think that we are certainly not planning to be in competition to the large lending institutes, that we will be concerned about the young farm people who are unable — not in all cases, but are certainly unable to obtain financing. We will certainly be planning to take full security on the property that we will be lending the money on. The loans will be well-secured. We, as I've stated, hope to fill the gap that is now not being filled by FCC, and certainly provide a group of individuals who are having difficulty in obtaining some long-term financing, with the end result of them owning that land that they are purchasing, and not continually leasing it for the rest of their lives.

MR. USKIW: Yes, Mr. Chairman, to follow up on that. Is the Minister telling us that there is going to be an open or hidden subsidy in the program?

MR. DOWNEY: Yes, Mr. Chairman, I would say that there would be a proposed subsidy for the beginning years of a loan program that it is proposed that there could be a lower interest rate for the package program that we are proposing.

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

MR. ADAM: I will defer to my colleague.

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

MR. USKIW: Well, Mr. Chairman, then the Minister is telling me that he is now changing his mind, that in fact he believes that the private sector cannot do it. He is telling me that it is going to require direct public subsidization for the purpose of introducing new people into the business world, whether they be agricultural or whether they be businessmen of another sort.

Now this government has been trying to lead the people of Manitoba to believe that this government is going to get out of all of that, that the private sector is going to have to do it on their own, and they are going to be on trial, so to speak, as the Premier has stated, and that governments are not going to be used in the way that they have in the past in trying to subsidize a weak industry, and I say to this Minister that if he is telling me that this industry is wrong, then he doesn't need the subsidy.

MR. DOWNEY: I think it's been stated by many members of our government, that we would be proposing a program to assist people to buy their land. Certainly, we have not misled anyone in what we have said in the past, that we indicated that there would be a program to assist young farm people into the business of farming. I don't think there's any question that anyone has ever tried to cover that up. We have certainly said that that would be one of our programs.

MR. USKIW: Mr. Chairman, it is very difficult to understand the philosophy of this government, because we have been reminded time and again in the last five months how wrong it was for the public sector to get involved in private ventures, how wrong it was to advance money by way of loan or grant, and here the Minister is now telling us that he was so wrong for five months and now we have to go back to the status quo ante and finance people through subsidies from the public purse in order to sustain a viable industry. There is no credibility left in this government, Mr. Chairman.

MR. DOWNEY: Mr. Chairman, yes, I think just to go back and bring forward the suggestion that the member opposite said that the reason that they got into the area of financing land, that it was in fact to clean a program up or to take over, refinance individuals, I think that it should go on the record that it would appear that the last administration were desirous of becoming the landowners in the province, and that they turn the land back, the government would own the land that they were purchasing and continue to own it for an indefinite period of time.

MR. USKIW: Well, Mr. Chairman, I would like the Minister of Agriculture to show me one shred of evidence, just one shred of evidence, where within the contractual arrangements with the people on the lease program, where that kind of desire could show up or could be evidence.

MR. DOWNEY: Mr. Chairman, yes the program, as it was instituted to start with, Mr. Chairman, was very easy to enter into and get into a land lease program. As you advanced one, two and three years down into the program it became more difficult, the charges increased and certainly there was no buy-back option until it was implemented, not by the last administration, but introduced by another party in this Legislative Assembly. I believe that it was pressure put on them to make that particular

MR. USKIW: Mr. Chairman, on a point of privilege. Surely the Minister isn't going to sit there and tell us something that is absolutely untrue. All he has to do is look at the contractual obligations on the part of the Crown vis-a-vis those clients, and he would know how wrong he is. It is not a matter of government statement, it's a matter of a legal document that spells out the rights of the lessee and spells out the rights of the Crown in that transaction. And from Day One . . .

MR. CHAIRMAN: Order. I don't think the honourable member has a point of order at all.

MR. USKIW: Mr. Chairman, if it's not a point of order, it's a point of debate.

MR. CHAIRMAN: Again, I say the honourable member, in my opinion, does not have a point of order. I ask him to speak to the subject that we are dealing with, Manitoba Agricultural Credit Corporation, Administration \$1,624,000.00.

The matter that you are dealing with, Sir, I think is debatable, and we will never solve that problem at this table.

MR. USKIW: Mr. Chairman, I'm certain that you are not intending to stop the debate.

MR. CHAIRMAN: Not at all.

MR. USKIW: And therefore, I want to continue in the debate.

MR. CHAIRMAN: Just in my opinion, I don't think it's a point of order. Now shall the Chair be sustained?

MR. USKIW: Mr. Chairman, we are not here to challenge the Chair — no one is challenging the Chair, we can behave like civilized people. I'm merely indicating to the Minister of Agriculture that he is unable — and I challenge him to show me one contract which would suggest that the lessee from Day One did not have the option to purchase. Show me one contract, Mr. Chairman, and we have several hundred on the books — he has them in his possession.

MR. CHAIRMAN: Order, order. I again remind the honourable member, in my opinion, I don't think we have a point of order. I think we are dealing with a point here that could be debated forever . . .

MR. USKIW: Mr. Chairman, I am not debating on a point of order, I am merely debating with the Minister, the Estimates of the . . .

MR. CHAIRMAN: Well, let's get it straight. Are we on a point of order or are we dealing with the Manitoba Agricultural Credit Corporation.?

MR. USKIW: Mr. Chairman, I thought I made that clear.

MR. CHAIRMAN: I thought you were on a point of order.

MR. USKIW: No, I'm not.

MR. CHAIRMAN: Well, I withdraw then. We are not on a point of order. The Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I challenge the Minister to prove, by tabling in this committee, before this committee finishes its work, one agreement that is in his possession — and he has them all — which denies the right of ownership to any of the lessees that we have on contract. Table one that will prove to me and to himself, that that is the case, and I challenge him to do that.

MR. DOWNEY: Mr. Chairman, I do believe that the honourable member . . . the information that is being provided that the individuals were able to purchase that land after a five-year period, but not in the beginning years, as I stated, of entering that program. They were not able to buy it back until the fifth year in the origination of that program, and that's what I was indicating; to start with it was easy to enter into, it became more difficult as the program went along.

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

MR. ADAM: Thank you, Mr. Chairman, I don't think the Minister would want to leave on the record the statement that he made, that it was another government that changed the term of purchase from five years, it was the previous administration that had done that. I don't think the Minister would want to have that on the record, because that is incorrect. —(Interjection)—

Let's get the record straight. We have someone here who says it was the new administration that changed this regulation — it wasn't. Whether it was done under pressure, or whatever, it was done by the previous administration, and don't try to confuse the facts. Mr. Chairman, I would hope that the Minister would again give us . . . Is it the intention of the kind of loans that he is going to provide — will that be similar to the loans to private industry, would it be loans of last resort? Would it be that a young farmer has to do the rounds, go to the banks, go to FCC, and when he's turned down all over, then he's going to come to the province? Is this going to be a similar deal that we were tied in with the MDF?

MR. DOWNEY: Yes, I will correct the statement that I made. It was, in fact, the last administration that made it available for the individuals to buy the land back from the government, but I would like to state that it is my understanding that it was from pressure from another one of the parties involved that were part of the action to force the administration to do that.

MR. ADAM: Mr. Chairman, we still don't want to leave that on the record unchallenged, either. We don't have to change anything under pressure. I want that clear that it's not necessarily correct.

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

MR. USKIW: Well, Mr. Chairman, I have here by coincidence a document of my last statement of our departmental Estimates introduction, found in the drawer of this desk here, quite conveniently, and where that particular change in policy is enunciated for the benefit of the Minister of Agriculture today. I would like to also point out to him, Sir, that the changes that were made were indeed designed to make it easier for people to exercise the option to purchase, but in doing that, Mr. Chairman, it is also obvious that we place total reliance on the Crown to provide a massive subsidy to those particular clients with that change. So, let's put it in proper perspective, that that was a decision to enter into fairly substantive subsidization of ownership of land in Manitoba. It was not based on the theory that in some way those people are going to be able to own land with their own resources as the Minister of Agriculture and this present government would like us to believe.

The only way that it can happen, Mr. Chairman, in our present day, with our present costs, our present capital requirements, where you have young people who don't have capital facility, the only way that they are going to become owners of land is through some sort of government intervention, whatever way it is done, but it will be by public subsidization, and it certainly is not going to be done in the sort of philosophical posture of this government, which have claimed that they are going to place the reliances, the well-being of the people of Manitoba totally in the private sector. That has never worked and it is not going to work, and the Minister of Agriculture is proving to us that it is not going to work because he is telling us now that he is backing away from that proposition in that they are prepared also to take some public risk, the risk of public money, in order to establish people in the business of farming in this province. I predict, Mr. Chairman, that they will even do this in other areas involving industry because they will find that their back will be against the wall in terms of the economy of Manitoba.

MR. ADAM: Yes, I just have one further comment to make to the Minister and I know that the policy of the Conservative Party is that they want to provide loans to purchase land — I think it is a duplication of FCC — but I am wondering why he would not, if he is going to proceed with this program to provide funds subsidized by the public purse and so on, why would he be opposed to having the option there as well, and why not give the option to the young fellow, and say, "here, you can have it this way, you can have it this way," either way it is a purchase option. So why restrict the option of these young people, they are having enough trouble as it is, and if we could find a third option, all well and good because I think they need all the options they can get to survive in this kind of an industry today.

I want to reiterate again that the average income of the farmers, according to Statistics Canada, not my figures, not your figures, that the average income of the farmers right across Canada is slightly over \$10,000 of which approximately sixty percent comes from non-farm operation income. That is the situation today, and this is why I am very concerned.

MR. DOWNEY: In answer to the Member for Ste. Rose, Mr. Chairman, I think that the options, the program that will be brought forward will certainly help the young farmer, the individual who, as I have stated many times, finds it difficult to get into the business of farming and into a viable operation and there will be a program that will certainly suit the needs of those individuals.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, if we are not prepared to finish this item, I move that committee rise.

MR. CHAIRMAN: I am not the regular Chairman of this committee, and I am the only one that can sign this Resolution as I am chairing this committee, now, if you will bear with me gentlemen until we somehow move this Resolution on. —(Interjection)— How can we deal with it with another Chairman, we have to start back at square one. —(Interjection)— You move that the committee rise.

MR. EINARSON: Mr. Chairman, if they are not prepared to finish this item now.

MR. USKIW: We will be an hour or so on it.

MR. CHAIRMAN: Committee rise.

SUPPLY — INDUSTRY AND COMMERCE

MR. CHAIRMAN: When the committee rose at supper, we were at Resolution 75, Item (d)(1).

MR. BANMAN: Mr. Chairman, just before we adjourned I was asked by the Honourable Member for St. Vital what the actual computer costs for 1977-78 were. The actual cost for the department as well as the affiliated agency was \$45,800.00.

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

pass; (e)(3)—pass. Item (e) — the Honourable Leader of the Opposition.

MR. SCHREYER: Could the Minister indicate the nature of the \$75,000 recovery, at least as to its main components?

MR. BANMAN: Mr. Chairman, that's one-half of the product review and design cost shareable with the Federal Government.

MR. SCHREYER: Could the Minister indicate for what time period this is an ongoing arrangement for — does it have a termination? It's dated subject, I presume, to one of the multiple year agreements. Is it a three or a five year?

MR. BANMAN: It's the second year of a two year agreement.

MR. CHAIRMAN: (3)—pass; Item (e)—pass; (f)(1)—pass; (f)(2)—pass; Item (f)—pass; (g)(1)—pass — the Honourable Leader of the Opposition.

MR. SCHREYER: Could the Minister indicate if Item (g), which we've just touched on, has to do with the regional development corporations? — (f) rather.

MR. BANMAN: Yes, Mr. Chairman, that's the funding for the different regional development corporations.

MR. SCHREYER: Could the Minister say then whether he has in mind, and if he can articulate now, what changes of a significant kind, if any, he has in mind with respect to the role and function of the regional development corporations.

MR. BANMAN: Mr. Chairman, I've had correspondence with, as well as talked to a number of the regional development corporations. At the present time the only sort of changes that we're contemplating is trying to sort of rationalize the different grants. I think there was three different types of grants that they could get; one was an incentive grant; one was just a flat grant to every development corporation; the others were some grants for re-entry — for a town that had pulled out and if they came in again there were some more moneys allotted for that. What I intend to do is have a look at how that maybe could all be rationalized under one grant so that it could be done on a one-shot basis.

MR. SCHREYER: Is the Minister meaning to imply that there is some proposed change in the nature of the financing formula under which formula there is a requirement for some amount of financing at the local level, the majority of which, however, is provincial?

MR. BANMAN: No, Mr. Chairman, nothing major, just to try and streamline it a little more.

MR. CHAIRMAN: Item (g)(1)—pass — the Honourable Leader of the Opposition.

MR. SCHREYER: The word "streamline" is rather too general a term. At the risk of taking a few more minutes I'd like the Minister to articulate what "streamlining" more precisely.

MR. BANMAN: Well, Mr. Chairman, let me just deal with one thing: If a town, for instance, or a village, or a rural municipality had not joined for the last two or three years, if they re-entered the Development Corporation they would then receive a \$500.00 grant for re-entering. So that this is one area that we're looking at that's a specific area and I guess that would be one of the areas that we're looking at how we could maybe tighten that up a little bit.

MR. CHAIRMAN: Item (1)—pass; item (2)—pass; (g)—pass; (h)(1)Salaries—pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the Honourable Minister no doubt will recall that he indicated to me that this is the item dealing with Manitrade and he was going to report to us as to the changes that are taking place or plan to take place in Manitrade.

MR. BANMAN: Mr. Chairman, there have been a few changes, one of them being that we have let two contracts go. There are at present funds available for 12 SMYs which we intend to retain. The funds have been provided for one contract for Mr. Armstrong, who is going to be dealing with the NFA program, and that's about the only change that will happen right now.

MR. CHERNIACK: Mr. Chairman, I'm trying to recall some names. One is a name that's similar to that of the executive assistant of the Honourable Minister — Frey or Fry; the other is a name of Goy, and there's a third name that I don't recall — all three of whom I'm told were on notice and leaving the department.

MR. BANMAN: No, Mr. Chairman, those people are still employed. The funds have been allowed in the appropriation for it and they will be staying.

MR. CHERNIACK: Mr. Chairman, were they given notice?

MR. BANMAN: No, I think, Mr. Chairman, as my information is and I didn't give them notice, but I think maybe in the review that we're doing in the whole department, maybe that caused them some concern. It could be that but we have allowed the moneys for the particular people. We're reviewing the different procedures taken but other than that the funds have been allowed and there have been no notices sent out.

MR. CHERNIACK: Well, that's very helpful, Mr. Chairman. That would seem to indicate some peculiar fear that must have spread somewhere within that department because I can't vouch for this — I wasn't told by any of these — I don't know any of these people, never spoke to them, but I was told that three of them were under ninety day notice. Can it be that everybody was given some kind of a warning that there might be notice and then were kept hanging in the air, or is the Minister saying that absolutely there was no notice given to them in spite of my information to the contrary?

MR. BANMAN: Mr. Chairman, I am informed that the Deputy had talked to them after following some news leaks of the Task Force Report and mentioned that he wouldn't be able to say anything till 90 days, till there were some further consultation as far as the Estimates and that was concerned, but I am sure that there was no termination given as such.

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

MR. CHERNIACK: Mr. Chairman, I am just thinking about morale in the department where people are told that in 90 days things may happen to them without their really knowing just what was going to happen. It must be an awfully upsetting situation which I hope the Minister will clearly remedy. It seems to me a very disconcerting thing for a person to be told, "We don't know, we are looking at your job and you may be fired." I raise that because I am now concerned that now that we know they are not fired, that the department is proceeding, that there will be no reduction in the service offered, and the Honourable Minister knows that I have had some cause to request that there be that kind of assurance, apparently two people are being dropped; I didn't check the staff but two people are being dropped. What jobs were they doing and who is going to do the work for them hereafter?

MR. BANMAN: Mr. Chairman, one was on a contract that was in Mexico, a gentleman in Mexico on a fee for service basis; and the other one was a gentleman dealing with the U.S. markets.

MR. CHERNIACK: Well, Sir, I just want clarification. I understand that there was a branch in Minneapolis which has been dropped — that is not the one that we're dealing with — so what is happening to the U.S. market now that that person is no longer employed?

MR. BANMAN: Mr. Chairman, I don't believe that there was an office in Minneapolis dealing with particular individuals. There was a tourism office in Minneapolis. But the staff tell me that those two particular areas will be covered by existing staff and that with the help of the Canadian trade commissioner in Mexico, as well as some of the other Latin American countries, they hope to form a pretty strong tie with those people there to try and provide the level of service that was maintained before.

I should point out at this time that we're not the only ones that have closed some of our foreign offices, if you want to call it that. Ontario has moved in the same direction, again trying to utilize some of the federal people that are out there. For instance, in Mexico I think there are about four or five trade officers, trade development officers that are stationed right in Mexico City, and we will be trying to utilize those services.

MR. CHERNIACK: Mr. Chairman, it occurs to me to endorse the thought of making better use of the Canadian people. I recall and Mr. Blicq who just left the room may well recall also that there was an occasion when we travelled together with other Winnipeg businessmen to Japan, when we learned there that the departments, the trade people in the Canadian Embassy were complaining they were not being used. At the same time, I recall meeting a representative from one of the other provinces who said that if not for the presence that he had in Japan there would have been no real activity on behalf of his province, so there seems to have been some kind of competition and possibly this would work out. But coming back to the person who was employed here and represented the U.S. interests, or U.S. market, and has now been dropped, I gather that other staff will be picking up his work which seems to imply that either they weren't covering all that they could have covered or that there will be a reduction in service. I just want to get it clear that either that they weren't doing the entire job, or that there was less job available for them to do, and therefore we could do with one person less.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, again I am assured by staff here that they feel that they will be

able to adequately take over that particular function by dividing that particular work load among the people that are presently there.

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

MR. WALDING: Mr. Chairman, I notice from the documents that the Minister tabled with us yesterday giving the total staff man years in each department that there appears from my reading of it to be a total of 14 staff man years for this coming year and for the past year was 13, which would seem to show an addition of one staff man year being requested, yet from the Estimates Book it shows a drop of some \$80,000 in the salaries to be paid. Can the Minister explain this apparent inconsistency?

MR. BANMAN: There is one vacant position. There are 12 people that are at present on staff there and the funds provided for are for those 12 people and there have been no funds provided for any vacant positions.

MR. WALDING: Well, just reading from the document, Mr. Chairman, it reads 12 SMYs in permanent positions, one contract employee, for a total of 14, one vacant position, for a total of 13. Yet, the same figures for the year before show a last figure of 12, which is one less, whichever way you read it.

MR. BANMAN: Mr. Chairman, I understand that one of the contracts was brought on during the interim or during the middle of the year, and that might cause some confusion here.

MR. WALDING: Would the Minister tell me again then what the total is that is being requested for this year. Is it the 14 that appears here, or will the one remain vacant and only 13 being asked for?

MR. BANMAN: Mr. Speaker, to date one contract staff has been released and a fee for service contract terminated. The total SMY complement is 13 but funds are provided for 12. The remaining position is vacant.

MR. WALDING: Mr. Chairman, can the Minister then explain the \$80,000 drop in salaries for the new year?

MR. BANMAN: Yes, there's one position not funded, Mr. Chairman, and a turnover ratio of \$26,400 is allowed for it.

MR. CHAIRMAN: (h)(1) — the Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, I want to make sure that I understood the honourable member clearly or understood what he was trying to say with regard to the maintenance of so-called foreign offices of Manitrade, or the Manitoba Development Trading Corporation. I thought I heard him infer that there was sort of a Mexican office, or an office in Mexico City that was being closed down, and my recollection is that some years back we did have someone who travelled around Central America and Mexico, happened to reside in Mexico City, but that could not in any way, shape or form construed to be an office. There was no office as such. There was a temporary office shared with the Department of Tourism on an experimental basis, I guess, in Minneapolis, but this was closed some time I believe last year if not the year before.

So I just want to make sure that I understand what the Minister is saying. He is not suggesting that there was an office in Mexico City that you were closing.

MR. BANMAN: No. No, Mr. Chairman, it was a resident Mexican who was operating out of, if you want to call it, his house.

MR. EVANS: Yes, well I think he was a Canadian citizen but, at any rate . . . —(Interjection)— He is now, yes, well that's beside the point, I suppose.

I have always felt that we could and should make greater use of the Canadian Trade Commissioner's service. It's a very excellent service and it is there for people to utilize as they wish — by people I mean both governments, provincial and federal government agencies, as well as individual companies, individual businessmen. But it's, of course, a matter of communicating with them and so often, I found, that the great bulk of the work that these foreign trade commissioners were doing involved work for Ontario and Quebec companies simply because this is where the bulk of the industry was. At any rate, this is probably the most efficient way to operate and that is to utilize the services that exist — there's no need to duplicate in my mind, and I believe the new Minister shares that point of view.

But what I would like to know is whether the Minister has in mind some new thrust or some new program to assist in the promotion, not only promotion but the actual sales of Manitoba-made products outside of the boundaries of Manitoba because the trade development branch, Manitrade, was not only concerned with selling outside of Canada but it was also concerned with selling

elsewhere in Canada outside of Manitoba. And this indeed is a very difficult task. But, nevertheless, it's something that has to be done — we have to do more in my view to assist Manitoba manufacturers and processors to sell their goods and wares and, indeed, services if necessary, outside of Manitoba.

I note some cutback in spending; really no substantial change in the staffing, but I do wish to know what new thrusts or what new programs the Minister has in mind in order to help Manitoba business do a more effective job, if you will, in selling their products outside of the province.

MR. BANMAN: I think one of the areas, Mr. Chairman, and the member mentioned it well, and I know it's a difficult area to get involved in but we have been trying to, in meeting with the federal member in charge of the ITC, the federal minister, as well as talking to people in different areas to try and develop a good relationship with those particular people, also concentrate foreign markets as well as domestic markets. I can't say that I have any revolutionized new plans. We were watching very closely, for instance, the trade mission that went over to the European conference, went over to Brussels, there were several Manitoba businessmen that went on that. I met with them after they returned and discussed their impressions. The member will realize that you are dealing with a pretty competitive market out there and this was the sort of analysis that the businessmen that came back said it's a very tough market; it's going to require quite a bit of work to try and break that, but some of them were quite enthusiastic about some of the prospects in some of the Scandinavian countries for some of their products as well as even over in Britain. So it's a pretty competitive market out there, and especially when you're dealing with Japan and that, they are pretty good merchandisers and are in the marketplace pretty heavily. So given those few things, trying to establish a good rapport with the federal people and also monitoring what the larger business community is doing with regard to that type of development, we hope to maintain and build our export markets and our export chances.

MR. EVANS: Yes, well I would agree wholeheartedly, Mr. Chairman, with the Minister when he says it is very competitive in selling our manufactured goods in places such as Japan or Europe. I would dare say that in some of the western European countries, from casual observation I would say there is probably more manufacturing industry plants in one mile along the coast of Holland than there is in all of Manitoba, that's just a fact. But they are at a very excellent location and historically, of course, Holland has developed into a very advanced industrial and manufacturing nation. So obviously, one would not wish to try to carry coals to Newcastle, one would want to try to sell manufactured goods made in Manitoba, realizing we are in the centre of the continent, far from ocean ports, therefore having very high transportation costs to overcome, but nevertheless, trying as we must try. It would be obvious that we would do better in competing with countries such as Japan and European countries — we would do better to try to sell our merchandise in the Third World countries, the developing countries, the Latin American countries — and of course we have had some success in this area.

I recall one in particular where Manitrade sold a complete slaughter house to a company in Panama, and it went over so well as I understand, and this was Rogers Canadian Western Limited, and it was a complete slaughter house, and the sale went so well I believe, that the company was able to follow up with another sale in that neck of the woods in Central America. So we have done some things. The Manitrade actually found the market and did the preliminary work, the spade work you might say, and then of course brought the company officials in who had to conclude the deal of course, because it was between the company and the Panamanian industry that was interested in this particular equipment. So obviously we have a better market potential in Third World or in developing countries, and we have had some successes.

I also note that we have had one or two or three, or many actually, we have a small group of very successful Manitoba businesses that have done very well in selling very sophisticated machinery around the world. The Spiroll Corporation, for example, cement extruding equipment; Kipp-Kelly is another example where they sell equipment — I think they have even sold to China as well as African countries — you know, they have been very very successful—(Interjection)—sure, they pay good hard cash. But the fact is, that it can be done, but we need a little bit more of this and I don't know how we would do it.

We attempted through a change of the Manitoba Trading Corporation Act, I guess we changed it from the — was it from the Manitoba Export Corporation to the Manitoba Trading Corporation — and gave it some additional powers, if you will, to actually become more actively involved in the trading procedure and this was all done in the hope of perhaps stimulating trade or allowing trade to take place where it wouldn't otherwise. And I believe I read in the paper some remarks the Minister recently made, that he was thinking of downgrading the function of Manitrade. Now, I am not saying this is a good or bad idea but I would like to get this clarified and if he does intend to downgrade it, what does he expect to take its place or what does he intend to do to make up for this downgrading, if I read him properly. Now maybe I am under a misapprehension, maybe that was not his intention, perhaps he was misquoted or taken out of context — I don't know — or perhaps I read something into the news story that wasn't there.

My impression was that there was some intention to change the functioning of Manitrade and I got the impression that it was to scale it down somewhat. Now maybe it's because the moneys being spent weren't worth the efforts, the results of all the efforts and the money spent maybe weren't worth it. And maybe it's legitimate to wind it down. But if you wind it down, please tell us what you expect to have to take its place, because it seems to me this is such an important area that we would be very remiss as a province if we slackened in our efforts to do everything possible to enhance the sale of

Manitoba made goods and services abroad.

There is one case of Cuba where we thought we might refurbish the whole hotel, Hotel Nationale in Havana. Well, we tried and we just about made the sale. If we had it would have provided a lot of work for Manitoba companies, everything from making the drapes right through to the furniture, and other equipment, plus architectural services, and so on.

At any rate, I wonder if the Minister could advise the House just what is his intention with Manitrade, and if it is a scaling down, what does he have to take its place?

MR. BANMAN: Mr. Chairman, as I mentioned before I'm looking at the whole function, but we have left the half million dollars in that was in the trust account, which was used for the bridge financing for Manitrade; that has stayed in there. The biggest change, I guess, is the representative that was down in Mexico as well as the other fee-for-service contract, and other than that, at present as far as I can tell the member, it's business as usual.

MR. CHAIRMAN: (h)(1) — the Honourable Member for Fort Rouge.59 -60

MR. AXWORTHY: Thank you, Mr. Chairman. I want to say that one of great advantages of the Estimates debate is the opportunity to acquire new and important pieces of information that we otherwise wouldn't have. I am fascinated to learn that Manitoba is now the leader in the cement extruding business around the world. I also want to raise my concern the fact that now we have closed the office in Mexico how we are going to sell our black beans down there which was a product of some great importance to the previous government. Probably you could comment on the black bean trade that we spent so much time — I don't know whether we spent much time developing — we certainly spent a lot of time talking about it in this House.

Nevertheless, there is one question I thought would be of some interest to me based upon the Statistics Canada report of last year. I looked at the question of trade shipments of the respective provinces for 1976-1977, and I certainly would agree with the Minister that it is a cruel hard world out there. It still doesn't explain why last year the province of Manitoba had the lowest increase of any province in this whole country in terms of the out-of-province shipments of its manufactured articles or goods, which means that compared to such industrial giants as Newfoundland and Prince Edward Island we are still substantially below them in terms of the gross increase and value of shipments of other provinces' products. I would suggest, Mr. Chairman, to the Minister that that particular figure in itself should be some cause for concern on the part of the Minister in this responsibility and I would like both an explanation for it and some indication of how he intends, with his new responsibilities, to cope with that particular problem.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, as the member mentioned, it's a pretty tough competitive world, no matter if you are dealing with the European common market people or if you are down in the Latin American countries — the Latin American countries only have so much money to spend; also very often their political structure is a little different than ours and it's not necessarily the lowest bidder gets the job.

But one of the things that we have been looking at, and I'll come back to the industrial development agreement that we are working on right now with regard to research and development, the Manitoba design competitions that were held not too long ago, there was some very interesting products that people developed over here that used their own initiative. I am reminded of the company that built the shelters for the Olympic Games which happened to win an award. It was a tent shelter where a couple of young enterprising individuals for Manitoba built those shelters and are now very actively involved in manufacturing them. There are different things, if you have people that do spend the time on research and development that can come up with some pretty unique products which can be marketed throughout the world, and we hope to put quite a bit of emphasis on that particular part. As far as the particular branch is concerned we will be aggressively identifying different markets that lend themselves to Manitoba manufacturing, pursuing those actively and be informing different manufacturers in the province of what some possible opportunities and areas they could go after.

So, dealing with that, as I mentioned before, we are looking not only at foreign markets, we are looking at domestic markets as well, whether it be with the new fighter program which would see some spinoff over here, not necessarily in the aerospace industry, but in other related industries in the province. So those are a few areas that we are working on.

MR. AXWORTHY: Thank you, Mr. Chairman. I would say in comment to the Minister's remarks that it still doesn't satisfy the question as to why it is that Manitoba would be the lowest of all those provinces even though we are all competing in the same harsh competitive world that he describes. I suppose that if it comes as any solace it would be that the provinces which have even far less of an industrial base than ours are still managing to improve and expand their export markets substantially, almost twice the increase that our own province has, and that therefore I suggest it should be the prime concern of a Minister of Industry and Commerce to get to the grounds of what

exactly is it that is causing that particular weakness. Is it in the structure of our own manufacturing industry or is it simply the areas of export and shipment that we relied upon for a good period of time are now in depressed markets — whatever it may be.

Now, when he mentions the question that he hopes to take advantage of new investments or products coming out of research and development, I couldn't agree with him more that that is probably one of the prime ways to approach the subject. But then I would raise the question — I didn't realize that it was in another item but he raised it, so it is worth coming back to — why is it this province has substantially reduced its assistance in that very field; that one of the major cuts in the Estimates of his department is in the field of research and development and that is going against a situation as a province where we had one of the lowest per capita expenditures in research and development of any province in this country, according to Canadian Statistics information; that we said I think, half of one percent or something in terms of budgets overall, in terms of industrial research and development, assistance to varieties or r. and d. events. And yet if he is saying that he is going to put his emphasis on that particular area of activity as a way of turning this particular situation around, it would seem somewhat contradictory then to go back and reduce the kind of assistance should be put into that area, research and development.

I would really like an explanation for that contradiction, taking his own premise that that is the thing to do, why in fact are we then substantially cutting back in these areas according to his own Estimates.

MR. BANMAN: Mr. Chairman, in dealing with technology and supply which were passed, and I appreciate that the member wasn't here, but this is one of the exact areas that we are sitting down dealing with the Federal Minister right now, with Mr. Lesage. We have identified that particular area and we are hoping to include this in our Industrial Development Agreement which, I might add, is coming along very well and we hope to have very shortly. So that is an area that has been identified in that agreement and is a very strong component of that agreement.

MR. CHAIRMAN: (h)(1)—pass; (2)—pass; Section (h)—pass. (i)(1) Salaries—pass. The Honourable Member for Brandon East.

MR. EVANS: I wonder if the Honourable Minister, Mr. Chairman, can give us an update on the question of regional air service in western Manitoba. As we know in this Legislature, for some time there had been, in fact since the last federal election in 1974, a promise to put in a form of prairie air service including points such as Dauphin, Brandon, possibly Yorkton, and we have our ups and downs over the years on it but we still don't have the air service.

I would also like to know if the Minister could comment on the possibility of the jet service that has been talked about. I think it is the Lakeland Airlines. Is it Lakeland Airlines? —(Interjection)— Great Lakes, pardon me, Great Lakes Airlines. Just where do we stand in that matter?

MR. BANMAN: Mr. Chairman, first of all let me deal just with the Great Lakes application. Unfortunately when the Transair-PWA merger took place, the application that Transair had put in for jet service, Regina-Brandon-Toronto, was one of the casualties of that particular merger. Since then there was a smaller air carrier called Great Lakes Airways who made a bid and filed an application with CTC to have a run which would go Brandon-Dryden-Toronto. I understand that the application as it was put in now, because it had certain conditions on it, has been turned down by CTC. But I also understand that the company will be reapplying. I have spoken with the people from Great Lakes; they have been in here several times. We impressed on them our feeling that we would like to definitely see Brandon get an air service and provide a hookup, at least for now, with Eastern Canada. It did not give the people of Brandon an access into the west but I think it would have been a good positive step forward seeing that Air Canada was not interested at all in picking it up.

One of the things that we thought would happen with Great Lakes making the bid is that — and sort of did happen — Air Canada more or less backed off and didn't, I understand, oppose that particular bid, I think realizing that there is a need for that particular service to Brandon.

So the way the thing sits right now is we are going to have to wait and see, as far as the application of Great Lakes, given certain considerations at that time.

With regard to the regional service, the hearings were held in the latter part of January, I believe, or the beginning part of January and there is no decision on that yet that has come out of that. But there were several carriers, I understand, that made bids for the Dauphin-Brandon-Winnipeg, and there haven't been any results from that yet.

MR. EVANS: Well, I thank the Minister, Mr. Chairman, for that information. As I understand it, then, Great Lake Airlines is very interested; for some technical reasons it has had to reapply. It is in the process of reapplying and we will see what happens. But Air Canada is not opposing it, I gather.

On the question of the commuter service or the prairie air service or whatever you may wish to call it, involving Brandon-Dauphin and so on, could the Minister advise us as to which companies have applied for that? I think his staff would have a list. I know that list has changed from time to time. I know Time Air at one point was very interested in that but I believe it withdrew its application so that Time Air is no longer in it. I wonder if the Minister could advise us as to exactly which airlines are attempting to get this commuter service?

MR. BANMAN: Mr. Chairman, we will provide that information.

MR. EVANS: On another area of concern, Mr. Chairman, I wonder if the Minister can update us on the question of railway branch line abandonment. The Hall Commission Report recommended certain branch line abandonments in the province as well as the other two prairie provinces. The Minister responsible, the Honourable Otto Lang, subsequently set up the Prairie Rail Action Committee, I believe it is, which is to pass judgment more or less on the recommendations of the Hall Commission with respect to those that weren't protected to the year 2000, I guess it was.

Is the department and is the Minister in active consultation with the Prairie Rail Action Committee, I think it is called, under the chairmanship of Fred Anderson, and are you having any success in dissuading them from this ongoing process of eliminating branch line service in the Province of Manitoba? I think everybody recognizes that some branch lines have to go and will go — in fact some of them have gone years back. The railways had been getting subsidies for them for goodness knows how many years while bushes and trees and so on were growing through them. The railways never tore the rails up because otherwise they would lose the subsidy.

So the railways were getting the subsidy for these branch lines, so-called, but the branch lines weren't being used. The only function they served was to give the railways a source of subsidy revenue.

This situation is changing. Some of these lines therefore are being torn up and indeed many others. This has an impact on our various rural communities that may be along those lines affected, causing additional burdens, additional costs for the people in the area, certainly additional costs for the farmer if he has to truck his wheat or grain or whatever a greater distance. And it is certainly a greater cost for the municipal taxpayer who has to pay for upgrading and maintaining municipal roads. And indeed it is an additional cost for the provincial taxpayer who has to maintain and upgrade provincial roads. So all and all, this whole process of branch line abandonment, one element of it, one undesirable element of it is a shift, a real shift of costs from the shoulders of the Federal Government and the railways to the shoulders of the provincial taxpayers, the municipal taxpayers, the people living in those communities and the producers involved. Therefore, I ask the Minister if he could give us an update as to what success he's having in maintaining in existence some of the branch lines that his staff and others in the government here, as well as himself, may think should be kept as opposed to what the Federal Government believes should be kept or should not be kept. Just where do we stand in this process of . . . it's called branch line rationalization, that's the very polite word to use for it.

MR. BANMAN: There's a number of questions that the member asks and I'll try and deal with them all.

No. 1, the Province of Manitoba along with the other prairie provinces and, as the member knows, is not very happy with the sort of lack of implementation of some of the recommendations of in the Hall Commission Report. We met with the Federal Minister in charge of Transport at one or two different occasions as the prairie ministers and we have also met with the Federal Minister of ITC expressing our concerns to them. We would like to see some more positive action and implementations of some of the Hall Commission Report findings.

There are several specific questions that the member asked. Another very contentious point with the Prairie Provinces is how the rail beds will be disposed of. Under the present system, it would go to the municipalities which would then in turn deal with the farming community. What the province is saying is, that's fine but we would like to make sure that wherever there is a possibility of a transmission line or very often the rail line, or the line to be abandoned, runs parallel along a highway and we all know how hard it is to get right of way these days along the highway, it's a long complicated process, so what we're saying is that we would like — I might add, Alberta's I think even gone into a much more aggressive action of sort of starting to file caveats and that type of thing, searching of titles — we haven't gone to that but we have expressed our concern to the Federal Government that we want to make sure that we get a crack at those particular lines so that they could be of benefit to us in the future and save us a lot of problems.

The other area that is directly affected there, and I guess it comes back to the Hall Commission Report and has to do with the several comments the member made about the strengthening program of the road network, we have not come to any agreement with the Federal Government on that. The strengthening of the road system in areas where the branch lines are being abandoned is, of course, something that's going to have to be undertaken by the Provincial Government and what we would like to see is that there is a cost-sharing formula with regards to that because not only will the farmers have to haul their agricultural products, whether it be to an elevator or to market, a longer distance but we are also being faced at present with larger loads so that requires further strengthening.

Also, when we met with the Federal Minister of Transport and the Minister of Industry and Trade and Commerce, one of the concerns that has sort of come to the fore in the last little while is the problem the rapeseed industry is facing and we come back to the freight rate problem in total. That particular industry is in real dire straits whether it be in Alberta, Saskatchewan or Manitoba. The anomaly of having to pay more for your processed product versus your raw product is something, I guess, that is motherhood to all western provinces and has been for many many years. I guess it's one of our main grievances that we have raised and I know the member opposite has raised with the

Federal Government.

To date, really what has happened is that ITC have gone ahead and extended the program of assistance to the rapeseed industry but there have been no real advances or achievements made along that line. Of course, this is one of the problems that deals with the whole industrial development of this country of ours. If we're going to be shipping raw rapeseed to this new plant that's being built in southern Ontario which has a tremendous crushing capacity, for much lower than we can sell the raw product over there, it does definitely put us at a disadvantage as far as competition is concerned and I guess that deals with exports and other things right away too.

MR. EVANS: I thank the Minister again, Mr. Chairman, for that information. The question of the rapeseed oil and meal crushing industry is a very interesting one and a long standing question and problem. It brings up the matter that the Minister referred to and matters that have been referred to in the newspaper by the Federal Minister of Industry, Trade and Commerce and that is the question of subsidization of the shipments of rapeseed oil and meal. This is a rather innovative thing and I just wonder, where does Manitoba stand on this? The suggestion is that the Prairie Provinces and the Federal Government, perhaps, jointly subsidize the shipments of rapeseed oil and meal out of whatever plant exists in the Prairies, to whatever markets, the subsidies not going to the manufacturer but going to the carrier, so you pay the carrier and, in effect, overcome this disadvantage or this anomaly. It seems almost useless to talk to the Federal Government or the railways because we've argued this point along with our sister Prairie Provinces for years. I recall personally having fought the good fight in Saskatoon before the Railway Transport Committee of the CTC . . . oh, three or four years ago, and I spent a couple of hours on the stand being cross-examined by CPR railway lawyers and so on. And I think we made a pretty good case. Everybody seemed to agree with us but we never got really any action of substantial value.

So I go beyond rapeseed and oil and meal and I think of other agricultural products that could be processed to a greater extent and then I ask whether it's worthy of some research and therefore possibly if the research proves positive, of some type of new program to subsidize for a period of time the carriers for the outward shipments of agricultural related processed goods — processed goods based on the supply of raw agricultural products — and I would say goods that could be processed here in such a way that you don't have an artificial. . . It's not an artificial situation but it's based on a natural advantage that we have but that natural advantage is wiped out because of some freight rate anomaly. If you can't get the feds and the railways to eliminate that anomaly, perhaps you can do it yourself through some form of subsidy to the carrier. Now, I don't know what the costs are involved so I'm asking really whether this is not a subject worthy of some research and some study because it may be that this is one very material way that we can get some industrialization in Manitoba that we wouldn't otherwise.

I am of the view that Manitoba has not and is not realizing its industrial potential for a number of reasons. And one main reason that it's not realizing its industrial potential is because of the phenomenon of the modern corporation. The modern corporation builds plants, locates manufacturing facilities, in the best interests of the modern corporation and I guess I can't fault that corporation for making whatever location decision is of benefit to it because it's governed by the rule of maximization of profit and that's the name of the game, so we can't blame them.

But what's good for the company, for the corporation, may not be good for the region and the classic case in point is Morden Fine Foods. Morden Fine Foods used to be owned by Canadian Cannery. That plant was a plant of Aylmer Products, otherwise known as Canadian Cannery Limited, and the president of the Company, a Mr. Borden, back in 1970, told me that they were making money on that plant at Morden. They were making money. It wasn't losing money. But, his accountants informed him they can make even more money if they concentrated production in Hamilton so you can't fault that company eh? So what's good for Canadian Cannery Limited, by concentrating in Hamilton, so that they can enhance their profits, that was fine, but it wasn't good for Manitoba. It wasn't good for our workers; it wasn't good for our farmers; it wasn't good for our provincial economy. So I say, one of the problems that we have in trying to create industry in Manitoba and to realize our potential of industrialization is the problem of the existence of an institution.

Incidentally, big corporations aren't necessarily bad at all. Maybe that's the most efficient way you can produce things. You know, I'm not knocking it, but I'm saying we should recognize that we're fighting this institution. And not only that, but if you look at the historical figures, you'll find, unfortunately, that the trend is for even greater concentration of manufacturing, secondary industry, in central Canada, in the so-called Golden Triangle. That is an historical fact.

How do you overcome that trend? There are different ways of doing it but I suggest to the Honourable Minister that one way is to change the freight rate situation. If you can't do that directly with the railways or with the Federal Government, possibly you can do it by this method of subsidization. Again, maybe it's too costly, I don't know. But I say at least it's worthy of some study. I wonder if the Minister would comment on that.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, dealing specifically with the rapeseed industry and really the one crushing plant that we have in Altona here, there have been some preliminary studies done with regard to what it would cost on a proposal that the honourable member mentions, that the Federal Minister made. And the cost to the Manitobans would be roughly — and this is a rough figure —

approximately \$500,000 for the one industry. So the member can appreciate if we would go along with the one industry. This is a pretty large sum of money that we're talking about. And I think that what would happen is, if the Provincial Government starts subsidizing that type of freight rate, I think we're just opening the flood gates and I think we're going to have to continue putting the pressure on the Federal Government to try and change some of these anomalies.

I realize that it's been an old fight. To date we haven't been very successful. I guess one of the most encouraging things was the Hall Commission Report. But I feel at this time that those sums of money we just don't have that we can subsidize a transportation of those materials.

MR. EVANS: Well, Mr. Chairman, we could talk all evening about the problem of freight rates. — (Interjection)— But the cheering section isn't in favour of that.

At any rate I would like to shift for a moment to another topic. I notice the Member for Churchill has just slipped out. Oh, here he is. And that is, can the Honourable Minister update us again in the area of the Port of Churchill? The Federal Government had promised to spend several millions of dollars to bring Churchill back to where it maybe was 20 years ago.

The fact is that the Port of Churchill has suffered through, I would say, perhaps insufficient maintenance over the years, or perhaps maybe another expression one should use that may be more critical, is that it has suffered from technological change. You know vessels have become larger; the Port has not changed; the docking facilities have not changed that much.

The Federal Government had promised to spend, I think it was \$12.5 million and that was about, I don't know, three years ago, maybe four years ago, and then there was a slowdown and I'm not quite sure where we stand at the moment. But given the unemployment situation — the terrible unemployment situation — in the Port of Churchill, it might not be a bad idea to see some construction activity go on there at this time.

Just where do we stand with the Federal Government? I know it's a federal responsibility. It's not a provincial responsibility. But the province has been very aggressive over the years in attempting to get the Federal Government to move to improve the Port of Churchill and to do other things such as the Churchill re-supply. We managed to get the Churchill re-supply operation going and I'm very pleased of that, but now we need to see improvements in the facilities, the docking facilities and the so-called port facilities. Just where do we stand in that respect?

And another question, where do we stand in respect to the rail line upgrading to the Port of Churchill? Because the Manitoba Vice-President of CNR, I believe Mr. Hansen, indicated last summer I believe it was that the CNR was going to cease the upgrading program because — I'm not quite sure of the precise reason but I think he felt for some reason or other they were not going to get a subsidy from the Federal Government. So where do we stand in the upgrading of the line to Churchill so that it can take the modern hopper cars, and where do you stand in terms of the upgrading of the facility itself?

MR. BANMAN: Mr. Chairman, I understand that there is some work going on along the line and the Member for Churchill will probably have better information on it than most people in the House. But I understand there is 40 miles of upgrading and banking going to be done. There are also going to be improvements to about five bridges. There is supposed to be two siding sections added. I guess one of the big problems that we face is that the line can't handle those big hopper cars that we're faced with right now, and that is something we'll have to be dealing with, with the Federal Government, because of the bubbling problems and that they have on the line.

The Port I understand is going to be shipping something like 30 million bushels of grain this year and the problems I guess with the line not taking the heavy load on that is something that we're going to have to do some more work on and see what can be done with regard to dealing with the Federal Government on that.

MR. CHAIRMAN: (i)(1). The Honourable Member for Brandon East.

MR. EVANS: Then what about the port facility itself? I don't think I heard you mention it.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I understand that there have been some minor improvements but nothing substantive on that. That's something that we will have to keep pursuing in the future.

MR. CHAIRMAN: Section (i)—pass. (j)(1) Salaries—pass. The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I just wanted to basically ask a question of the Minister. By this remarkable coincidence or close co-operation, whatever it was, the Task Force recommended that the Economic Development Advisory Board should be disbanded in its present form as it is of limited value. So the Minister arrived at the same conclusion. Could he indicate the reasoning behind this action, to eliminate the Board which appeared over the years, to have some valuable input? I believe it was composed of a variety of citizens including businessmen and academics and came out with a number of useful reports. So could he tell us why the Board was dissolved?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, I think the Member for Brandon East, if you look at the Estimates throughout the years I think there was less funding for that particular organization over the last number of years. I think one of the feelings that we had, that given the restraint that we were under and talking to people in my staff, there was a feeling among the people that there was in certain instances, a duplication of function and we felt that for that particular amount of money we could do a lot of that work within the department.

The Economic Development Advisory Board and I think in the last few years put out several specific documents dealing with certain things. Exactly how beneficial they were, how many people used them and exactly what they did, I think is very hard to assess. But it was a decision that was made in light of the feeling that much of the stuff could be done in-house with the staff and as a result it was sort of an external agency that at this time has been disbanded.

If, in the near future or if within a year or so we feel that the Board was indeed providing a valuable service to the department or to some other external agencies, we can always, of course, bring it back because there aren't that large sums of money. But that's the reason for it right now.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, has the Minister any plans for a replacement for it, because I would have thought that this would have been very much in line with his philosophy, with that of his party, that he would want a group from outside of government representing the private sector having some means to convey their thoughts, their views, to government and this would have been one such way. So is he planning on replacing it with some other board which would provide that type of liaison between himself and the private sector?

MR. BANMAN: No, Mr. Chairman. I think that the member is aware that they were turning out specific reports dealing with certain segments of industry, whether it be employment, housing, energy — I think the last report deals with energy — and exactly how beneficial, or how many people read the report, or where it exactly went to, I haven't been able to assess but we felt at this time that it was one of the areas that was not of top priority and therefore we didn't vote any funds for it.

MR. CHAIRMAN: As there is no money involved in Section (j) that completes Resolution 75. Resolution 75, Resolved that there be granted to Her Majesty a sum not exceeding \$3,199,200 for Industry and Commerce. Operations, \$3,199,200—Pass.

I direct you to Resolution 76, Item 3.(a) Salaries. The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, there are a couple of areas of the department that interest me, one being the Development Corporation which is coming up, and the other is the Bureau of Statistics, which we are now dealing with.

The budget of the Bureau was slashed by approximately 33 percent, and if I could again refer to the Task Force Report, it was quoted as saying that the Bureau is providing a lot of information of doubtful value, Statistics Canada produces volumes of statistics that are readily available, and etc., etc., the Bureau's budget should be substantially reduced. Now, no sooner are those words inscribed in the Task Force Report than we see an announcement in the daily paper — in this case I have a clipping from the Tribune — saying that there is going to be a northern census and that a provincial census of northern Manitoba will be conducted next month because the province is unsatisfied with the accuracy of the federal census work of Statistics Canada and it quotes the Northern Affairs Minister in that regard.

In other words, on one hand they are telling us that they don't need a provincial bureau to gather data and interpret it and make projections because they can rely on Statistics Canada, and then almost the very next day they tell us that they can't rely on the Dominion Bureau of Statistics or what's now called Stats Canada, can't rely on them, so they are going to do an internal study. Now, which is it? I'd like the Minister to give us some comment on that. It seems to me that there's a contradiction here, or that he is not in close touch with the Minister of Northern Affairs, and I would like him to comment on that. And I would also like to know, who is going to undertake this study of Northern Manitoba? Is it going to be the Bureau of Statistics or are we going to go to outside consultants?

Now, there are some other questions which interest me in regard to the MBS. One is the fact that — I get the following impression from a series of articles that have appeared in the press that the Director, Mr. Gillman, who appears to have had considerable experience in the field of statistics as an economist, as a person who worked for the Development Advisory Board at one time and was a director of the Bureau, etc., he is suddenly without explanation fired by the Minister. And then it becomes more curious, namely, the impression is given, Mr. Chairman, that the present Minister said to Mr. Bowman that somebody was going to lose a job, that there was need to cut staff, and that the Minister appeared to indicate to Mr. Bowman that he was going to be out of a job. So Mr. Bowman decided, at least I go by impression again, that he would ensure a job for himself by bumping Mr. Gillman. I suppose Mr. Gillman could then have bumped his deputy or his assistant and on and on down the line. So, you know, if you carry that on to its logical extreme eventually the office boy goes out and the Deputy Minister or Associate Deputy Minister or whatever the position of Mr. Bowman

would have been preserved.

So I find that rather peculiar, that this impression, and I would like the Minister to clarify that, that his senior staff in one particular instance, saved his own skin by getting rid of somebody else.

Now, the other thing I would like to comment on is the fact — and I would have to defer to the more considerable experience of my colleague from Brandon East, who once worked for the Dominion Bureau of Statistics and had, I think, eight years with the federal agency, eight years of time — and I would like to know . . . It has been a long-standing practice, it has been a long established institution on the part of the Federal Government to have a central statistics agency, and again, the impression is created here that the Bureau is going to be wound down. It's either going to be limited in its scope or perhaps phased right out eventually; maybe this is just the first step. I think we could hear some comment on that. And I would like to know what happens to the work formerly done by the Bureau. Is it going to now be farmed out to a series of private consultants, to a series of individual firms of researchers and statisticians, either in the province or outside? If that is the case then I think we have to have some assurances that a lot of the information that is available to the Statistics Bureau is privileged information and that if any outsiders are brought in, that they don't have clear access to all sorts of confidential records in the Health Department and so on.

My final comment, Mr. Chairman, is that in order to have effective decision-making, you have to have good information and accurate up-to-date information, so if the heart of the Bureau is going to be cut out or it's going to be limited then where is the government and in particular the Minister of Industry and Commerce going to get his information from? So I think these are some of the questions, the whole future of the Bureau and its — I don't know the exact number of employees, 27 or 30 — whatever the number of employees, it seems to have been brought into question and I think there are some peculiar circumstances surrounding the shake-up in the Bureau, the firing of the Director, the reduction of its budget, consequently the reduction of its programs and its effect on the government.

MR. BANMAN: Yes, Mr. Chairman. To try and sort of deal in order with the questions the member has raised, first of all let me say with regard to the northern survey that's being done by Northern Affairs, I am informed that the northern communities because of their remoteness and their size, not being very large, that the statistics are not available by Statistics Canada with regard to those communities. Northern Affairs will be doing the survey, the Manitoba Bureau of Statistics has provided some advice to the department and the department has consulted with them, so that deals with that particular program. Northern Affairs will be doing it within their own jurisdiction because they want to use those figures.

The Bureau, Mr. Chairman, is the designated department which signs agreements with Statistics Canada and very often, for instance, the Department of Tourism will come or another department will come and say, "Well, we want to have the availability to such and such a statistic," that will be vented through the Bureau of Statistics with the information really being compiled and done by the different departments that require the information. So they sort of act as an agency where the agreement just passes through.

Dealing with the particular position as far as the gentleman in question that the member mentioned, the ADM in charge of affiliated agencies, when reviewing his responsibilities, there seemed to be really a workload that wasn't really heavy enough to provide that. He had been with the government for a fairly lengthy time and what we did is to reduce some of the costs and some of the associated overhead, decided to place the transportation secretariat which reported to him, under the direct jurisdiction or direct reporting jurisdiction to the Deputy Minister. EDAB was wound up and as a result did not report to him either, and that left one Bureau of Statistics which reported to him. There was only room for one person and this gentleman happened to be the ADM of the department and therefore got that particular job. There were no funds available to go ahead and carry on two people at a high salaried level that we are talking about.

With regard to the duties carried on at this particular function of the department, for instance some of the areas that they will not be doing now — they were doing and publishing a credit union publication and survey. In speaking to a number of the credit unions, they were saying that they could not understand why they were getting the survey; they were constantly being asked to fill out these forms and this is one particular area which will be cut and I understand the Co-operative Development Branch will be putting out only one report a year. It dealt with such things as, what age are your depositors and it was some paperwork which, like I mentioned, in speaking to the credit unions was really of negligible value to them and as a matter of fact some of them were quite annoyed that they had to fill out the applications every month. Really, all that some have done is taken the original form that they had filled out and then they were sizing it according to increased deposits, so it was sort of a little bit of a red tape thing that they didn't want to be bothered with.

The other areas where there were some savings or some funds that were lapsed, there was last year something like 35, 36 thousand in unexpended computer time funds. There were something like, what was it, thirteen-and-a-half thousand, I believe in that vicinity, of computer time used; we have allowed for about \$16,000 worth of computer time so there's a saving there. Other than that, the cost recoveries for publications is very minimal and the staff complement at present is 15, I believe, with four vacancies; funding has been provided for the 15 people that are on staff there right now.

MR. DOERN: Mr. Speaker, what the Minister is really telling me is that in effect, when they have a problem, when the pressure is on to produce a report or to acquire some statistics, as in the case of

the Department of Northern Affairs, that the work, rather than being done by a central agency is going to be done by individual departments. In other words, instead of having a central agency which presumably has certain economies and would have a handle on the affairs of the various departments to prevent duplication and expenses, he is now telling us in effect, that when a demand arises that each department, in this particular instance Northern Affairs, they will undertake their own studies, they will do their own analysis. So, you know, the question is, how do they do this? I mean do they have a complement of people within the department or within the various departments who can do this kind of work. In the case of my old department, Public Works, I am not aware of the fact that there were people who were statisticians. I am aware of the fact that there were accountants and finance people, and there were people with various skills, but it seems to me that the compilation of statistics and so on is a specialty and that it can only be done by certain people with certain expertise.

The other point is that again, I find the treatment of the Director and the actions of Mr. Bowman as being a case, I guess, of a conflict of interest, that the ADM has, I guess, the ground cut from under him so he looks around and finds an opening — there's a person in it — and pushes that person out. That strikes me as perhaps a selfish action, maybe one that a lot of people would stoop to but one that could hardly be described as commendable.

Another alternative might have been, rather than bumping down the line, which presumably happened in this instance, would have been for that gentleman to be shifted elsewhere or for that gentleman to have been dismissed.

Is he qualified? That question, I think, has been asked some time ago. Is Mr. Bowman, who now finds himself occupying the seat of the Director of the Bureau of Statistics apparently has no background whatsoever in that area, is he going to be able to run and provide the leadership necessary for the Bureau of Statistics?

The final thing I would ask the Minister is, that the Director who is dismissed by him in some sort of peculiar letter quoting a section from — I don't know if it was a Civil Service Act or what — some subsection, apparently the Director requested that the Minister meet with him to discuss the operation of his department. He was not allowed to do that. Then he requested a meeting with the Minister to ask for the reasons for his dismissal and he was not granted that. So can the Minister indicate why he did not at least have the courtesy of meeting with the Director, and if he had, what reasons he would have given to him other than those that were contained in a very vague, and it seems to me, not direct letter.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, let me just very briefly say, that I have met with the gentleman in question and we have talked it over. He has filed a grievance with regard to his dismissal and the Deputy advises me that he has received a letter to that effect and I am advised that the appropriate reply is being drafted and that it will be forwarded to Mr. Gillman's attorney within 15 days with regard to the grievance procedure.

Let me just say that with regard to the question about the Northern Affairs being involved in doing the community study, I am advised that because they have people in Northern Manitoba, which the Statistics Bureau doesn't, they can probably do it cheaper. The Statistics Bureau is providing them with technical expertise and the Northern Affairs people can do the survey cheaper than the Bureau of Statistics could. So for that reason, I am sure the member will agree that if there is a cost saving to be done and the bureau is providing the technical expertise, that's the route we should be following.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: The final point there, is the Minister saying then, that the bureau in fact is designing the study and will oversee the study and will interpret the data, and that the leg work, the polling or whatever it is, the acquisition of the raw data will be done by Northern Affairs, so the Bureau will be, in effect, in charge and will oversee the whole operation.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, this particular study is a very simple one. They are just counting the number of people in the community so that the field work is being done by Northern Affairs and some of the technical expertise, whatever was required, which was very minimal — it's really just getting out there and doing the job I understand — it will be handled by Northern Affairs and it is a very simple procedure.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Chairman. On the subject of this northern survey, I would like to first point out that I am very pleased that northerners will be doing the leg work. That northerners will be involved in the census and I think that is admirable in the part of the Northern Affairs. But I would like to go back and ask the Minister why would the Department of Northern Affairs initiate this survey?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I can't answer that question. You are going to have to ask the Member for Thompson.

MR. CHAIRMAN: Honourable Member for Churchill.

MR. COWAN: Well to pursue it a bit further then, Mr. Chairman. Would one be far off in the opinion of the Honourable Minister in assuming that they have initiated that survey because they are interested in getting the fullest amount from their federal funding that is coming to them.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I can't answer the member. I haven't got that particular information. I don't know the rationale behind the study and you will have to ask the Minister of Northern Affairs for that.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Mr. Chairman, Thank you. I was just passed a press release by my colleague, the Member for Elmwood, — it's from the Tribune, April 8(sic) — in which it says, "Accurate data is needed for planning policy determination and grants funded on a per capital basis." And that was a statement by the Minister of Northern Affairs, Mr. MacMaster, on that day I imagine. I am wondering, Sir, are we to assume in this case that the federal statistics are out of line with the actual circumstances in the north?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, I guess that's why they are doing the survey. I am informed by staff that because of the remoteness of the communities and the size of the communities, Statistics Canada doesn't have the all inclusive information with regard to that and I would imagine, and I would ask the member to ask the Minister of Northern Affairs, that is probably one of the reasons why they are undertaking the study.

MR. COWAN: Yes, Mr. Chairman, I am well aware, well acquainted as a matter of fact, with the remoteness and some of the size limitations of many of the communities in the north, and I can understand the problem there indeed. But what I would like to know in the Honourable Minister's opinion, would this lack of credibility of the federal statistics apply to other areas in the province?

MR. BANMAN: No, Mr. Chairman, I am informed that this is the sort of particular problem area where the federal statistics aren't up to date.

MR. COWAN: Yes, in that case, Mr. Chairman, how would the Honourable Minister confirm that the federal statistics are in line with the actual circumstances?

MR. BANMAN: Mr. Chairman, I can't answer that question.

MR. COWAN: Mr. Chairman, might I suggest then that perhaps the Manitoba Bureau of Statistics, in this instance, acted as a check and a balance on the federal statistics and that that was one means by which we could confirm validity of those federal statistics and I would ask the Honourable Minister if he would not agree with that.

MR. BANMAN: Yes, Mr. Chairman, some of the expertise as I mentioned, come from the Bureau.

MR. COWAN: And in this case, he does not see the reduction in the staffing of the Manitoba Bureau of Statistics as being harmful or limiting that process of checks and balances or limiting us in being able to check the federal statistics.

MR. BANMAN: Mr. Chairman, I am advised it is no problem, that there is enough staffing to handle that type of stuff.

MR. COWAN: Perhaps the Honourable Minister then could explain to me how one would go about checking the federal statistics that come out of the Canadian Bureau of Statistics.

MR. CHAIRMAN: 3.(a)—pass — The Honourable Member for Transcona.

MR. WILSON PARASIUK: In the Task Force Report, one of the recommendations was that the compilation of statistics and other material be centralized in one department. And I think that the department that the Task Force recommends is the Department of Finance. Now, what is the Ministers position on that? Does he agree with that particular position, because if that

recommendation is, in fact, accepted by Cabinet, that would mean that the Manitoba Bureau of Statistics would be transferred over to the Department of Finance or it might be abolished per se, because I think there are people in the Department of Finance who do have some statistical and analytical ability in this area too.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, that could be, I am not in a position to comment on that particular report. What happens with regard to that report is something, I guess, that the First Minister and my colleagues will have to deal with. The Estimates, the way they are set up right now, the appropriations are for carrying on in a manner that we have described and that's how we are going to conduct business until we follow a different direction.

MR. CHARIMAN: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, the reason why I did refer to the Task Force recommendation is that in other instances the Minister has accepted recommendations in the Task Force. One of the recommendations of the Task Force, for example, was to terminate the Economic Development Advisory Board. That was a recommendation in the Task Force. I don't know whether in fact, it was arrived at independently from the Minister, but the Minister certainly acted on that recommendation and we no longer have an Economic Development Advisory Board. And that's what makes the Task Force itself fairly confusing. That's why I am asking what the Minister's position on that is. He has already stated that he is in agreement with the recommendation terminating the Economic Development Advisory Board. Has he reached the position with respect to recommendation of the Task Force which says that all statistical work should be centralized in one department, namely the Department of Finance.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: No, Mr. Chairman, not at this time because if I had done that, I don't think there would be any appropriation for this and this particular function would have been transferred out. We have left the funds in the Estimates. The function is there. The people are carrying out their jobs and until I am advised otherwise or until there are other considerations given to the report or anything, that's how we will carry on this function.

MR. PARASIUK: Since the recommendation of the Task Force regarding centralization of statistical analysis places the future of the Manitoba Bureau of Statistics in some jeopardy. Can the Minister indicate at what time he might be able to inform this House as to whether the government is going to accept that recommendation or not, since it pertains to an area specifically in his department.

MR. BANMAN: No, Mr. Chairman, I cannot comment on that.

MR. PARASIUK: Will the Minister undertake to ask the First Minister when these types of recommendations, which do put the future of some of these programs in doubt, will be looked after and decisions taken on these recommendations.

We are in the process right now of reviewing Estimates, passing them, and yet we have, sitting beside us, a task force report that says that some of these programs should be chopped apart. I don't know whether in fact we're in a position then to be passing Estimates for something like the Manitoba Bureau of Statistics, if two months from now or three months from now the whole thing will be terminated. That's why I think it's quite important to try and get an itemized statement from the Minister with respect to recommendations pertaining to his particular department.

A MEMBER: You've got the Estimates for that.

MR. PARASIUK: Well, no, the reason why I raise the task force is that for the preceding item, the Minister said, "Yes, the task force recommended it. I agree with the recommendation therefore I'm disestablishing the Economic Development Advisory Board." We come to this other area where the task force makes a similar type of recommendation and the Minister says, "Well, I haven't had a chance to really go over the Task Force that well. It's still pending; we're still not sure about it." In that uncertainty, and given that uncertainty, I don't know whether we should be passing an Estimate for the Manitoba Bureau of Statistics if the government itself isn't sure whether this entity should exist or not. The Minister may feel it should exist and that's why he's brought it forward as his Estimate but it strikes me that the government itself isn't sure and certainly the Task Force isn't sure that it should exist. Right now, I guess I'm trying to determine the influence of the Task Force on the government.

MR. BANMAN: Well, Mr. Chairman, not to sound facetious or anything but if he takes the Task Force verbatim, I might not be here either if the First Minister decides to move me. So, given that, I have been charged with these responsibilities at present. If there are some changes, they will be decided I guess by the First Minister and my Cabinet colleagues. This is how I intend to run the

department with these particular votes that are presented before us here today and I cannot make any judgment or comment on the questions of the member opposite.

MR. PARASIUK: Yes. I'm not trying to really attack the Minister or put him in a difficult position here. All I'm trying to point out is that I have even more uncertainty regarding the future of the Minister and the department than he does because we have a Task Force Report recommending a number of things. The Task Force Report seems to be very very influential with respect to decisions that are taken by at least some members of the government — probably the First Minister — and if the Minister of Industry and Commerce isn't sure how the recommendations of the Task Force pertaining to his department will be dealt with, I would think that it is incumbent upon him to try and find that out as quickly as possible so that the uncertainty regarding the department's future, regarding the Minister's future, regarding the future of any of these programs, is removed immediately. That's why I'm saying that the Minister should ascertain as quickly as possible how the government will deal with the recommendations of the Task Force and I think he should let us know very quickly how the government intends to deal with those recommendations.

Because, what we are doing, in a sense we are approving contingency Estimates and I'd rather not go through the process of having to have wholesale changes made one or two months from now. If the changes are going to be made, if the government is going to accept the Task Force recommendations, because there seemed to be a big rush to get the Task Force recommendations out to the public last week, since there was this great urgency, is there now going to be a great urgency to look at the recommendations of the Task Force Report and to make some final decisions regarding them because the Task Force Report does put, not only programs in this department but programs in virtually every department in this province, in doubt and that creates uncertainty for the people of Manitoba in terms of the services that they are going to be getting from the programs of these departments. I hate passing Estimates under this type of cloud because I do think the Task Force puts a cloud over every Estimate that we are approving.

MR. CHAIRMAN: The Honourable House Leader of the Opposition.

MR. GREEN: Well, Mr. Chairman, I believe that the last ten minutes of debate in this House has been very significant. I think that the Member for Transcona has first of all raised a very important issue. I would have to merely sympathize with his frustration without indicating to him that there is any way of being particularly effective about it because, although he is completely right in his concerns, I would expect that rather than the Minister responding to the Member for Transcona by saying: "Yes, you're right; these things are under a cloud. I'd better go back and we'll come back when they are not under a cloud," I expect that the Minister is going to say: "I want this Estimate passed." And if the Member for Transcona says No, the Minister will say Aye and the House will immediately be filled with members, the buzzers will ring and despite the very valid objection that's been made by the Member for Transcona, the majority of the members of this Committee will pass these Estimates which are under a cloud. Although the Member for Transcona will have made a very valid point, the Minister will have won the debate in terms of receiving support.

That in no way detracts from the point that has been made by the member and rather than let the item slide by, I do want to say that what the Member for Transcona said, in my opinion, was very significant but there was something said by the Minister which is much more revealing. The Minister said, "If you use that argument, I might not be here." And he said that, Mr. Chairman, with the prefix that it may be a facetious statement but it's not a facetious statement because the Minister has indicated to the members of the House where the battle lines between the proponents of the Task Force and the opponents are really going to be drawn.

Although there are significant numbers of members on this side, Mr. Chairman, who would have arguments about what is contained in that specious document, the real battle against the Task Force will be by the Ministers of the Crown, by the Honourable Minister who has indicated that my job depends on fighting that Task Force and not only his job, Mr. Chairman' but all of the members of the Conservative Party and the members of the Treasury Benches who are elected on policies which have nothing to do with what that Task Force says.

If that Task Force or that task force report is to be implemented, Mr. Chairman, I say that Conrad Riley and McCance and all of the rest of them, perhaps led by the Member for River Heights, should go on the hustings, file their nominations and fight the Conservative Party because, Mr. Chairman, that task force is going to be buried by the members of the Front Bench. We are not going to be the effective fighters against the Task Force. There's going to be a front line in front of us with much more powerful guns that will shoot it down so that it is completely unrecognizable. Because it is an exercise, Mr. Chairman, in the administration of government which is unprecedented, makes absolutely no sense, has absolutely no substance to it and runs completely contrary to the basis of democratic government, that a group of people who had not shown any competence for the management of their own affairs but who have ideas as to what government should do which they have never been prepared to go to the people with, should suddenly come in and profess to tell others as to how to handle their affairs.

Mr. Chairman, the Minister of Tourism, the Minister of Industry and Commerce, in his revealing

remark which he talked about as being facetious, we'll find that his remark is not that facetious, that his entire administration is going to be coming to him and saying, these people are crazy, we cannot do these things. One, we will not give good service; secondly, the public will not stand for it; and the recommendations made here have nothing to do with what the political process in the Province of Manitoba has been all about. What it has been is that a group of elitists who have never been prepared to go to the public stand up and say, "I wish your support on the basis of this program." I want you to take that Task Force document and I want to see any party go to the public with an election manifesto on it and I want to see the people who wrote it as the candidates. If they are, Mr. Chairman, they will be opposed by Tories because those people won't sell the Task Force document. The Minister of Industry won't sell it. He will say that those people are trying to take away the responsibilities of the Department of Industry and Commerce and this ministry and are going to set up a super-ministry and, boy, Mr. Chairman, that has been tried throughout this country.

Before you know it, these so-called charts which are so clean and easy to look at and make such sense to an engineer when he sees five charts and then he sees another six underneath, but, Mr. Chairman, human beings don't work that way. The five who are in the top charts and the six who are in the bottom charts suddenly find that one is given more status than others and what happens, Mr. Chairman, is the people in the bottom chart say, "How did he get into the top chart?" and the people in the top chart do not perform in such a way as to earn the kind of so-called recognition over others and other departments that their position gives them. Mr. Chairman, rot starts to set in; rot starts to set in because it starts to rot from the inside. Not from the opposition side, but from the inside. And the so-called geniuses who are going to bring business practices to government, find that what you have in government is exactly what you have in business when you pick up the lid, Mr. Chairman. That's one thing that I must admit that the Member for Industry and Commerce has learned, that there is a difference. In government, the lid is always open; you are in a gold fish bowl; everything that you are doing is being watched; and you have to behave in a responsible manner. But when the lid is taken off any business, Mr. Chairman, you find a can of worms.

Patton and Cox — do the names ring a bell? — they are giants of industry. They would have probably been on the Task Force. They were the heroes of the City of Brandon. They ran one of the biggest industries in the province but when the lid came off, they weren't crooked until the lid came off. And when the lid came off, Mr. Chairman, they were thrown into the penitentiary. I suggest to you that what they did, what they did, Mr. Chairman, — (Interjection) — Was it only one year? They were put into Headingly. All that they did — and businessmen in the House beware — all that they did is use a company's own money to buy it. And how unusual is that? How unusual is that? That is what they did. They bought the company, then they borrowed the money that the company had and then they paid the guys as though they were purchasing it. — (Interjection) — Mr. Chairman, the honourable bank manager for Minnedosa says it's like the misappropriation of union funds. He also knows that it is not an uncommon practice in that great business world from whom we have selected the Task Force members to tell the Minister of Industry that his job is redundant or tell others that their job is redundant and tell people that there should be user fees — user fees.

Well, Mr. Chairman, you know, the interesting thing about that Task Force is that they didn't recommend tolls on the roads. That's a user fee. Why do not you rural Conservatives who are so high on user fees and so much against public expenditures, you've increased your highways budget to \$75 million. Okay. Maybe they're needed but why not have a user fee? Why not? When the Minister goes back to Gimli, as soon as he reaches a certain point there is an administrator there with a gate and he tells him to start paying for those highways — like you tell the students to pay for the university. It's a user fee. Or like you raise the taxes. You raised the taxes — and this is task farce recommendation — of every transit rider in the City of Winnipeg who rides it twice a day, by \$60. Here is task farce sense. Raise the taxes of that person by \$60 to save him \$10 on his real property bill. That's the user fee in task farce, according to the Task Force.

Mr. Chairman, I believe that the member raised a strong point. The Minister gave us a strong reply. And I say, Mr. Chairman, merely as a conclusion to my remarks, that, yes, there are people on this side who are disturbed with what the task farce does. But I suggest to you that we will not be in the front lines. We will not be the heavy artillery to wipe out those recommendations. The heavy artillery will be the front benches of the Conservative Party.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: Mr. Chairman, I want to take advantage of the opportunity under our rules to pose a question to the Minister of Industry and Commerce, and it flows really largely from the discourse that my colleague, the Member for Inkster, has just completed.

The question is really as follows — given the fact that we are led to believe that much of the reformulation of government policy and organization will flow as a consequence of the Task Force Report, although I acknowledge, Sir, that much of the Task Force Report is merely in the nature of recommendations, and vague recommendations at that — y question, though, to the Minister — and he may want to sleep on it overnight and speak to it tomorrow — are we to have much confidence in any reformulation of policy of the department within the Department of Industry and Commerce and restructuring within that department, or any other department, when we are told that the Task Force has gone through its great profundity of analysis . and has cost \$8,000, when in 1968 the then Conservative Government of this province — at least two of the frontbenchers of today were members of that government — justified an expenditure of \$800,000 in 1968 value dollars or about

\$1.6 million today?

Isn't that right? For what? For a Task Force on government productivity and organization. It was in fact called "Operation Productivity". It was not commissioned by the New Democratic government but rather by the Conservative government in 1967 and tabled in 1968, recommending a Planning Secretariat which, among other things, would feed some seminal ideas to a Department of Industry and Commerce; which would provide also for the establishment of a Management Committee instead of a Treasury Board, and now we are to understand that Management Committee will re-form itself to a Treasury Committee. And you know the old English adage, "What else is new under the sun?"

But all that is perhaps a little beside the point. The real guts of the question is to pose to the Minister and through him to — we might as well serve notice now — all Ministers of the Crown, are we to take seriously a so-called Task Force effort as being profound and in-depth when they say that it cost \$8,000 when, by coincidence, the same numbers but with two more zeros added, \$800,000 was justified as a justifiable public expenditure in 1968 for much the same kind of Task Force exercise?

My point is that if the \$8,000 is sufficient to be taken seriously today to provide a study in-depth, was the \$800,000 an unconscionable waste? Or if the \$800,000 was justified, then is the \$8,000 a joke? Which of the two is it? Or are they going to try to put logic on its ear and say that \$800,000 was justified for something that they have come back with now, ten years later, at one one-hundredth the cost and pretend that it is equally in-depth, equally profound, and to be taken equally seriously? Or who is kidding whom?

There has been so much talk about value of re-organization. Perhaps that is justified from time to time, but you don't need three weeks of pre-publicity all centering around some Task Force that was really to have done a job in-depth at a cost one percent of what a previous Conservative government felt it could justify to the public ten years earlier. Well, you can't have it both ways. Either that previous government organization study was a waste of time and money — certainly of money, if you juxtapose it with an \$8,000 expenditure today, given the value of the dollar being somewhat in the order of 50 percent of what it was ten years ago.

There are many other stories of this kind to bring out, whether they be horror stories or whatever, such as the extent to which the government is prepared to make light and to make bantering humour about attempts to bring about renewal in the Inner City by stretching truth to the point where it is no longer truth, when talking about garages, when talking about the unuseability of functionally constructed buildings such as the garage, which by the way could just as easily be used — at least in large part, if not in its entirety — for an environmental laboratory, which laboratory by the way is very much in need of replacement for operating safety reasons.

A little bit of ingenuity and common sense would certainly result in making optimum use of facilities built by the Crown which — whatever my honourable reactionary friends opposite may like to think, assets are still assets unless you sell them off for less than scrap value.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Chairman, just briefly, I don't intend to get involved in the numbers as far as the TED Report and that is concerned because I'm not that familiar with it. But all I can say to the Leader of the Opposition is that I have been given the responsibility to run this department to try and encourage industrial development and, you know, I feel that I will try and do my best along that way and do what I believe is right; given that mandate, that's the direction I will follow.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SCHREYER: Lest it be thought otherwise, I can assure the Honourable Minister that in a personal sense I certainly bear him no animosity. I rather hope that he will be able to bring some ideas to bear, wherever they are generated — in his own mind, or that of his advisors, or that of business entrepreneurs in Manitoba.

However they originate, I hope that part of the continuing development of our province's business and resource development potential will take place. I believe that I can say this on a positive note to my honourable friend, that those of the business community that he already knows — I am sure he will meet others in the course of the next weeks and months — and it is always interesting and refreshing to see the extent to which ideas are forthcoming. And even with Manitoba's relatively thin resource base, speaking in terms of timber and particularly of renewable resources, that there is always the possibility of making some progress in utilization of renewable resources, on however modest a scale, in order to generate income and employment in the different parts of the province.

The task isn't easy. Particularly it hasn't been easy in the past when we have had to live with an economy in our country and throughout the whole industrial western world that was so heavily based on fossil fuels. But as our respective countries come to realize that someday — and the sooner the better — we begin the process of starting to make plans and to apply technology, not just pie-in-the-sky research but to begin on a modest scale to apply technology to bring about greater utilization of renewable resources in energy production, it will begin to help our province to generate more employment opportunities — smaller communities not excluded.

So the Minister has, at least, some cause for hope. And looking at the bright side of every dark or black black page is the fact that while in many ways the current value of the Canadian dollar is not

particularly liked by many Canadians — and for good reason — that nevertheless it does provide a stimulus for all manufacturers in our province who have any possibilities whatsoever of penetrating export markets. Of course, I'm certain the Minister is well aware that if there is ever an opportunity to get some extra momentum behind Manitoba-based manufacturing firms, it is at a time when the Canadian dollar is 12 percent below par. It is much more difficult to really witness any improvement in our manufacturing sector, particularly those companies that depend in whole or in part on exports, when our dollar is at par or even above par.

So that's the bright side of the coin and I can only commend the Minister to concentrate on that rather abnormal positive feature of the current value of the Canadian dollar.

May I say before I sit down that I was not referring to the TED Report in my previous comments, but rather to Operation Productivity. Now the term may not mean anything to him, but Operation Productivity was a Task Force commissioned by a previous Conservative government to recommend on flashing insight and great genius as to what dramatic improvements could be made in government organization, and to prevent further horror stories. But of course that was in the context of coming after ten years — exactly ten years — of Conservative government.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I just want to briefly pursue the comment of our leader. I want to ask the Minister again, whether he has free access to all the documentation of the Task Force Report upon which all these brief, terse recommendations were made in regard to his department.

I think it was stated very clearly in the Free Press the other day that one of the reasons that this study was so brief in terms of time; it is so thin in terms of depth, and it is so cheap in terms of cost, is that it was primarily a rehashing and recycling of Operation Productivity, and that much of the studies and analyses that were done ten years ago were simply brought forward again in a new guise to us.

This was said by Mr. Gordon Holland, who served on both studies and who worked for a considerable period of time under our administration as a head of Management Committee. So if this is true — and Mr. Holland says it is true — I would like to know whether the Minister has access to, first of all, the data and the background papers of the Task Force and also whether he would consider — or whether he has looked at — the previous studies on the department upon which this is based in operation productivity, because if he's not familiar with those papers I think that he can only make effective decisions if he goes back, looks up the material and then looks up the background papers, upon which these recommendations are made.

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Mr. Chairman, the only reading I've done on that particular document, because my Estimates have been on and I haven't had a chance to look at the document in full detail, but I've read the report as it pertains to the two responsibilities that I have. As far as having access to working papers, I don't know if I do, I haven't asked; I don't know, maybe if I get some time, maybe I'll ask, but I haven't got any time for that right now.

MR. CHAIRMAN: 3.(a). The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, are we still on the Manitoba Bureau of Statistics?

MR. CHAIRMAN: I think so, yes.

MR. WALDING: I just have one or two questions on that section before we move on, Mr. Chairman. I've been looking through the Annual Report of the Department of Industry and Commerce and I'd like to ask the Minister where or on what page in the report will I find the Manitoba Bureau of Statistics?

MR. BANMAN: Mr. Chairman, it's not in the Annual Report, it's set up by a special Act of the Legislature.

MR. WALDING: Is there then a separate report on that department that comes out?

MR. BANMAN: Mr. Chairman, I am advised that there is not an annual report. There are several publications, quarterly publications, but there is not an annual report.

MR. WALDING: Yes, Mr. Chairman. Is that the reason then that there is no mention of it in the Minister's report even though it comes under his responsibility?

MR. BANMAN: Mr. Chairman, I am informed that the reason it hasn't been in the book before and the only reason that I report for it is because it's under my jurisdiction, now whether there's a problem that it should be reported in there or something, I can look at that, but I understand from staff that it has never received a report since its inception back in 1972. I can check on it for the member and see if there is any requirements but I don't think there is any because I think I have filed all the reports that

I'm supposed to file and I believe that's right.

MR. WALDING: Yes, Mr. Chairman. On that specific item that we are on at the moment. According to my arithmetic there is a decrease in the amount of salaries this year by approximately \$114,000.00. Can the Minister tell me how many SMYs that represents?

MR. BANMAN: Fifteen.

MR. WALDING: Is the Minister telling me that the appropriation is being reduced by 15 SMYs for \$114,000.00?

MR. BANMAN: To 15. The number of positions that have been funded for are 15 positions.

MR. WALDING: The question is then, Mr. Chairman, that how many SMYs are represented by that decrease of \$114,000.00?

MR. BANMAN: Mr. Chairman, there were 19 SMYs, there are four vacancies which are not being funded, which brings you down to the 15.

MR. WALDING: Then, Mr. Chairman, is the Minister telling me that four SMYs are worth \$114,000.00?

MR. BANMAN: Mr. Chairman, no; there were also three contracts that expired so you would be looking at four vacancies which are not filled and three expired contracts that were there last year for a total of seven.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I want to come back to raise a question to the Minister about the relationship between the Bureau of Statistics and the Task Force Report. I think the two are very closely tied in and I apologize if the Minister has answered this before but I think it is quite critical. In the Task Force Report, as I have read it, there is a great deal of emphasis put on the notion of modern management and that the only way to get government expenditures back into control is to develop systems of management in government that will be able to measure very specifically the impacts of different kinds of programs. That if you are going to spend X number of dollars for housing that you are going to create so many units, you are going to make such an impact, you are going to create so much cash flow, all these other kinds of things. In other words, the whole premise of that report is based upon the ability of government managers, Ministers, Cabinet having access to substantial new information about a whole range of economic and social factors and activities in our province, that they are going to have to create a whole new system of indicators to be able to do what the Task Force says they should be doing in the first place.

Now, the question I would have is, if in fact you are reducing and cutting back on the role of the Bureau of Statistics, how would you profess to fulfill the role as put forward by the government Task Force as they have emphasized it?

MR. BANMAN: Well, Mr. Chairman, as I mentioned before, and I appreciate the member wasn't here, but there are certain functions that we will not be carrying out such as the credit union survey and we have allowed for less funds in the appropriation for computer time because there was allocation of 55,000 for computer time and they only used about 13,000 last year. So really what's happening is there's been some sizing down and the as I mentioned before too, a lot of the departments will be carrying on their own studies within their group to determine exactly the type of information that they want to do, drawing on some of the expertise from the Bureau. The Bureau also acts as the agent for signing different agreements with the federal Dominion Bureau of Statistics for Statistics Canada in order that it can get specific confidential type information for whether it be Tourism, Northern Affairs, Industry and Commerce or Housing.

MR. AXWORTHY: Well, in that respect, Mr. Chairman, I ask the Minister does he anticipate having now to reformulate and redesign the function of the Bureau of Statistics in order to begin matching this role that is prophesied under the Task Force Report, and can we expect a substantial increase, expansion or change in the role and function of the Bureau of Statistics in order that it will be able to provide the kind of data and information that is going to be required. As I understand the Minister's remarks, he indicates that other departments will be doing their own studies as to what they need. I would still be interested in knowing who is going to supply it, that the question of both collecting and organizing data that the Task Force says it is going to need in order to do the managerial roles that it sets out, is a pretty massive and major undertaking costing nearly millions of dollars in some respects to do what it wants to do.

Now, has the Minister been in touch with Task Force members? Were they consulted? Were members of the Bureau consulted in terms of defining this role to determine whether they are prepared to do it, able to do it, what will be required in the way of increased expenditures and activity in order to fulfill this role?

MR. BANMAN: No, Mr. Chairman.

MR. AXWORTHY: Well, if it's no, Mr. Chairman, I'm just curious more about how things work over there. Does he not find it strange that a department under his jurisdiction that obviously plays such a central role in this new program of government would not in any way be consulted, or the Minister not consulted, to determine whether it should play that role, or how it would play that role, or whether it fits his future Estimates or not.

MR. BANMAN: Well, Mr. Chairman, I think the member knows it's not a new program of government, it's a recommendation, and I have been given the responsibility of being responsible for the Bureau of Statistics. The amount of money that you see voted in that particular section is the money that will be used to carry out the functions which I have described and whatever the member is referring to the Task Force, that is not the policy direction that I am working under right now, it's a recommendation, I understand. We will be continuing along the lines of the funding in the Estimate books along with the staff that is there.

MR. AXWORTHY: Well, if I understand the Minister then, what he is saying is that, while the Task Force may recommend it he is not prepared to deliver it because there is no provision made in this Estimates to deliver it, nor has he consulted on whether he can or should deliver it, or what would need to be done in government to enable it to happen. So what we have to assume from that is that those proposals and recommendations of the Task Force really are meaningless or irrelevant because there is no capacity in the government nor one that is expected, to provide the right kinds of functions of information, data collecting, measurements of impacts and all the rest of it, that they so very blithely talk about. Is that the assumption that we have to go on, that we are simply getting a little bit of a masquerade here, because there really is no provision or any anticipation that one will be made in order to fulfill that role?

MR. BANMAN: Well, Mr. Chairman, as the member knows, any policy directions or policy decisions which he has been referring to will have to be dealt with by the Executive Council and the First Minister and those policy reviews are done from time to time, but the policy that I am following right now is to provide the type of service that I have outlined as well as what we are here for right now, to look at the funds and see how that service will be carried out. So if there are other policy directions that the member is talking about, if he feels that the Task Force Report is policy direction, I tell him, no, that is not the policy that we are following now and that any policy changes will have to be done by the Executive Council and the First Minister.

MR. AXWORTHY: Well, Mr. Chairman, just perhaps one final comment, because I think what is happening is clear enough, and that is that the Task Force recommendations in this particular area were not based upon any knowledge or any consultation with the individuals or agencies involved that may have to provide the service, so we can assume that they were done in some form of isolation. But what does concern me more seriously is the indication from the Minister that he is not taking these recommendations very seriously at all in terms of doing any preparation or planning for them. I assumed from the statement made by the Minister Without Portfolio and the First Minister that we are about to receive imminent action upon these proposals of the Task Force; now I hear the Minister himself saying that I am not prepared to take imminent action, I don't even know what they are talking about and if they are talking about that, I don't consider that to be policy anyway because it somehow has nothing to do with me.

You really raise the question, who was the Task Force set up by? Obviously it was not set up under the Cabinet of which this Minister is responsible otherwise there would have been more of a shared responsibility, and I really find it kind of a strange, almost Alice in Wonderland world that we are in with this Task Force. It seems to be kind of disembodied Cheshire cat that kind of disappears and comes back into focus every once in a while. Because here was a very critical — you know, I read the report, I confess I probably have somewhat more leisure time than the Minister; perhaps I do or don't — but I did read the report very carefully and I was impressed to some extent by the way in which they underlined and emphasized the need for new management functions to be performed and the requirement, as they said in several cases, for new information sources, new information bases, in order to perform those functions. Now it seems to me that the Bureau of Statistics is the primary information source for the kind of data that is required to do proper cost benefit studies, of program impact studies, whatever they may be, zero budgeting studies, all those things require very sophisticated packages of data in all these areas, and yet now we are told that the government has no intention of providing it. So I guess then we can conclude from that, that that whole management proportion of the Task Force really is a dead letter at this point in time.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, I just say as my first remarks on the Manitoba Bureau of Statistics, that the Bureau has a number of very excellent staff, it has — I'm saying this for the benefit of the

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Minister, because he should know that he has a very excellent staff. The government has some expertise there that may not be found elsewhere in the government, in my view.

I only want to make two or three points and I hope they are valid points and important points. The Bureau of Statistics was set up under legislation that was modelled along the Statistics Canada legislation. Now that was important. It was set up with all the confidentiality clauses in mind. In other words, Statistics Canada is a great gatherer of information. It has to gather information with some conditions attached of course, and that is to maintain that information as confidential, so therefore they never publish statistics on an industry that has fewer than three firms, because then you could figure out, one another, as to who produced how much and so on. So there are conditions of confidentiality imposed on Statistics Canada by the Statistics Canada legislation. The Manitoba Bureau of Statistics legislation is parallel, is modelled after Stats Canada, and my understanding is that the federal officials were very pleased with this, and Manitoba is one province that has the legislation worded in such a way that Stats Canada can provide to the Manitoba Bureau of Statistics confidential information that it could not provide just to any government department. But the Bureau personnel, in turn, have to maintain that confidentiality so, therefore, the Government of Manitoba has an agency here that can get confidential data from Stats Canada for economic analysis purposes, can transmit it to the Manitoba Government through the Manitoba Bureau of Statistics. It can have access to the census tapes. The census is conducted every five years, tabulations are made, reports are published, but from my experience in research, whenever you get into research you find you never have just the data the way you want it or you don't have enough data. The Bureau of Statistics of Manitoba has the legal right and ability to get access to the Stats Canada census tapes, giving the government, therefore, an opportunity to be able to run off tabulations to assist any of its research staff in any other department of government. So there is that considerable value.

The other point I would make is that any argument for a central statistics agency has to be based not only on the confidentiality aspects but also on the economies of scale. The original purpose of having a centralized statistical agency was to hopefully someday eventually get to that point where you would co-ordinate all your statistical activities within one agency.

I know, and members opposite know, in fact I suppose all the members of the House are aware of the fact that statistics are collected and tabulated by many many departments of government — Education, Health, Agriculture, and Labour and many many do that. There must be, in my view, there must be some economies of scale of having this tabulated in one central agency and these people don't have to be experts in Labour, they don't have to be experts in Agriculture, they don't have to be experts in Education, they don't have to be experts in Health, but they should know something about calculating accurately, tabulating fairly and so on and hopefully, with some expertise putting it on tape so that you can run off any cross-analysis that you want. There is the potential for a lot of economy it would seem to me by centralizing this material and this tabulation activity. And that's an exercise that I would commend to the Minister and to his colleagues. This is the process that has taken place in Ottawa on the federal scene and I think there is a lot of evidence that the Federal Government has achieved a lot of economy by having it centralized as they have.

As I said, the other aspect is the confidentiality aspect which is very important. I think Stats Canada has earned the respect of many many business . . . well, it has earned the respect of the general community, the business community, the labour community, the various organizations that are required to fill out the various forms to provide the data that is necessary to run a country with complex problems, with an economy that is complex, with regional differences and so on. Likewise, this same reasoning can be applied here in Manitoba. I think really that there is some potential, some considerable potential here.

You will note also that the Act refers to the Bureau being responsible to a Minister. It can be responsible to any Minister designated by a Lieutenant-Governor-in-Council and it was worded that way deliberately because there isn't any magic in it being attached to the Department of Industry. It can easily be attached to the Minister of Finance or some other Minister, the Minister of Consumer and Corporate Affairs. I mean there is no magic in exactly who that agency reports to, which Minister. The fact is, of course, that Statistics Canada does report directly to the Federal Minister of Industry, Trade and Commerce and there was some parallel reasoning here, I suppose.

So, I make those comments by way of suggestions to the Minister of Industry and I would hope that he takes them to heart and searches in his own mind the merits of them.

Having said that, I would point out that the Bureau . . . There's been references made to where does the research branch of Industry and Commerce get its statistics from — does it get it from the Bureau of Statistics or Stats Canada? Well, obviously it gets them from Stats Canada because Stats Canada does provide a lot of tabulation and their publications are there, but if there is some very specialized tabulation such as the census tape tabulations, then there is a vehicle here, there is an agency here that can provide this additional data. The Bureau was never intended to duplicate Stats Canada. Who wants duplication? But it was intended to provide a service, a statistical service, a specialized service to agencies or departments of the government that had problems in collecting data.

Also, as the Minister should know, it has engaged in some of its own surveys. Not it's own surveys . . . well, yes, its own surveys but as requested by other departments such as the Northern Price Survey which was requested by Northern Affairs. It didn't mean that personnel of the Bureau went around the North collecting the data but they at least set up the format, provided the statistical expertise as to methods of collection and, of course, they did the tabulation but the pricing was done in these northern communities by people resident in those areas. And that price data, as I understand

it, was used by various government agencies, including Manitoba Hydro, in consideration of cost of living adjustments for Manitoba Hydro employees resident in these northern places. At least the Manitoba Hydro organization had some data on which to make some judgment as to what, if any, cost of living adjustment should be made by virtue of the fact of living in Northern Manitoba in some remote community. So the Bureau provided that price comparison, that cost of living comparison, between Winnipeg and these remote communities in Northern Manitoba.

And there were some other surveys that the Bureau did engage in and I'm not sure whether they are still involved. Some were very specialized; some were requests by agencies and organizations outside of the government. So it has the potential of being a very useful agency. The legislation is model legislation and, as I said, no matter which Minister the Bureau reports to, and if there is a decision made to centralize statistical tabulations for reasons of economy, for reasons of confidentiality, then I think the Bureau of Statistics is deserving of consideration of being the focal point for that statistical exercise.

MR. CHAIRMAN: Resolution No. 76, Resolved that there be granted to Her Majesty a sum not exceeding \$317,800 for Industry and Commerce, the Manitoba Bureau of Statistics \$317,800—pass.

I would direct the members to revert back to Page 49, Resolution No. 74. Item 1.(a)—pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would want to make some remarks on this item. What is the intention of the House Leader as to adjournment?

MR. JORGENSON: I was hoping that we could get through this particular department, not including of course the Manitoba Development Corporation and the CEDF. I thought we'd leave that but if . . .

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: I'm just wondering, Mr. Chairman, if the House Leader could explain, will that come up immediately thereafter or will that be separated by other departmental Estimates?

MR. JORGENSON: It will be separated but it will conclude the Estimates of the Department of Industry and Commerce. Now, I don't know how long honourable gentlemen opposite want to carry on discussion on that first item. If it's not too long, we can finish it tonight, but if there's going to be an extended discussion on it, then perhaps we could leave it. But if the honourable gentleman has a few remarks he wants to make now, he can make them before we . . .

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm not aware of other members on this side who wish to speak. I wish to speak on this subject. But I want to get clarification. Do I understand correctly that as soon as we complete this item of the Minister's salary, we then move to the development agencies?

MR. JORGENSON: Yes, that's actually a separate item and it will be dealt with apart from the Estimates of the Department of Industry and Commerce.

MR. CHERNIACK: May I ask a direct question. Will it be dealt with immediately after the salary?

MR. JORGENSON: Yes, that's right.

MR. CHERNIACK: So that presumably tomorrow we'll be . . .

MR. JORGENSON: That's right.

MR. CHERNIACK: All right, Mr. Chairman, I'm willing to stay awhile and make some comments if the Honourable the Minister is willing to hear them. But before I do that, I would ask him to let us have the statement of the criteria which will be used in order to note or measure the accomplishments of a department as it progresses. What data will be used and just how would the Minister choose to describe progress and accomplishment of the department?

MR. CHAIRMAN: The Honourable Minister.

MR. BANMAN: Well, Mr. Speaker, as I mentioned before, the functions of the Department of Industry and Commerce, I would liken it somewhat to advertising that is done very often by some firms. In other words, you can't really sit down and attach an exact figure to what you've done, whether you've . . . by having people dealing with industry to promote expansion, to promote trade, very often you don't . . . It's not like sitting down and having all your assets on one side and your liabilities on the other. You can't do that with this particular department and I think the member

appreciates that.

The Department is going to attempt to, as it has in the past, come up with some targetting as far as job creation is concerned, as far as investment is concerned. It will also try and evaluate some of the programs such as the pilot projects that we have right now with the incubation centre, if you want to call it, up at Dauphin. We'll be assessing that particular program very closely as to the amount of people that are going to actively be taking a role in that particular area. We will try to measure the number of successes and the number of failures with regard to business in the province.

The few other areas which we will be also monitoring is the areas of duplication as those that we can identify with regard to federal programs overlapping ours and, with continued consultation and some frank and open consultation with the Federal Government, try to develop programs which don't parallel but rather compliment each other and we've been through that this afternoon and this evening.

So again, I say we will be trying to target the investment growth, we will be trying to target the success of a few of the branches in dealing with the managerial programs that they do put on but I repeat again that many of the things cannot be put down on a balance sheet and you can't weigh them out that way, it's just not that kind of a department.

MR. CHERNIACK: Mr. Chairman, when the vote on the salary comes, I intend to vote for the Minister's salary because I believe that he has been forthright and candid throughout these Estimates. I believe that he has given us all the information that he could in a way which did not appear to be withholding anything. I think he's been honest with us and I think that if we have to have Conservative ministers, he's one that I am happy to see occupying the Treasury Bench, because, as part of the way in which he has presented his Estimates, I now see that there is no difference in Conservative policy in the Department of Industry and Commerce than there was under the former government.

The Conservative Party has, in the past, made a big issue about the Department of Industry and Commerce not serving the industrial and economic interests of private enterprise. They tried to do that and they succeeded. They persuaded many people in the private enterprise field that the Department of Industry was not really servicing them. That was not true. But, Mr. Chairman, that's part of the method by which the Conservative Party chose to campaign.

I think the only thing that they can say that they have done that changes the climate, is to create a great attraction to people who think that it is important to leave larger and larger estates; to people who think that estate taxation is terrible, a horrible ideal; that income taxation should be low, that it should not be progressive; and that is actually the opposite of the regressive nature of Conservative policy.

But what I have learned from this exercise in this department, is that there is nothing seriously being changed within the department. And it's almost — well, firstly, the Honourable Minister was fair enough to tell us that the Estimates prepared by the department were some \$7.6 million; that he himself cut them down to about \$5.2 or \$5.3 million; and that the Treasury Branch or the Management Committee . . . Yes, \$5.3 million and then it was cut again to \$4.7 million, which makes a mockery of the protestations by the Minister of Finance, that, why, if that government had not cut the total Estimates by \$300 million, we would be in a terrible situation.

Well any government that accepts the requests of a department without proper vetting doesn't deserve to be in government and doesn't deserve credit for having, in any way, reduced the Estimates. And I say, the Honourable Minister at least has been candid enough to tell us that within the department there were people with sufficient ambition — and I don't fault them for that — to feel that there are programs worthy of delivery at a cost in excess of \$7 million and the Minister applied his yardsticks to the program and reduced it.

But what I find almost a joke, Mr. Chairman, is that the Minister after five years in office — five months, I'm sorry — five months in office, has been able to tell us that there will be no reduction in program; no diminution of services; that this will be accomplished with a reduction in staff in, I think, just about every branch or division of the government, which tells me that he believes — or his government believes — that where they had, let us say, seven people working, that now five people can do the same job; which again tells me that those same seven people last year were not putting in a full day and, therefore, the five people that are left from the seven, will be required to put in a full day and, therefore, produce the same quality and quantity of service.

Well, that's fine, Mr. Chairman. But one of the reasons why I asked the Honourable Minister if he had any yardstick, any criteria, any statistics or data which he would use to show progress within his department, I did it in order to see whether we could, in some way in the future, measure whether the reduction in staff, the reduction in Estimates will not adversely affect the work of the department. He has now stated something that — and he thought that I would not be surprised by his comments — that there are no criteria, and there aren't. It's a matter of guess work. It's a matter of just saying, "Well, we'll provide a service because it's demanded. We'll see what we can do." But there's no way in which to measure in success. And we stack against that the Minister of — well, he's been busy. He's had two departments. He's been busy selling off assets of the people of Manitoba as well. But in spite of that I am sure that he has spent much more time looking at the programs of this department, than did the Task Force, which came up with far-reaching recommendations which the Minister himself has not achieved.

The Minister has not been prepared to do what this Task Force, in a short time, has been prepared to say. And what amuses me is that they are able to say, "Cut this by 20 percent. Cut the other by 30

percent. Cut something else by 50 percent," almost as if. . . and to me it's an insult to the Minister to be told, "Cut trade development." —(Interjection)— Is it? That's the wrong one. "Cut enterprise development by 20 percent with general reduction in all areas."

Mr. Chairman, I didn't have to — and neither did he — need a Task Force to tell them that he could cut by 20 percent. They don't say, "Cut the services." They don't say, "Reduce the availability to the public of your expertise." No, they said, "Cut by 20 percent." I wonder why they didn't say 15 percent or why they didn't say 25 percent.

I learned this evening that the Minister doesn't know that either. Obviously they didn't consult with him to advise him as to the amounts of reduction or as to the reasons for the reduction. They just say, "Enterprise Development Group expenditures should be reduced by 20 percent." Coincidentally the Executive expenditure should be reduced by 20 percent. So now he has knowledge. Mind you, Mr. Chairman, Trade and Industry Group expenditures should be reduced 30 percent. Now we really know that they have really investigated the matter and in their detailed report, Volume II, this is what they come up with.

Well, the Honourable the Minister has indeed cut the program by some kind of a percentage. I haven't worked it out to see whether he actually applied a percentage overall reduction or whether he actually made changes, different ones.

I do see that when we asked today if the Manitrade was wiped out, he told us "No, it's under Trade Development." And yet the entire Trade Development branches recommended to be discontinued by the Task Force report, and one starts to worry very much whether this Minister's judgment is valid because he has presented these Estimates, these are his Estimates. These are the Estimates that he has submitted to us for approval. I am inclined to recognize his decision much more than that of the Task Force. I gather that since he doesn't know what the Task Force had for the basis for their recommendations are involved, then we will have to assume — and I would tell him that I for one am assuming — that these Estimates are his program; that as long as he is the Minister of this department he will go by these Estimates and by the program described; and I remind him, Mr. Chairman, that he has made it clear that there is not to be a change or a redirection of program of this department.

We, therefore, in dealing with these Estimates and in passing these Estimates have a right to assume that they will not be changed except by circumstances to be learned in the future. And those circumstances would have to be something that is not known today. But no one, I think, knows more than the Minister, himself, about what he plans should be done within the department. And when I say "this Minister", I mean this Minister as a Minister of this government, because this government has reviewed his Estimates; has approved his Estimates and the Minister of Finance has presented the Estimates.

So, Mr. Chairman, I note again that the Minister of Industry and Commerce has not changed the program at all; has not varied his direction in program at all; and that he is therefore carrying on the same program as was carried on by the previous government but with a leaner budget. And he has given us the assurance that there will not be any reduction or diminution of service and I, therefore, assume that we will come back a year from now and we will find that there was no increase in staffing, beyond what is recommended; that there is no special warrant passed to provide him with additional money that he will have worked within this budget; and if he does, well and good, Mr. Chairman. But I would have to say, and looking at the budget, having listened to the debate, that all they did was to do what they call, "apply a sharp pencil" all the way down and just reduce everything by a little bit and put a good front to the people of Manitoba and say, "See what good boys we are. We are fine fellows. We promised we would cut costs; we are doing it."

In other departments they are cutting program. We know in this department, no reduction of program, no change in direction, but a reduced cost. And we know now from what the Minister said and which I knew he would say all along because I recognize that he is being honest with us, no way of measuring whether or not they were right in making this reduction; no way of measuring whether they will be able to continue to give the service or, indeed, improve the service of this department in the coming year during which these Estimates will be spent.

And on that basis, Mr. Chairman, I have to say that when the Honourable the Member for Burrows asked for the horror stories in this department, there were none. When he asked for mismanagement in this department, there is none, there has been none and, therefore, so far it is clear that all this big talk by his Leader, by the Minister of Finance, is meaningless and worth only the words that they let drop in this room. That is the conclusion I've come to after having listened to the Minister and listened to the fact that he tried to give honest, sincere answers and none of the windy kind of talk that we've been hearing from other members of his group.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I can I think be very short in summarizing my comments about this department. And I would start off by agreeing with the assessment by the previous speaker that in fact this is the same department that we've seen before and I have the added advantage of having seen it from the same perspective. And in that case I would be doubly critical because the same comment and criticism raised before can be raised again, that the more things changed the more they stay the same.

I simply want to express my surprise at this particular development because to a certain extent — not as much as the general public — but to a certain extent I took members opposite at their word, that they were going to substantially change the economic policies and directions in the Province of

Manitoba; that they were going to become the great drum beaters for the accentuation and emphasis of the private sector; and I assumed automatically that this would be the flagship department. What better department to do this than one that has as its title, Industry and Commerce. I mean, that sums up the whole notion of all the private entrepreneurship out there, sort of all of a sudden creating the new millennium in Manitoba.

So I assume that if there is any department at all that would come forward in these Estimates with a new blueprint of economic action, this would be it. Well, it's just about the same, a little smaller, they're reduced, but doing the same things in the same way with the same people, same kind of, you know, workman-like proper conventional kind of services; a little bit of management services; a little bit of export services; a little bit of consulting services; a little bit of research grants; just kind of keeping things edging along.

So why do we bother changing? I mean I know why I wanted to change, because we would have done it differently, but they didn't and that's why I really find it kind of ironic and somewhat disturbing, because it does mean that there was an awful lot more promise than there has been performance.

So here Industry and Commerce, which might have been the great instigator and catalyst for a new economic thesis has simply become sort of what it was before. I'm not suggesting that the Minister revert back to the days of his former Conservative predecessor when they kind of went in for a lot of dime-store promotions, you know, beat the drum and sort of become alive in seventy or whatever it was, sort of pine to palms — (Interjection) — Going to beat '70 and we had kind of dancing girls and great pictures and it was probably a lot more fun for the Minister because if I recall his predecessor in that office, every time they turned around there was a picture on the business page surrounded by two sort of obviously well hired models who were promoting some product or other. He obviously enjoyed his job an awful lot more than his successors. Maybe I'm planting the wrong ideas in the Minister's head. Maybe it's the most important thing that's been said in the last two days.

But the fact of the matter is that the objection I have is at a time when this province absolutely required, in terms of its economic position, to foster and promote the notion of a prairie industrial strategy, if it was going to survive as a prosperous province, had to take the leadership role in sort of negotiating, bargaining, muscling the other provinces on the prairies and the Federal Government into an industrial strategy for Western Canada, has said nothing about it and, in fact, the First Minister has simply sold out on that particular position by his stance taken in federal-provincial conferences. So, failure No. 1.

Secondly, the necessity to start exercising a real productive approach to the development of new industrial capacities based upon technological industries, again has failed because there was nothing in this budget Estimates to show that there was any interest or inclination to start promoting in that field.

Thirdly, no indication whatsoever of any concept or feeling or understanding of a need for a new economic development approach to the City of Winnipeg. All the signs are down, seriously down, in terms of the flagging ability of the City to create an economic dynamic of its own; its central core and its industrial parks, all the signs are down and no urban strategy being provided by this department in terms of where it's going to go. So all these things that could have been done, should have been done actually years ago in terms of getting it started, haven't been done. So I would simply say that the Minister is frankly missing some opportunities and missing them to the dereliction, I think, of the responsibility of what this department should have been doing all along and it still isn't doing. It simply comes as a great surprise because, if nothing else, we certainly could have expected all the retrenchments in social services. That was to be expected, we knew what their philosophy was, but at least we thought in the one area where they claimed a high degree of knowledge and association and familiarity, how to sort of get economic growth going again. So far, at least as this department is concerned, there is no sign at all.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: I just want to make a couple of short comments, Mr. Chairman, to conclude our discussion of this particular department. I would join with my colleague for St. Johns and thank the Minister for his candid approach and providing us with a lot of information and being quite open and honest with us as he saw the problems facing himself — providing us with as much information as he possibly could.

I think he has discovered by now that he has inherited a good department. By good department, I mean made up of competent people, made up of conscientious people, made up of people who are dedicated to the public service of Manitoba. I was very pleased to hear his reply to the Member for Burrows when he was asked by the Member for Burrows, "Where are the horror stories in this department?" — because we were told by some members opposite: Wait until we get to the Estimates and all these horror stories would come out and all kinds of gory details would come out of terrible inefficiencies, mismanagement and so on. I was very pleased to hear the Minister's response, in so many words, which said there really weren't any horror stories and that he had inherited a good department, an efficient department. And I would say, having compared it' having been Minister myself for nearly eight years in Industry and Commerce, that it probably ranks as one of the best in Canada of all the ten provincial governments for our size and for what we can do in this province

because all our with all our limitations, it's probably one of the best, so you've got a very excellent organization.

With regard to the challenge of creating jobs, the Minister said that he intends to set up targets and these will be set down very clearly, types of jobs to be created, numbers of jobs to be created, amounts of investment and so on. Well, I wish him lots of luck. I think it's important to set up targets. There were targets set up a few years back, the targets for economic development in a report called the TED Report and, you know, one can set up targets but it's another matter to achieve these targets. I don't know what targets exactly the Minister was speaking about, whether he was talking about some narrow targets that he thinks he could achieve with his department given the resources that they have — which, incidentally, are essentially the same resources that were available last year. There's been really a minor cutback. The figures may look a lot less than they were last year but that's because you've transferred out some of the work such as the Energy Council to the Department of Finance. So, give or take one or two staff positions, a few dollars here or a few dollars there, essentially we've got about the same organization with about the same amount of resources available engaged in essentially the same sort of programs. The Member for Fort Rouge is quite correct, we really have a status quo situation.

I asked the Minister on a number of occasions about new thrusts in promoting trade abroad, new thrusts in technology and so on and I gathered he will work on them but, at this moment, we don't have any great new approach that is being offered by the new Conservative Government.

But, what are the targets that he's trying to achieve? If he's trying to achieve some very narrow targets within the framework of Industry and Commerce, fine, because the resources are rather limited and the challenges are formidable. But, if you are talking about general targets to maintain the natural rate of population growth in Manitoba, are you trying to attain a situation where you get to a situation of employment that is acceptable to the people, where we get away from these very high levels of unemployment — if you're trying to achieve that, then I say you have an impossible task given the fact that this government is engaged in certain general policies of so-called restraint that, as I've said before and I will say again in conclusion, are having a very serious negative impact on the private sector.

So, I can ask the Minister now, where are the new potential industries that I think he alluded to in the newspapers? He was quoted in the newspapers a few weeks back about getting inquiries and so on, now that the government had changed and there was a new attitude, a new spirit afoot, and so on. I would like to know: Where are those new industries or who are those new industries? Who are the companies? How serious is their interest and when are things going to happen in Manitoba in terms of job creation, particularly in the manufacturing sector?

I suggest, Mr. Chairman, — and I don't want to be a pessimist, because I'm not a pessimist by nature; in fact I'm the reverse, I'm an optimist by nature — but I say, as a realist, not only are we not going to see any new industries come flooding in, I think you're going to see a deterioration set in in the Year of our Lord, 1978, not only because we're suffering a national economic recession but also, I repeat, because of the general overall fiscal policy of this particular government. We see jobs eliminated in the public sector but I say we're going to see even more jobs — and they are being eliminated eliminated now — they may not be as spectacular as the closure of a particular large factory but, you know, one or two jobs here in one small enterprise, one or two jobs there in another small enterprise.

So, maybe it would be very good if the Minister in his closing remarks could get up and say, "Yes, we've got company A, company B, company C. These are very serious in their intentions, in their concerns and interest in the Province of Manitoba and they are just around the corner sort of thing." But I don't think that we're going to hear that. So we could say, "All right, let's give the new Minister a chance; let's give the new government a chance. They've only been in office nearly half a year; let's wait a whole year from now." I say fine, we can wait a whole year from now but the statistics are going to show that the situation, regrettably, in terms of the industrial strength of this province will have deteriorated. It will have deteriorated because the forecasts for the Canadian economy are not that good; the forecasts for the Manitoba economy made by several forecasters are not encouraging whatsoever. I repeat, the policies of this government are going to aggravate and worsen an already bad situation that we're confronted with at the present time in the Province of Manitoba.

So, I wish the Minister lots of luck. I say he's almost got an insuperable job trying to bring about further industrialization in Manitoba but his job is being made impossible, I would suggest, by the particular overall general fiscal policy of this government.

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

MR. ADAM: Thank you very much, Mr. Chairman. It's unfortunate that some of us had to sit in the Estimates for the Department of Agriculture. We'd have — myself anyway, I would have liked to have participated in the debate on the Estimates in this particular department but I was hoping to be able to get back for the Minister's salary.

I also want to commend him for his candour while I was here debating the Estimates. I believe he has been more candid than the Minister of Agriculture; we're having some difficulty getting the information that we would like to receive. Also, the Estimates as they are done up, are causing additional confusion. We are having a difficult time to rationalize the figures from last year and this year in the different Estimate books.

A question that concerns me as a rural member, is where in fact are we heading at this particular

time in the affairs of our economy. We have a new government who seem to feel that they would like to place all their eggs in one basket and depend entirely on the private sector. I think this is unfortunate because it certainly hasn't worked in the past. It isn't working in any western country to my knowledge. There is no doubt that there has to be massive involvement of the public sector. We've demonstrated that time and time again and I believe the Minister of Agriculture even admitted that this evening in Room 254 when he said that the public would have to subsidize young farmers to purchase land. There again, you have the situation where the public will have to come to the rescue of what is supposed to be a very very healthy and viable industry. Of course, we all know that that is not the case.

We have been subjected to, what I consider to be Mr. Chairman, sometimes we tend to say things that may be distasteful to for others to hear and even perhaps distasteful for the speaker to say — and I can't entirely blame the new Ministers — but in my opinion there have been some blunders made. We can't blame the new Ministers. Many of them have never been Ministers in the past, let alone members of the Legislative Assembly, so I believe that it's a terrible responsibility to have placed on the different Ministers.

But my main concern is the thrust of this government to depend entirely on the private sector which in my opinion, will be detrimental to the rural areas and I expect that we will have more regional disparity. Of course, regional disparity does not help the rural areas, as you well might imagine, and neither does it help the larger urban centres, so I'm just wondering . . . You know, we have been listening for — I haven't, but I mean in history — the past five to six years of Liberal Government and 45 years of Conservative administration at the Federal level, to policies of prosperity around the corner. It is always "just around the corner." We never seem to be able to reach it; you tighten your belt, just be patient, it's just around the corner. That is what we're hearing again today. The policy of putting all our eggs in one basket, depending entirely on the private sector, hasn't worked in the past and, in fact, it goes against some of the most eminent economists in the country today. It is only, I believe, just two or three weeks ago that the call for expansionary policies by senior staff of the C.D. Howe Research Institute was couched in terms that are unusually aggressive the analysts are backing up the HRI staff open letter to the First Ministers. It was almost entirely a scoop of the Institute's annual policy review which will be published in a few weeks. HRIs four top economists should thus steal their own limelight and is an indication of their alarm about the current policy settings of Canadian Government. Indeed, the decision to write an open letter was made because the four — including President Carl Beigie — were very concerned by the conservative tone evident at the federal-provincial Finance Ministers' meeting last month.

Now, we have four eminent economists expressing a great deal of alarm at how this conference was proceeding and in the conservative manner in which it was proceeding. The open letter sharply criticizes both the federal policy of gradualism and the provincial drive towards balanced budgets.

You know, perhaps you fellows are more intelligent and more experienced in economics than these people here. I am sure that these are a right-wing group — very right-wing group — and they are going exactly the opposite to your position. They openly sharply criticize both federal policy of gradualism and the provincial drive towards balanced budgets. As for balanced budgets, the letter tartly observes that the unremitting pursuit of balanced budget was one of the serious policy errors of the 1930s and one that should not be repeated in the 1970s. So I put it to you, Mr. Chairman, that the policies that are now being followed are going to end up in chaos. There is no doubt in my mind.

In fact, you know, I think we have been too harsh on . . . Many times I have heard people mention R.B. Bennett and Herbert Hoover, and so on. But you know I would like to read you a little statement that R.B. Bennett made. Here is the way it goes; I'll read part of this article here. "But to say that Premier Lyon and the other conservative-minded Premiers at the conference were no longer advanced in their thinking than R.B. Bennett is to do an injustice to our Conservative Prime Minister 48 years ago. He was ahead of them in one respect. The old-timers will remember some of the startling radio speeches that Mr. Bennett made in the election of 1935, after he had spent a turbulent four years in office trying to cope with the problems created by the virtual collapse of our private enterprise economy. His voice came across loud and clear. He said, 'If we can't get the private enterprise system to work any better than it had up to that point, the system will have to be changed'."

Mr. Chairman, this government is still more reactionary than Mr. Bennett was. I am very disappointed that the government would take such a harsh position and inflexible position in this matter, and they will rue the day.

This article goes on here, "As we know, Premier Lyon wants to go back to the capitalism of the nineteenth century and he called upon the assembled Premiers to commit themselves wholeheartedly to a private enterprise market economy. 'Government functions,' he says, 'should be limited to creating proper climate for business through all sorts of inducements and encouragements'."

Well, we know what those inducements and encouragements will be. We have seen the evidence in Portage la Prairie. There is enterprise there that is going up that will cost roughly \$12 million and the public is going to have to put up \$9.4 million. That is not free enterprise. Well, I don't know; there is no name to describe it. I don't know what it is. I intend to table it, Sir.

MR. JORGENSON: Who signed it?

MR. ADAM: I table it.

MR. JORGENSON: Who signed the contract with McCains?

MR. ADAM: Mr. Chairman, we have heard many times, I have heard many people say repeatedly that the reason that we are having marketing problems here is that we are inefficient, we are unproductive, we can't compete with the Americans.

Mr. Chairman, we have blamed it on high wages. We have blamed it on everything. We are always blaming somebody else, Mr. Chairman. There is one thing that we have never talked about. Of course, our dollar makes us more competitive on the international market. That should take up the slack for our inefficiency. It should and there is also room for argument as far as whether the wages are higher in the States or if they're higher here. We hear arguments on both sides of that, so I don't know whether we will ever resolve it.

There is one item that we have never discussed, and it's never brought out because it is distasteful. And there are times that even a member gets up to make statements he doesn't like to make; he finds it distasteful but I think it's his responsibility to do so if he feels that those statements and his opinions may affect the future of his province. And I am referring to white-collar fraud.

How often do you hear this mentioned — white-collar fraud? Who is he? He is the higher executive in our corporations. Not the lower, or even the middle ones — the higher ones.

This here is an article that I have taken out of the chartered accountants magazine that they send out — CGA magazine. It's the month of March. And I will table a copy because I think it's important but I would like to read a page, if you just wait for a moment. I am going to table a copy because I think it's important that members have access to this information. But I will read the first part of the article. "Recent developments have demonstrated that there is a major breakdown in the ability of independent auditors, officers, and outside directors to find out about corporate misconduct in companies with which they are involved. Dishonesty in business far exceeds crime in the street both in dollars and in numbers of participants."

Just imagine that statement, Mr. Chairman. That dishonesty in business far exceeds crime in the street both in dollars and in numbers of participants. "Yet it is easier to control. No form of activity is immune. Some, however, are more vulnerable: construction, natural resources, retailing and purchasing. These losses are built into the cost of doing business. As much as 15 percent of the price consumers pay for goods and services goes to cover the cost of dishonesty."

Just think, Mr. Chairman, this is inefficiency. We are pricing ourselves off the market just by this kind of a situation.

"People at all levels of business are involved. But our experience shows that the greatest amount of dishonesty occurs at the supervisory and executive level. Of more than \$100 million of business dishonesty uncovered by our firm last year, these trusted employees account for more than 60 percent."

Now, this article goes on to say that there are many in these corporations — the lower executives — that are aware of what's going on but they do not want to rock the boat. They have pensions. They are worried that if they speak up they will be fired, or they will lose their pensions and so on. So the thing goes on and last year alone, from this one group of auditors, they have uncovered \$100 million of dishonesty. And this is what we should be talking about as well, Mr. Chairman. So I now table this article.

I hope that the government will not be inflexible and I want to wish the Minister of Industry and Commerce well in his efforts. But I am afraid that if he wants to follow the route that has been dictated to him by the leader of this province, that we are going to go into a deeper and we will be looking at ghosts of depressions of the past. Thank you.

MR. CHAIRMAN: Section 1—pass. Resolution No. 74. Resolved that there be granted to Her Majesty a sum not exceeding \$1,156,500 for Industry and Commerce. Executive \$1,156,500—pass. This completes the Estimates of Industry and Commerce.

Committee rise. Call in the Speaker.

The Chairman reported upon the Committees' deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. James, that the report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. JORGENSON: Mr. Speaker, I move, seconded by the Minister of Industry and Commerce, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 10:00 a.m. Friday.