

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 21 May, 1985.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CULTURE, HERITAGE AND RECREATION

MR. CHAIRMAN, C. Santos: Committee, please come to order. We are still on Item No. 2.(b)(1) Grants Administration: Salaries; 2.(b)(2) Other Expenditures; 2.(b)(3) Grant Assistance - the Member for Wolseley.

MS. M. PHILLIPS: I'd just like to take this opportunity to commend the Minister for putting out one HERizons issue on cultural events and programs. I would like to take strong exception for the support from the Minister. I'd like to take a strong exception to the comments made this afternoon by the Member for Elmwood where he suggested that everyone was running for cover. I'd like to go on the record as saying that I totally support the efforts of HERizons magazine and any assistance that the Government of Manitoba can give to such a worthwhile publication that is known throughout the country for its very high standard. I really resent and object to any suggestion of comparison to any of the sleazy violent pornographic kind of magazines the Member for Elmwood was talking about.

When a publication has a subscription of at least 7,000 regular subscribers, plus many many other individuals who regularly buy copies from the newsstand, I think it's a vehicle that women have in this province of expressing their opinion on many many issues, such as employment and training on day care, on pensions, on music and culture, on social assistance, on health issues, and considering there are so few vehicles for women to express their opinion, that they should be supported in their efforts.

I'd like to suggest that if the Member for Elmwood is so insecure that the Catholic Church and the 49 percent of the population in Manitoba who are male, the 90 percent of the population in Manitoba who are heterosexual, can't stand a little bit of social comment from a fledgling women's magazine, that they're in serious trouble, and I would suggest that the Member for Elmwood falls in that particular category.

I would like to commend, again, the Minister for any support that he gives this very dynamic and worthwhile magazine in coming from the Province of Manitoba and being supported by both men and women from across Canada and held in very high regard by men and women from across Canada, much to the contrary to the very narrow-minded opinion, in my humble opinion, of the Member for Elmwood.

MR. CHAIRMAN: No comment on a person who is not present.

The Member for Morris.

MR. C. MANNES: Mr. Chairman, maybe the Minister wants to respond to that comment.

MS. M. PHILLIPS: I'm entitled to an opinion.

MR. C. MANNES: Sure you are. Mr. Chairman, I'd like to ask only two or three questions that would be supplemental to those questions posed by the Member for Elmwood with respect to the support offered to the publications Midcontinental and HERizons in question.

I'm not going to enter into a debate as to whether the Province of Manitoba should fund these particular periodicals in magazines in their production stage. My greater concern is the fact that they have been endorsed and brought into the public school system by way of a grant program. I accept wholeheartedly the Minister's description of what took place and the fact that within the periodical section maybe somebody within his department erred and put to print something that wasn't quite true.

However, my broader question is, when this program was conceived and then developed, to what degree was the Minister of Education considered and brought into the whole plan to bring forward these periodicals into the public school system?

MR. CHAIRMAN: Mr. Minister.

HON. E. KOSTYRA: I think that question should be directly asked of the Minister of Education. I can say in terms of the developing of a publishing policy for the Province of Manitoba, the specific report that gave rise to this program, a report that suggested that there be such a purchase program - the report didn't specify which specific publications would be or would not be included under the program - but recommended a program such as this. There was endorsement of that program, that concept, by the Department of Education and by the Minister of Education. It then formalized itself into the federal-provincial agreement in terms of a specific program.

The details of the specific publications were not referred to by the Minister of Education, nor was there any agreement on which specific publications ought to be included in the program. The broad program was discussed in a policy sense over a period of a year-and-a-half, maybe two years.

MR. C. MANNES: Mr. Chairman, the Minister seems to indicate then that in a broad conceptual form, that the Minister of Education gave her endorsement to a program that would support local periodicals and books.

The Minister of Education has pointed out on numerous occasions that, in fact, her department did not peruse the material, particularly the periodical material that found its way into schools and I believe the Minister has indicated that again today.

I'm wondering to what degree Ministries within the government, and particularly the Ministry of Culture, feels it has the right to direct material into the public school system? Or does it go to the Minister of Education in all respects and in all areas? Does it always request of the Minister of Education a clear indication

of her support before it attempts to bring forward any material into the public school system?

HON. E. KOSTYRA: I'm not aware of any other program or situation that it would be an issue. We do not provide any form of direct program support to the school system, other than this one specific program, but I'll just check that in a moment.

From the other area, there is delivery into the school system, not through the department, but through the Manitoba Arts Council with their Artists in the Schools Program, which is run by the Manitoba Arts Council through school divisions, where they provide grant support for artists who perform and run instructional workshops in the school system for periods of time. This program was a unique program in terms of being an industry-based program to assist in further development of cultural industries in the province, particularly book publishing and periodicals. And there was consultation, as I said, on the policy which was agreed to be a desirable one in terms of getting more Manitoba-based books and periodicals in the schools, but the specifics of the periodical program were not formalized with the schools.

Again, the department was not putting materials in the schools - I know the member would argue the distinction. There was a provision of a grant to a maximum of \$300 for the periodicals that they purchase from a list. Unfortunately, that list implied that they were approved and, in essence, recommended for the schools; that was incorrect. They were not being placed in the schools by the department, we provide financial assistance, if they so choose to pick and they can pick any from that list, or none from that list, provided that the maximum didn't exceed \$300 per school.

MR. C. MANNES: Well, Mr. Chairman, let me state for the record that many of those book titles, particularly, that were listed there, you know, would represent very good reading and something that should find its way into the public school system and into the libraries. I have no quarrel with many of those book titles that came forward.

My greater concern though is this whole system. Firstly, who can approach the public school system; what other ministries of government can approach the public school system? And to what degree the Minister of Education has the responsibility of screening that material, not only the broad policy concept of what should come forward, but furthermore, what her responsibilities are with respect to allowing information that may not be in the best interests of students. Now I'll pursue that, of course, within Education and I'm not asking the Minister for her comment.

But I've heard from various people, again within the public school system, who have said now that there is some broad range of ethnic culture material that's beginning to find its way into the public school system also. I guess they're asking the question, is it coming directly from the Ministry of Culture without any endorsement by the Minister of Education or, indeed, is she being asked, on every occasion, that this material can find its way, because they're having to make decisions. It's easy for the government, or any of its Ministers, to say to school principals or superintendents

or, indeed, school libraries, it's up to them to screen all the material that comes forward and to pass judgment on it as to whether or not it should be in place within the school library.

And I think it's incumbent and it is a responsibility of the Minister of Education to set down some broad guidelines, and I'm wondering whether the Minister of Culture has free access to the public system and can introduce almost anything under his purview in the area of not only reading material or printed material that is produced locally, but even beyond that, a lot of the material that is developed by the various ethnic groups.

HON. E. KOSTYRA: I'm not aware of any other program where we provide any information to the school system directly, other than what's provided on their choice under this program. There has been, in the past, some co-operative efforts with Education, but they were clearly an education-based program run by Education where we've provided some assistance to them. But I'm not aware of any other situation where we provide material directly to the school system, unless it was a specific request from a school division to us for information.

MR. C. MANNES: Mr. Chairman, I'll have to - and I will have a more definitive question for the Minister of Education - but it has come to my attention that there has been some very sophisticated material that's come out, I think, under the auspices of the East Indian community, that's come into the schools. Now I don't know if it has come through the Arts Council or whether it's come in through the Department of Education, or whether it's come through the Department of Culture, but people are asking. I don't think it came from the Department of Education, because it seems that it's come from an outside group. I use this only as one example.

I'm wondering what part in the whole advent of things that the Ministry of Culture has to play in approaching the school divisions throughout this province in attempting to use that forum to see this material used within a broader context. My concern is that people within the public school system are being inundated, to some respects, or are having difficulty in deciding whether or not there is a proper place within the public school system for this variance of material.

HON. E. KOSTYRA: I'm not aware of any other situation. If the member does have some detail, if he wants to either provide me with it now or subsequent, I will investigate. I'm not aware of any activity of the department directed to the school division, outside of that which we've discussed, and the one I made mention of in my opening remarks, which was the anthropology search which was a joint program of the Department of Education, the Department of Culture and the federal Secretary of State for multiculturalism, a three-way program that is looking for material in the anthropology area. That's the only other area I'm aware of so, if he has any detail or wants to give it to me subsequent, I'll try to find out its source.

MR. C. MANNES: Mr. Chairman, I won't belabour the point, I'll just ascertain in a little more detail, a

particular example I have in mind and I'll probably bring it forward in Education Estimates.

MR. CHAIRMAN: The Member for La Verendrye.

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

I want to express some concerns this evening. Before I ask some specific questions, I notice in looking through the Minister's Estimates that we've got about \$9.5 million to \$10 million that are really being spent on things such as Culture, Regional Services, Historic Resources. The balance of the estimates is really Queen's Printer, Translation Services and other things which are under the Minister's jurisdiction but don't deal directly with the cultural component as I think most of us would see it being.

One of the things I guess that's causing everybody more and more concern all the time is when you receive a packet of the grants that have been awarded - there's one packet alone from Lotteries. We're looking at 800 different grants being awarded. We got the other little sheets of paper that the Minister gave us, another 100. We're looking at, just in this small department, over 1,000 grants to different organizations being administered. I think there is a growing concern among the public of where this whole grant thing is going to lead us. I don't fault the Minister for it because it's been a number of governments, whether they be Liberal, Conservative, or NDP, have sort of got into this grant malaise and we're all caught up in it.

This afternoon, the Minister made an announcement on granting \$1 million to a company and he expressed some frustration at the time that he was competing with other jurisdictions within the country that were doing the same thing.

I think it would be remiss of me not to make some comment about it because, while I know it's a tremendous problem politically for any government to deal with it, each successive government, regardless of political stripe, seems to be getting deeper and deeper into it.

You know, as a Member of the Legislature, when a cultural organization comes to me, there are about seven or eight different places that you apply for right now. It's wild, and the organization that has the person who is the best trained to deal with the organizations is the one who gets the money, whether it be through the Careerstart Program to get a couple of people to work on your group, whether it be through the Arts Council, and then you do another run and you go into the Recreation Facilities Program. It's at a point where I guess I've said this before but a lot of members, I think on both sides of the House, nobody is really doing anything unless they phone you and ask you if a grant is available. I dare say that I bet you about half the calls that I get now, nobody will replace a window unless they know if there is a grant available. This area is one which I would say that has grown in the last 10 to 15 years to an extent that none of us ever dreamed it would.

I want to tell the member, that having been Minister of the department for a short while, I know the dilemma he faces. I don't know if anybody's ever going to have the political resolve to deal with the issue, but we're in this all together and there doesn't seem to be any

light at the end of the tunnel. We're just going deeper and deeper into the shaft and I don't know where it's going to end.

It has two problems with it: No. 1, is the difficulty then that we go through in dealing with Lotteries. There is an appetite out there which I suggest to the Minister that were we left up to the constraints of departmental or general revenue we would have to deal with. But we are now into a time and a period where Lotteries revenues are expanding at such a fast rate and we're all anxious to conjure up political favourites, favourites with all the different groups out there, that we are using that lottery slush fund to try and meet some of the unsatiable demands that are out there. What we see happening is that we see groups formed who come in with their presidents, and maybe an executive secretary, or the executive administrator, and come and ask the Minister or the government or the Arts Council or somebody for a grant.

I think that we are developing a real problem. I think one of the secrets that we have over the years, and one of the backbones of this country, has been that when a group wanted to do something there were three things that happened: No. 1, there was a group of individuals that committed themselves to a particular goal, to a project. Then what did they do? They went out and raised money; they did it themselves. The act of raising the money allowed them to have side benefits which we, when government, maybe lose sight of; and that is, that the community binds itself together. If you get a group that is raising money for a particular project, whether it be a facility or an idea, what happens is they go out and they work together.

So, first of all, you have the group that manages to pull different segments of society together to achieve that common goal; you then have the other benefit from it, you have the satisfaction that is derived from those people finally when their goal is met.

No. 3, which is more important, you have that broad base in the community that, having worked for it, having funded them personally, then end up supporting it; and there is a commitment, a commitment which no government grant, or no cheque that a benevolent benefactor gives them can be created.

I say to the Minister that it is a dilemma, not facing only his government, it faces all of us. I don't here this evening accuse the Minister of moving in a direction that maybe somebody else wouldn't have with all these grants because the monies are there, and we'll get to that later on with regard to the Lotteries. The pressure is going to get bigger and bigger, and we are seeing ourselves move into an area where sports, multiculturalism and culture, generally, will rely almost exclusively on what? On gaming. That's where we are moving to, so there will be more and more pressure on the Minister to lift the limit on the 90-day casino, to have an instant-win ticket come into the system because everybody wants more money and that's where it's going to come from.

So I say to the Minister that he, as Minister, the successive Ministers, will all be facing this problem and it's not a simple one, and I don't have an answer overnight, except that somewhere along the line there will have to be a resolve by the people to try and put a cap on this because it's just going to get out of hand and we just won't be able to deal with it.

Having said that, I would ask the Minister how much out of this - I just did some quick calculations and I notice about \$10 million out of his \$20 million budget has to do with recreation, historical, culture and these types of things - how much does he anticipate spending this year from Lotteries? In other words, what will he directly influence in Lotteries this year in dollars?

I know that we're getting to the Lotteries a little later on, but here is the other dilemma. In this cultural component and recreation component, we have the Minister on the one hand spending a certain amount of money on the arts and on cultural grants coming from the department and other general revenues; we have the other side, which is under the direct ministerial responsibility, and that's the grants that come out of the Lotteries Trust Fund; and then we have the Manitoba Arts Council who is also, not only drawing money from Lotteries, but is also drawing money from General Revenue.

So, for the average person to understand it, even for someone who's been at it for awhile, having seen the Recreation now move into the Minister's portfolio and the Sports and Recreation being torn apart, it becomes pretty difficult in order to try and get an overall picture of what's really happening.

So I would ask the Minister two questions, what he anticipates he's going to have at his disposal to spend and give out as far as grants under the Cultural Heritage and Recreation grants, and what amount of money is going to be available out of Lotteries to supplement the already 1.3 million that the Manitoba Arts Council is getting out of General Revenues?

HON. E. KOSTYRA: I'll try to answer the questions, I think I missed the last one. Let me just respond briefly to the general comments that the member raised.

I think that one has to look at what is the philosophy behind some of the programs that are lottery-based. I think you would have to recognize that there are two major objectives behind most of the programs. One is to allow, though lottery-based revenues, an equalization, if you will, of opportunities between people that reside, basically half the population that resides in the City of Winnipeg and the other half that resides outside of the City of Winnipeg because, as the member is aware, opportunities are not equal in terms of the costs of bringing people to provide training, to provide recreational opportunities, to provide cultural opportunities in the rural areas or Northern areas as they are in the City of Winnipeg where you have the size and don't have the problems with distance and other things. A good number of the lottery-based programs are designed to provide assistance for communities outside of the City of Winnipeg to equalize their opportunities to those of us who are fortunate to live in the City of Winnipeg.

The other basic philosophy that we have behind all of our programming, or most of our programming, is that there has to be a very high commitment of volunteer effort behind the community organizations that are reaping the benefits of the lottery-based programs. Indeed, the funding is always tied to some significant portion being raised by the organization itself, by individuals within the community, or by commitments, in part, by other levels of government.

I think that's a principle that has to be maintained to a significant degree so that you do, not what the member suggests could happen and could develop even further, which I don't agree with, where you're going to have organizations that are totally dependent on sources of revenue like lottery-based, but where there is a significant portion of their revenues and activities that are financed through other sources. As an example, some of our programs pay no more than 25 percent of the total costs of the operations of an organizations with maximum dollar limits besides that 25 percent rule.

So I think that, as long as that is maintained, the lottery funds can be used as a catalyst to help community-based, volunteer-based organizations provide opportunities in the broad area of Culture, Recreation and Heritage for people in their communities, but I think you have to maintain that level of cost sharing, that level of local commitment.

In terms of the specific questions, let me see if I can answer them. The approvals for programming out of Lotteries for this year is \$6.3 million for Culture, Heritage and Recreation. That is all the programs outside of the programs that are delivered by the Department of Health, being the Sport programs. There is an additional carry-over of 960 from previous years' allocations of expenditures.

I'm afraid I didn't hear the member's last question.

MR. R. BANMAN: Out of this, does the portion that Manitoba Arts Council will get as being a member of what used to be the Western Canada Lotteries, Manitoba distributor, is that included in the 6.3?

HON. E. KOSTYRA: No, I'll be able to provide the detail on that when we deal with Lotteries, but that is separate. None of the funds that are derived from this go to the Manitoba Arts Council. They are part of the arts umbrella which has been formed, along with the other umbrella groups. I can provide the detail on that when we get onto Lotteries a bit later.

MR. R. BANMAN: This is the difficulty, as I outlined to the Minister before, you've got a multicultural group, you've got multicultural grants in here and yet you've got a multicultural group now, an Arts Council, Sports and, specifically in dealing with these Estimates, it's pretty hard to get a handle.

You've got \$10 million in your Estimates. You've got 6.3 million which really we can ask some questions on, but which you're not providing us a budget with tonight; you've got a Multicultural Council which will be having \$2 million or \$3 million at their disposal; you've got an Arts Council which will get more than you've allocated in your Estimates to deal with. So we're starting to talk some pretty big numbers here that are not included in the spending Estimates at all. That's the difficulty, I point out to the Minister, that members of the opposition have. We're getting this stuff right now, it's not included in the Estimates, and it's something that, when we were government and we didn't provide and I'm not going to blame the Minister tonight for not providing it

But what's happening, and the Minister must sense that it's happening, is that we're starting to talk such

large dollar volumes already; we're not talking 500,000 anymore, he's talking 6.3 million which he is going to have at his disposal to dispose of in an election year the way he sees fit. He will set the guidelines, and the Cabinet will sign the O/C and pass it. The member from Treasury Board sits here, the Treasury Board Chairman sits here, and looks at the Minister. I'm telling the honourable gentleman opposite that we're starting to talk some awfully big dollars here which really is escaping the review process of the Legislature because there is no budget. There is no plan set down for that money because the Order-in-Council can be passed any time to provide any particular interest group with money as the government sees fit.

They are charged with the responsibility of administrating and that's fine. I'm just saying, from an opposition standpoint and from a public accountability standpoint, that I think there will have to be a time where we sit down and we tie this all down and that, when we sit down at these Estimates, we know exactly what we're spending on Cultural Affairs. Because here we are, \$20 million here, \$6.3 million in Lotteries, multicultural out here tied into the Lotteries system, the Arts Council tied in over here and yet tied in to our Estimates. It's pretty hard in one afternoon and one evening to get a real picture of what's happening, because I would like to be able to spend a few days comparing these 800 grants that the Minister has given out with what the Multicultural group is giving out, what the Arts Council is giving out, and what the Minister projects to give out next year on the \$6.3 million that he's going to spend on the other programs.

So I think we're coming to a point and, hopefully, our governmental system is flexible enough to make changes as changes happen. I suggest to the Minister that, with Lotteries becoming such a big portion and maybe surpassing the wildest imagination of any of us, as far as revenues are concerned, we should be seriously considering, and I would ask the Minister - I know that the biggest problem that he'll have is he probably won't have the opportunity to implement it because he probably won't be there, but that will be the biggest problem.

But I lay it on the record that I would ask the Minister to maybe start that process because I think any successive government will really want to tie this all down and should something happen, which many of us would of course wager a lot against, that he receive that job for the next four years, I hope that he would take my few comments here to heart and provide a system which would give us a little more of a comprehensible review of what's happening in the whole field.

HON. E. KOSTYRA: I appreciate the member's comments maybe that area should be reviewed. But to suggest that somehow this has grown in such a fashion without any public accountability, I think that as we'll have the opportunity later this evening hopefully to discuss the accountability in terms of Lotteries has increased, I mean, most of the monies that we're talking about in total have been spent, the overall increase in the amount of money that's being spent on all aspects of Lotteries and gaming in the province has not increased as significantly as some of the now published information.

The problem before was some of those funds were being spent by organizations or through organizations, whether it was total community involvement, whether it was other organizations that were involved in the Lotteries for the Manitoba Arts Council and Manitoba Sports Federation were part of the old partnership, and now under the new system through the umbrella groups that there is going to be reporting on each of the activities of the umbrella groups. As we get on to it I would expect that there will be detailed reporting on all of the activities of the various umbrella groups that make up the Lotteries.

But I think we're slipping into a separate area that we should be discussing a bit later and I will have some of the detail in terms of what each of the umbrella groups have received and what some of the expectations are and what some of the issues are related to that. But I would expect under the Lotteries reporting system that there will be that kind of detailed reporting developed and maybe we should look at a different way of dealing with some of these.

I am told that some of this over the years, was not even reported to Cabinet in any kind of overall fashion or went through any kind of Treasury Board process and some of those things have changed over time and maybe we ought to look at some other changes.

MR. R. BANMAN: I can assure the Minister and a couple of my colleagues who sat around the Cabinet table when I brought an Order-in-Council in giving somebody \$175 under some program, I can assure the Minister that was all dealt with and very often the question was asked, if it takes \$175 to make the program go, is it really worth it? Will that program survive with or without it? But of course that's one of the dilemmas that we face. But I tell the Minister I think the thing is getting so big that you can no longer deal with Cultural Affairs without having a comprehensible review at the same time of what's happening on the Lotteries side of it. It's just too big.

You're spending more out of Lotteries now on Cultural Affairs than you are out of general revenue. There is no way that we can, as opposition, go ahead and deal with it properly without having all that information at one time and in one package. How that's accomplished, I don't know. But it's a suggestion that I throw forward to the Minister and hopefully, we will deal with it because I see in the future, with the growth in the Lotteries field, that the 50-50 ratio, which we are just about experiencing now, is going to grow and we're going to gather more money from Lotteries into Culture and Sports than we take from general revenues.

MR. CHAIRMAN: The Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman. I have a few questions I would like to ask the Minister.

In his dealing with the subject matter that was a matter of intense argument in this Chamber about a year-and-a-half ago, and that was the proposal of the Government of Manitoba of the Day, to institute bilingualism in this province; and we now see by a court case which is presently before the courts the information that is coming out, that the Secretary of State of Canada has provided over \$1 million in that one year to the

Societe Franco-Manitobaine and I would like to ask the Minister, if the grants that were made to the various cultural organizations that appeared before the Committee of the Legislature dealing with the French language issue, if those grants come under the Lotteries Trust Fund, or whether they come under departmental appropriations?

HON. E. KOSTYRA: I don't know which specific organizations — (Interjection) — you were . . .

MR. H. GRAHAM: There were a whole bunch of organizations that appeared before that committee and I just wonder whether they came from the Lotteries Trust Fund or whether it came under departmental appropriations.

HON. E. KOSTYRA: I'd have to look at the actual list of organizations that appeared. If they were organizations that were involved in the multicultural field they would appear under the list that we provided. Out of the Lotteries Trust Fund there's a list - a couple of pages - and on Page 2 called Multicultural Grants, those are grants that are payable to organizations that are involved in the preservation or enhancement of multiculturalism in the province. There's a grant program that provides for grants of up to 25 percent of their ongoing cost for the organization. So if they were ethnic-based organizations, they would qualify under that program and it would be listed under that listing.

If the member is asking or is trying to develop the question to the point of asking whether or not any organization received funding for their participation in the debate on the French language, the answer is no.

MR. H. GRAHAM: I note, for example, that there were two or three Ukrainian groups; some that supported the government stand and some that didn't. Now would that make any difference to the amount of money that they would receive? Like, I note the Ukrainian Canadian Committee, Winnipeg Branch, only got \$725; but the Ukrainian Committee, Winnipeg Branch, Holod Committee got \$5,000.00. Now was it the Winnipeg Branch Holod Committee that appeared before the committee? I believe it was but I'm not positive on that.

HON. E. KOSTYRA: The answer without getting angry, frankly, is no. The amount of money that is awarded to these organizations is based on a formula and a criteria that is in a grant program and that is how the grants are based. In terms of any other impact on their grant for any other reasons, as the member suggests, is a false accusation.

In terms of the specific question, the Ukrainian Canadian Committee, Winnipeg Branch, which lists a grant of \$725 and Ukrainian Canadian Committee, Winnipeg Branch Holod Committee, are the same organization. The Holod Committee actually I believe should read, Holocaust Committee, which was a committee of the Ukrainian Canadian subcommittee that had a special commemoration with regard to the holocaust in the Ukraine and they received that grant for that specific project. I might also add, if the member is suggesting, that organization is one that opposed

the government's effort, that to my recollection that was the first year that organization received any government funding. In previous years, they did not receive funding, nor do I believe they applied. So the first year they applied they received funding.

MR. H. GRAHAM: I noticed also that the Danseurs de la Rivière-Rouge, which I recall making a presentation before that committee, received a grant of \$11,500.00. Could the Minister indicate the amount of the money that they received? How much of that went towards their participation before the committee of the Legislature?

HON. E. KOSTYRA: I've already answered that question. None of the organizations that are listed on there received any funds, nor were any of their grants impacted by any other activities other than what they applied for under the program, under the criteria for that program. So the answer to the question is, none of that money was directed for the purposes that the member is suggesting.

MR. H. GRAHAM: I note also that one of the committees that was very active, before that committee was the Manitoba 23, and I don't see their name on this list. Were they supported in any way by the government at that time?

HON. E. KOSTYRA: No.

MR. H. GRAHAM: Mr. Chairman, to the Minister, is this list that we have received the entire list of all groups that have received multicultural grants?

HON. E. KOSTYRA: From the Province of Manitoba, the one from Lottery Trust and there's a subsequent one for appropriation, or the total of grants were paid out in the fiscal year ending March 31, 1984 by the Department of Culture, Heritage and Recreation.

MR. H. GRAHAM: That is the total list?

HON. E. KOSTYRA: Yes.

MR. H. GRAHAM: I noticed going through the list that on the first page you start with the A's, the B, C, D, E, F, G, H. The next page starts with S, T, U, V, W, Y and Z. Is it possible there is a page missing?

HON. E. KOSTYRA: If there is a page missing, it'll be provided to the member.

MR. H. GRAHAM: Mr. Chairman, I took the list down and I ran it through the adding machine. The grants that are on here totalled \$266,096, and the total on yours is \$405,000.00. Can the Minister indicate where the discrepancy lies?

HON. E. KOSTYRA: There is obviously some information that's missing. We'll have it for the member as soon as we can find it.

Staff have found it.

MR. H. GRAHAM: You have found the page. Mr. Chairman, I'll wait until I see the other page before I ask any further questions.

MR. CHAIRMAN: Thank you.
The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, under the departmental grants or appropriations, we have the Ukrainian Cultural and Educational Centre. Is this the centre that is out beside the Riding Mountain National Park - from Dauphin?

HON. E. KOSTYRA: That centre is the centre that's on Alexander Avenue, just off of Main Street.

MR. F. JOHNSTON: Has Cultural Affairs been involved in that centre outside of the Ukrainian Cultural Centre that's being built there?

HON. E. KOSTYRA: We were involved in consultation in the development of that under the Destination Manitoba Program. There was a capital grant provided out of last year's multicultural capital grants of \$50,000 for that centre. There is no ongoing operating assistance at the present time for that centre out of the department.

MR. F. JOHNSTON: This list of the grants for major cultural organizations, we have the grants before us that are departmental. Are there any Lotteries funds for these organizations?

HON. E. KOSTYRA: For which ones?

MR. F. JOHNSTON: Your \$6,755,000.00.

HON. E. KOSTYRA: In addition to what's listed there?

MR. F. JOHNSTON: In addition to what's showing here.

HON. E. KOSTYRA: The only one is the Manitoba Arts Council which we discussed previously.

MR. F. JOHNSTON: I'm sorry, when the Minister says "discussed previously," I wrote down the figures that were for this year, and could you just refresh my memory on the Manitoba Arts Council regarding Lotteries funds?

HON. E. KOSTYRA: We discussed it during the comments that the Member for La Verendrye was making regarding the operations of the Manitoba Arts Council. A portion of their operating funds comes out of the umbrella organization that the Manitoba Arts Council is part of which was formerly the partnership with TCI and other groups and the distribution of a portion of the lottery process.

MR. F. JOHNSTON: Mr. Chairman, I don't have any further questions, unless some of my colleagues do regarding the grants, but the Member for Virden may want to go back to that page when it's available, if that's fine, Mr. Chairman?

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you.

I wonder if the Minister could tell me what the total operating budget of the Winnipeg Art Gallery is going to be this coming year.

HON. E. KOSTYRA: Their total planned budget for their fiscal year 1985-86 is \$2,728,100.00.

MR. R. BANMAN: How about for the Western Manitoba Centennial Auditorium?

HON. E. KOSTYRA: \$246,700.00.

MR. R. BANMAN: And for the French Cultural Centre?

HON. E. KOSTYRA: \$478,100.00.

MR. R. BANMAN: Can the Minister tell us what the \$40,000 is going to be spent on? Is there any capital this year for the franco-manitobans?

HON. E. KOSTYRA: Under the capital expenditures, which is Item No. 5, there is an unallocated portion of - I think it's \$40,000 - which is capital repairs for any of the facilities that are owned by the province that may be of an unplanned or emergency nature. We will get into the details in the capital after, but that could relate to that facility which is owned by the province, the Centennial Centre which is owned by the province, or the Western Manitoba Centennial, any of those, there has been a contingency every year of a small amount in terms of any kind of emergency capital - I'm sorry, I am told it's \$20,000 for emergency. So there is no planned capital expenditures, but if something did come up they could be funded out of there. We indicated in the previous year there was \$40,000 for roof repairs and heating system repairs.

MR. R. BANMAN: Just another suggestion, Mr. Chairman. I know the Minister gave my colleague, the Member for Sturgeon Creek, the figures on this year's actual spending. The Minister has provided us with the '83-84 expenditures; '84-85, which really has been here and gone and we are into the new year. I am wondering if there couldn't be some system established so that we know what the groups got - this is really two years ago - what they got last year, and what the Minister is anticipating they are going to get this year. We do that in our Estimates book and, in dealing with this side of the coin, it's almost two years behind from what we are looking at. I am wondering if there is a system where the Minister could implement a system where we could see exactly what's happening.

HON. E. KOSTYRA: In terms of those grants under appropriation that has been the case, that information is provided because you do have the Estimate book and we provided the details on the respective line, which was the same as the case last year. I have also - I recognize the missing copy, the middle sheet of that list of grants, that can be distributed to members. I apologize for the fact that it was missing, and I thank the member's diligent efforts in going through the grants to bring that to my attention.

MR. R. BANMAN: Mr. Chairman, the grant to the Intercultural Council, is that a startup grant that the Minister gave them?

HON. E. KOSTYRA: Which are you referring to?

MR. R. BANMAN: That would be under Manitoba Intercultural Council.

HON. E. KOSTYRA: That is the operating funds for the body that was set up by legislation two years ago, which is an operating budget of about 100 . . . Yes, that was - I think what the member is looking at is the \$139,152 which was part of their first year operations. The full year was reported in Estimates last year and there is a separate line this year. It's Item (k) under the Estimates.

MR. R. BANMAN: What is the difference between the Manitoba Intercultural Council and the Manitoba Multicultural Council?

HON. E. KOSTYRA: I'm not sure what the Manitoba Multicultural Council is.

MR. R. BANMAN: Well, is this the group that is now going to be part of the Lotteries revenues?

HON. E. KOSTYRA: The Manitoba Intercultural Council is the body that was set up by legislation two years ago. We passed the bill in the House unanimously with respect to the formation of the Manitoba Intercultural Council, which is the agency that advises government and makes recommendations to government on policies regarding multiculturalism in the province. The figure that the member talked about, and Item (k) is the operating cost of that council. There is a separate act of the Manitoba Legislature that gives them their mandate. The appointments of that are made two-thirds by the community and a maximum one-third by the province through the Lieutenant-Governor-in-Council.

The Manitoba Intercultural Council is the organization that is the vehicle for the implementation of the multicultural portion of the Lotteries just the same way as the Manitoba Sports Federation is the body for sports, and the Arts Council is the body for the cultural community, and the Community Education Association is the body for the private schools and so on. So they are doing it on behalf of the community as an agent. They are not deriving any money themselves for their operations from being part of the Lottery umbrella group.

MR. R. BANMAN: Is this the group that is going to be part of the Lottery umbrella group?

HON. E. KOSTYRA: I said they are the organization that is going to administer it on behalf of the multicultural community. They will not derive any revenues from it; they are merely administering it on behalf of the community. They went through a public consultation process in terms of how the various organizations felt the funds should be disbursed and they have come up with a proposal to disburse it to the community, but none of the revenue is going to them directly.

MR. R. BANMAN: So the Minister is saying this is like the Manitoba Sports Federation, like the Arts Council . . .

HON. E. KOSTYRA: Community Education Association.

MR. R. BANMAN: Can the Minister tell us roughly what kind of a Lotteries budget these people are going to have next year?

HON. E. KOSTYRA: I believe it's in the range of \$700,000, but I can give the detail when we deal with the Lotteries issue later.

MR. R. BANMAN: I don't want to sound like a broken record, but that's the problem that we have in dealing with all of this. It's pretty hard to deal with this in isolation not knowing the funds that these people are going to be committing. If we knew what sort of funds there were, then we could start asking questions on how they're going to spend it and what their guidelines are. So I again point out to the Minister that there is a problem developing here and we're going to have to deal with it.

HON. E. KOSTYRA: I respect the point that the member is making. I just point out that previously a good portion of those funds were being generated and shared through the operation of the private bingo halls without any accountability or system in place to allocate the days that different groups got or indeed where their funds would go. So it has been brought a step closer. The member's suggestion that maybe it move another step closer is something that we can review as we move down the road on this.

MR. R. BANMAN: We won't get into that now, Mr. Chairman, because I'm of the belief, and I think history will prove me right, that just for administrative convenience we've taken over the whole Lotteries field and really have taken some of the self-motivating, self-starting provisions that were allowed in the other system away from the interest groups and have now taken that over. But be that as it may, that comes under a different section and we'll talk about that later.

MR. CHAIRMAN: 2.(b)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Just one question. I'm just following along the questions from the Member for La Verendrye. Am I following it properly when I get the impression that the Manitoba Intercultural Councillor will now be the advisor on who gets the multicultural grants, that's the umbrella organization you're speaking about, the same as before?

HON. E. KOSTYRA: They are the implementation vehicle for the distribution of the grants to the community. They are setting up a system of disbursemental grants with the communities that are being impacted. They are not the ones who are making the actual decisions. They are setting up a mechanism just the same as the Sports Federation has one, the Community Education has one, the Arts Council has one, the Heritage Federation has one, each of the umbrella groups.

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

2.(c)(1) Cultural Resources: Salaries; 2.(c)(2) Other Expenditures; 2.(c)(3) Grant Assistance - the Member for Sturgeon Creek.

MR. F. JOHNSTON: I don't seem to be able to find the Cultural Resources Grants list. Where would we find that, Mr. Chairman?

HON. E. KOSTYRA: On the first page of the grant listing departmental appropriation, that's Provincial Regional Festival Grants showing a total of \$83,000 to Associated Manitoba Arts Festival, Association Community Theatres of Manitoba, International Music Camp, Manitoba Holiday Festival of the Arts, and the Optimist Club of Assiniboia.

MR. F. JOHNSTON: Mr. Chairman, how many people administer these grants? We've got a \$265,000 salary appropriation here for what appears to be \$100,000 worth of grants, \$70,000 worth of Other Expenditures.

HON. E. KOSTYRA: Very little of their time is spent on the administration of grants. This branch has eight staff, one director, five cultural development officers, one administrative secretary, one clerk typist.

The five cultural development officers work basically with the communities outside of Winnipeg with respect to cultural development in such areas as tour hosting, assistance to the Regional Services Branch, their ongoing work with the communities and there is one person who works with the ethnocultural community in community development.

MR. F. JOHNSTON: Can I have that pass?

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

2.(d)(1) Recreation Services: Salaries; 2.(d)(2) Other Expenditures - the Member for La Verendrye.

MR. R. BANMAN: Mr. Chairman, I don't want to get into an argument tonight because we've all got distinct views of what recreation and what culture is, and I know between the recreation people and the sports people and the cultural people, we'll sit down and we could probably argue that point all night, whether square dancing is recreation, or is culture, or is both. I know that is an argument that I have gone through. — (Interjection) — Well, I don't think it's foolishness, but it's a matter of where you want to classify it.

I would ask the Minister now whether or not the department in bringing the recreational component back into the Cultural Affairs section is now in the process of asking recreational directors within the regions to look after such things as museums and that within their areas, whether it be in the Eastman region, Westman, or Norman or where?

HON. E. KOSTYRA: I think the member's question is not placed in the right section but I'll answer it anyway.

I think you're referring to the Regional Services staff which is the field staff for the department which are the regional managers and regional consultants. Is that who you're referring to or are you referring to recreation directors that are employed by municipal corporations or recreation districts?

MR. R. BANMAN: Mr. Chairman, I think that if you're looking at Regional Services you have grant assistance

and you're talking about the grants that go to the recreation districts. But I'm talking about the philosophical approach, or the administrative approach that the government is going to be taking with regard to their staff in the Recreation Services Branch.

There is, I would imagine, a certain amount of direction that comes out of this particular branch, realizing full well that it's the Regional Services in many instances that have to carry out those directives. But if the Minister feels it is better to discuss it under (g), we'll discuss it under (g) then.

HON. E. KOSTYRA: I'll deal with it now. The regional staff provide a service to all aspects of the department. Their primary function is to work with the community and communities in community development as it impacts on all areas of our department. So their mandate is broad in terms of the department. Their priorities are determined by the communities needs and they respond to that within the extent that's possible with the limited resources that there are in terms of regional staff. But the mandate is broad in terms of providing support - first line support - to the communities they service.

If there is a need for technical information or technical assistance in an area such as recreation specifically, they may call on the staff of this particular branch, the line that we're dealing with now, where we have facility consultants who can go out and provide advice on building codes and revising recreation facilities and expanding or building them. There are also recreation consultants who provide community board development and other related activities.

It's a matter of some support for the development of museum, then they call on the staff from the historic resources. If it's information on cultural programming, then they would call on the expertise that exists in the branch that we just talked about - the Cultural Resources. So they have the broad mandate to assist out in the field.

MR. R. BANMAN: Mr. Chairman, that of course has been one area where I think in many instances the department - again I have a little difficulty in tracing this through from the old Sports and Rec Department which I was more familiar with - but is the Minister that this is the group that provides, if a curling rink wants to know how to become more energy efficient and upgrade their insulation, is this the Recreation Services that the Minister is talking about?

HON. E. KOSTYRA: Yes.

MR. B. BANMAN: How many people are involved in that program in physically giving advice to curling rinks, skating rinks, tennis courts, whatever?

HON. E. KOSTYRA: There are two facility consultants.

MR. CHAIRMAN: 2.(d)(1)—pass; 2.(d)(2)—pass.
2.(e)(1) Public Library Services: Salaries: 2.(e)(2) Other Expenditures: 2.(e)(3) Grant Assistance.
2.(e)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the grants that we have here are '83-'84 and we have the grants that were

in '84-'85, if I'm correct, Grant Assistance is \$2,262,200, it remains the same. Have there been no libraries or new libraries start up in the past year, or has there been any additions to the library services?

HON. E. KOSTYRA: There was four new libraries developed last year and they were absorbed within the total allocation. In fact, there was a lapsing factor in that \$2.262 million figure last year. So it was felt that even if there was some marginal growth this year, that it could be absorbed within the allocation.

MR. F. JOHNSTON: We discussed this last year, the government was intending some changes and they decided not to make them, is the Legislative Library structure going to remain the same as it has?

HON. E. KOSTYRA: That's a further line in the Estimates.

Maybe you just want to refer to it. That's Item 2.(j).

MR. R. BANMAN: Does the Minister anticipate any new regional library districts being formed in the next year?

HON. E. KOSTYRA: We don't anticipate any new library districts being formed. We understand there may be one municipality join an existing library district.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, there was something in the paper awhile ago, I think it was the Lunder library, was it that it was going to close because they wouldn't allocate \$5,000.00? Did that library close, do you know?

HON. E. KOSTYRA: I understand that the council there voted against the proposed mill levy to set up the library. There was a library committee formed to support the establishment of Library Services for the R.M. of Coldwell under the provisions of The Public Libraries Act and they did have 5,000 donated books and \$4,000 from public fund raising. But in order to formalize the arrangement that's required under the Act in terms of municipal involvement, the municipality decided not to proceed with it.

MRS. G. HAMMOND: So there hadn't been a library there then, it was closed because of this.

HON. E. KOSTYRA: It wasn't a formalized library in terms of The Public Libraries Act. There was a group there that formed a kind of an ad hoc library with donated books and some donations of money. But they weren't a library that was formalized receiving ongoing support as required under The Public Libraries Act if they were formalized.

MRS. G. HAMMOND: Is this volunteer library still going or did it shut down?

HON. E. KOSTYRA: it closed.

MRS. G. HAMMOND: Did they approach the government, the Minister at all for any help that they might receive outside of the formal funding?

HON. E. KOSTYRA: There's no direct approach to my office in terms of any extra ordinary support. The staff of the department were the consultants who are available to communities outside of Winnipeg for assistance in forming libraries and were involved with a number of meetings for information to individuals there. But that was the only assistance provided by the department which was consulting assistance or consulting services.

MRS. G. HAMMOND: Is there any extraordinary funds that could be given to this type of a group to help them keep going?

HON. E. KOSTYRA: No. There are provisions if they formalize the setting up of a library. There's an establishment grant of \$5,000 and ongoing funding after that, based on the formula that's in the provisions of the Act in terms of municipal cost-sharing.

The only assistance provided is that the department does provide library services to residents of those communities that are not part of any library system; that is, that they can get books through mail or through other arrangements from the Public Library Services here in Winnipeg. That is the only assistance that's available to them in terms of library services.

MRS. G. HAMMOND: Does the department give any extraordinary funding outside of the formal funding that's in place?

HON. E. KOSTYRA: No.

MR. CHAIRMAN: 2.(a)(1)—pass: 2.(a)(2)—pass: 2.(a)(3)—pass.

2.(f)(1) Historic Resources: Salaries: 2.(f)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, there's a doubling of salaries here.

I'm sure the Minister will want to give us an explanation for that.

HON. E. KOSTYRA: First of all, the positions have changed from what was in the 1984-85 adjusted vote of 16.08 positions to 30 positions. What that reflects is a transfer.

First of all, the breakdown of the increase of costs is as follows: 21,000 is due to merit increases; there is a transfer of 10 existing SY's that were previously funded under the Lottery Trust Funds which were turned, over time, into ongoing departmental functions that were being funded out of the Lotteries Funds, and it was determined that they would be more appropriately dealt with in appropriation because they were ongoing functions. So those are not new positions, they were merely transferred, formerly being paid out of Lotteries to being paid out of the appropriation.

There are four totally new positions which are to support additional activities that will result from the new Heritage legislation that's had first reading; it will be coming forward for second reading in the near future.

The 10 transfers of positions are as follows: there are four dealing with archeological programs that were ongoing; four dealing with architectural heritage

programs that were formerly funded under the Lotteries; and two in the area of history research. That's the 10 positions that were transferred.

So there are 14 new positions shown here, in essence, 10 of which are existing positions that are merely transferred from the Lotteries Trust Fund to the Main Appropriation, and four new SY's. There are additional costs of \$21,000 for merit increases.

MR. F. JOHNSTON: Is this the discussion paper on new Heritage legislation for Manitoba? Certainly it's Heritage, but it's historic areas. Is this legislation planned to come forward this year?

HON. E. KOSTYRA: First reading has occurred, and second reading will be shortly, within a few weeks.

MR. F. JOHNSTON: How did I miss that? Then the appropriation has monies in it to handle this new legislation then?

HON. E. KOSTYRA: There were four new positions that have been set aside.

MR. F. JOHNSTON: I'm not sure, but did we ever receive any results of the comments that were requested when this was sent out? Has the Minister got results on that that could be provided to us?

HON. E. KOSTYRA: Yes, I have the latest update as of March 31st. I can provide the member with a copy of the results. There were 256 questionnaires returned.

MR. F. JOHNSTON: Thank you.

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

2.(g)(1) Regional Services: Salaries, 2.(g)(2) Other Expenditures, 2.(g)(3) Grant Assistance - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Well, this is the Regional Services, and this is where the grant assistance is provided. This isn't the grants for the monies, but this is the department that makes recommendations regarding . . . Are we talking about the Facilities Program, etc.?

HON. E. KOSTYRA: This is the department that has regional staff in the eight regional offices. They are the first line of interface between the department and the communities, the community organizations and municipal councils and others. They provide recommendations on various programs and activities in the department.

MR. F. JOHNSTON: I think the Minister answered the question. This is the regional areas, as mentioned, first line and they make recommendations on grants that are provided for many of the programs that we have listed here before us. That's fine.

HON. E. KOSTYRA: Recommendations or comments, depending on the grant program.

MR. F. JOHNSTON: Just to drop down to (c), the Grant Assistance of 338,000 . . .

HON. E. KOSTYRA: That is the grants to the recreation districts, and one small grant to the City of Winnipeg.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Chairman, a few questions. Since the Cultural Affairs Department has now taken over the Recreation section of what used to be Sport and Recreation, could the Minister tell us if the regional director or rec directors have had their job descriptions expanded to take in looking after museums and arts councils and things dealing with the Cultural component, on top of what they did before, namely, with regard to recreation advisement?

HON. E. KOSTYRA: Their responsibilities were broadened to include interface in their communities or in their districts or their regions with all the community organizations that interface with the department. They're the first line of contact for the community organizations.

MR. R. BANMAN: Mr. Chairman, coming from rural Manitoba, I would just like to express some concerns to the Minister. I mentioned earlier that we can get into a debate on the cultural versus recreation and the responsibilities or what really is sport, or what's culture and what's recreation. But one of the concerns I have - and this started many years ago - has really been heightened with the Manitoba Sports Federation entry into really looking after a large segment of the sports and, what I would call, recreation programs dealing with the various sports-governing bodies throughout the province.

The Sports Federation knows this and they recognize it and are slowly making some changes to try and indicate to rural Manitoba that the Sports Federation is not only based in Winnipeg to look after Winnipeggers solely. That is that perception that is constantly being felt out in rural Manitoba, whether it be in the North or in other areas. As I mentioned, they are trying to overcome that and they're working at it. I attended a workshop in Beausejour the other day which was excellent, put on by the Manitoba Sports Federation and the different sports-governing bodies and was, I think, well attended and was well received in rural Manitoba.

But really the front line for recreation services and sports services in the province throughout the years have been the recreational directors which provide regional services throughout the areas. I say to the Minister, quite frankly, that I can't see that somebody who has been trained to be a phys. ed. person is now coming in and telling people like the Dugald Costume Museum or the Manitoba Mennonite Museum, dealing with them when they really weren't trained to do that.

I say to the Minister, I think he's in danger of not doing the museums a service by putting these people there, not that these people aren't capable, but they were trained to deal with recreation. Here, I guess, I'm showing my colours on this argument. I think that these people that were out there were doing an excellent job helping the different sports disciplines, getting established, helping the recreational regions being formed and things like that. I really can't see how they

are going to do justice or how they are going to really help the Arts Councils and the museums and that type of thing in dealing with them. I think they got their job cut out for them in these big regions to deal with the recreation component, the sports component of it, and I just point that out to the Minister.

I have some serious concerns about that - we'll have to see what happens - but I really can't see the rationale for doing that. I lay those observations before the Minister now because some of these areas are vast and there is a lot of travelling to be done just dealing with the recreation commissions throughout the area, whether it be on a municipal basis or on a consolidated basis, and I really can't see that happening.

I have one question that I would ask the Minister dealing with the recreation commission grants. I wonder if the Minister has made any adjustments to those grants over the last three or four years or if he anticipates on making any. And, No. 2, does he anticipate any recreation districts being formed in this coming year and, if so, how many?

HON. E. KOSTYRA: Just on the general points, I certainly agree with the member when he expresses concerns about being able to have adequate resources to meet all the needs and demands of the communities, but I think the member has to recognize we are dealing at a time of limited government resources and we have to look at how we can deal with those resources effectively and efficiently.

The answer to the member's concern would be to hire separate staff to deal with the cultural communities, or to hire additional staff to deal with the museums, and I don't think we can afford those kinds of increases in order to provide the distinct kind of service that the member suggests is needed.

The emphasis or the activities of the regional staff have never been solely on the area of sport; their primary responsibility has been for community development in areas related to recreational development however one, or however any community, defines that. So they have never been strictly there for the development of sport, but that certainly has been one component of their activity.

I think it's a way of dealing more effectively and efficiently with the operations of the department by having staff that have a broad mandate to deal with the community, have the technical resources and technical support back home that is needed without setting up dual delivery systems, which was what was developing before the departments did get amalgamated, because there was some move, in fact, under the previous government where a regional staff was put in place under the Department of Culture. There were some demands in possible development where there could be a whole series of regional staff just in the area of culture.

I think it would be far more effective to be dealing with the broad range of programming the department through one set of staff rather than having dual or triple staff operating in the rural areas. It would be nice if we had more funds to hire more staff and be able to meet all of the demands but that is impossible in these economic times.

In terms of the two specific questions, the grant level for the recreations grants, the recreations district has

remained the same since it was first put in place back in 1974. So the grant level - that is the formula - has remained the same throughout that period. There has been an increase of expenditures because it has gone from \$60,000 to over \$300,000 because of the growth in districts.

We understand there may be an additional three districts developing. There is one district that was just established this past year in the southwest.

MR. R. BANMAN: Mr. Chairman, aside from the numbers growing, the grant criteria, in other words, the amount of money that is being funded has remained the same, and the Minister feels that there could possibly be one or two new ones being formed, is that right?

HON. E. KOSTYRA: Yes.

MR. R. BANMAN: Just to make one passing comment with regard to the Minister's earlier statement, maybe because I was too close to the situation, I still think that the government made a wrong move in disbanding the sports and recreation directorate. I think that was a good unit; it was a group of people who were working well together and had done a lot of innovative things and made a lot of changes in the sports and recreation area in Manitoba over the years.

I know it's not up to the Minister to have made that decision, but I truly have to tell the Minister that it's too bad they were disbanded, and I think that in the long run both sport, recreation and culture will not be the better off for having done that. But that's hindsight and the government, for its own reasons, chose to do that.

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

2.(h)(1) Provincial Archives: Salaries; 2.(h)(2) Other Expenditures; 2.(h)(3) Less: Recoverable from Other Appropriations - the Member for Sturgeon Creek.

MR. F. JOHNSTON: I would just like to ask on the Provincial Archives the same question I asked about the libraries. There was some planned changes regarding the Provincial Archives regarding the availability to Manitobans to using it. Is the policy going to remain the same as it always has been?

HON. E. KOSTYRA: I don't know what changes the member is referring to. There hasn't been any changes contemplated in the operations of the Provincial Archives; nor is there any intended other than some minor variations in terms of access hours. There was actually, about a year ago, an increase in access hours into one evening opening, but there are no other changes being contemplated.

MR. CHAIRMAN: The Member for La Verendrye.

MR. R. BANMAN: Mr. Chairman, I wonder if the Minister could give us an update with regard to the Hudson's Bay Company Archives which are being . . .

MR. F. JOHNSTON: Mr. Chairman, I would just like to inform the member . . .

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: . . . that the Minister did answer that question. It was asked out of order but he did answer it. Maybe if he could just give Mr. Banman a brief rundown.

HON. E. KOSTYRA: The question was somewhat different. It was a question dealing with the library holdings of Hudson's Bay Company which recently closed to the public on Main Street. That was the specific question the member asked before.

In terms of the Hudson's Bay Archives, that which is in control of the Provincial Government, there aren't any changes. There is no change; the agreement is in place, and there hasn't been any indication from the province's standpoint to alter the agreement, nor has the company asked for any changes in the agreement.

MR. R. BANMAN: Is that part of the recovery section?

HON. E. KOSTYRA: No.

MR. R. BANMAN: Mr. Chairman, I wonder if the Minister could tell us if anybody has walked away with any of the stuff from the Provincial Archives Building lately.

HON. E. KOSTYRA: No, there hasn't been any thefts that we are aware of in recent times in the Archives. The security was changed considerably shortly after that; part of it was part of the ongoing renovations that were being planned; some of it was increased as a result of that unfortunate theft.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, just a question of general interest, there was considerable concern expressed some time ago, particularly at the time that papers and documents, such as the Hudson's Bay Papers came into possession of the province, about the facilities themselves. I know that some years ago, dating back five or six years ago now, that substantial renovations dollars were asked for for ensuring that the plant, the physical facilities, would be of the nature that our archivists were satisfied that they would and could, in fact, be well stored and looked after.

Having been Minister of Government Services at the time that some of those original renovation contracts were let, I have an interest to knowing whether or not the work has succeeded, whether the renovations are in fact doing what they were set out to do. In fact, are experts satisfied that they can house these documents in a way that their preservation is guaranteed?

HON. E. KOSTYRA: In terms of the Archives, most of the renovations have now been concluded. I think there is some small portion going on, they have been going on for a number of years. The facilities for the Archives, both the Provincial Government Archives and the Hudson's Bay collection are, as my staff whispered in my ear, some of the finest in the country in terms of the controlled storage and facilities.

There is potential for further renovations to the Archives Building for the record-keeping function of

the Archives, which is presently being operated out of a warehouse in St. James. That is something that would have to be dealt with over time in terms of when the resources are available.

MR. H. ENNS: Well I'm pleased to hear that, Mr. Chairman, through you to the Minister. One further question, and that's not to be in any way construed as critical, what are the ongoing costs to the Manitoba taxpayers for the housing, supervision that's involved in the Hudson's Bay Archives? I'm fully aware of the fact of their importance and their asset to our Archives and, particularly to the history of this province, but I don't recall exactly what the details were at the time that those papers and documents were turned over to the province. I think it's appropriate, from time to time, to ask what it is, to what extent the public purse is called upon to maintain those papers.

HON. E. KOSTYRA: The figure would be approximately \$250,000 and eight staff. That is the direct staff that are involved in running it, it does not include the portion of that building heating costs or, if one wanted to equate, the rental for that space. I don't have that information.

MR. H. ENNS: Well just one other general question, can the Minister indicate to us to what extent - I don't know how to ask this question, but I appreciate that Archives are kept for many reasons, historical and otherwise. I would think that they were also there, of course, principally as resource material for scholars, for students, for people or even for interested members of the general public who wish to avail themselves of the material that we are, at some considerable public expense, housing. Can the Minister give me any indication as to what kind of traffic occurs in the Archives Building? I don't know how you would measure that, either how many visitors, how many calls, or research work done. You know, we measure library participation by the number of books being used. We measure other services by government in terms of how they're reaching out to numbers of people. I would need to know if the Archives - if that is an alive process - that the people, scholars, students, historians, amateur or otherwise, can avail themselves of the accumulating treasures that we have in that operation.

HON. E. KOSTYRA: I would direct the member's attention to the Annual Report of the Department of Culture, Heritage and Recreation. Those statistics are in there. The last reported year, 1983-84, had 7,384 research visits, 5,482 correspondence, 15,063 telephone calls.

MR. H. ENNS: I thank the Minister.

HON. E. KOSTYRA: It gets fairly extensive use.

MR. H. ENNS: I suppose I could have researched that myself, but it's always easier asking the Minister himself rather than reading all the reports that cross my desk.

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

2.(j)(1) Legislative Library: Salaries; 2.(j)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I would ask the same question. Maybe the Minister could answer the question now. Will there be any change in the structure of the Legislative Library or the policies regarding the Legislative Library?

HON. E. KOSTYRA: No, there are no major or structural changes contemplated. We are reviewing the operations. We're also in the process of doing a user survey which I think has commenced in terms of who uses the library for what purposes, ideal hours, that kind of thing. But there are no major structural changes being planned.

MR. CHAIRMAN: 2.(j)(1)—pass; 2.(j)(2)—pass.
2.(k) Manitoba Intercultural Council - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, how many organizations are involved in the Intercultural Council now? Has it increased since - well, this is 1984. We've gone through 1985.

HON. E. KOSTYRA: I believe there are 40 communities that are represented on the council itself. I believe that has remained the same or the previous year it may have increased slightly. I can take that question as notice, and provide it subsequently if there was any change.

MR. F. JOHNSTON: I believe the Minister mentioned they met, if I'm not mistaken, twice a year, did he say?

HON. E. KOSTYRA: No, what I mentioned was that they have a biannual conference and that's dictated by legislation, that the election to the council has to be held once every two years, and that's done at a major conference or convention of all of the ethnocultural organizations.

The council itself meets every three months. The executive meets monthly, and then they have a series of committees that meet, I guess, as issues arise to be dealt with.

MR. F. JOHNSTON: I believe they have their own facility or offices. Is the cost of those offices in here?

HON. E. KOSTYRA: Yes, that's the total cost of their operations in terms of support from the department and that does include office rent. I was just going to give the actual figure from the budget of \$22,000.00.

MR. F. JOHNSTON: And the balance is paid to the executive and members of the Intercultural Council for meetings? I believe the Minister gave me a figure last year of how much per meeting was paid to the members and how much the executive received per meeting.

HON. E. KOSTYRA: I did provide that information last year. I can provide the details of their planned budget. I think it will be slightly less than that because I don't believe the grants that we're providing to them will meet their planned budget so it would have to be scaled back.

This is what they had submitted. Salaries were \$98,000, which I believe is two or two-and-a-half staff

positions; office operations of \$18,500; seminars, conference expenses of \$12,000; advertising of \$4,000; rent, \$22,000; meeting costs, \$35,000; remuneration, which I believe is the payment to board members, of \$38,000; special projects, \$40,000.00.

MR. F. JOHNSTON: Is the executive elected from the membership of the Intercultural Council, or does the Minister appoint the executive?

HON. E. KOSTYRA: All of the members of the executive are elected by the council except for the chairperson. The chairperson is appointed by Order-in-Council. The present chairperson was appointed in that fashion after consultations with the then executive.

MR. F. JOHNSTON: Well, does the indemnity for the chair come from the 195, or does it come from the Executive Council?

HON. E. KOSTYRA: No, from the 195.

MR. F. JOHNSTON: From the 195. What is the indemnity of the chairman?

HON. E. KOSTYRA: I'm sorry, I don't have that detail here. I think we provided all of the figures last year for indemnity. It was on a per meeting basis, and it has remained the same. If the member wants, I can get that detail again, but there has been no change in indemnity from the previous year.

MR. F. JOHNSTON: That's fine. I have it in my file. That's fine, and there's a change. Okay.

MRS. G. HAMMOND: I wonder if the Minister could indicate some of the changes that have been recommended by the council, and ones that the government possibly has acted on.

HON. E. KOSTYRA: The annual report of the council was tabled in the Legislature, the annual report for the year ending March of 1984, which goes into considerable detail in the activities of the council and their recommendations.

It also includes comment on those recommendations that have been acted upon and agreed to by government. They include, just going by memory, revisions to the Multicultural Grants Program that we talked about earlier, the Linguistic Grant Program they reviewed and made recommended changes.

They made recommendations dealing with issues such as the mental health needs of Southeast Asians, in terms of activities of the Department of Community Services. They have made . . .

MRS. G. HAMMOND: If it's in the report, I can read that.

HON. E. KOSTYRA: . . . visible minorities and affirmative action.

MR. CHAIRMAN: 2.(k)—pass.
2.(m)(1) Manitoba Film Classification Board: Salaries;
2.(m)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, we're aware of the announcement of the Minister's to expand the duties of the Classification Board and I wonder if he could outline just the Classification Board's increase in staff to take care of it, and then there's a very large increase in Other Expenditures which I'm sure has to do with the increased duties, but it's a very large increase. I wonder if we could have some explanations on that?

HON. E. KOSTYRA: Yes, I'll go through all of the two lines.

Salaries - this provision is for three permanent staff. At the present time there is 1.13 staff for the board. So this will increase it to three: two inspector and projectionist positions; one clerk typist. So the increase in Salaries of \$33,500 is a small provision for merit increases and \$38,300 for the additional staff.

On Other Expenditures, the increases are for general administration costs and for the payment of expenses incurred by board members. That \$240,000 includes \$60,000 in non-recurring costs for equipment acquisitions - that would be video equipment with respect to the classifications of videotapes, and an additional \$180,000 for increased operating costs which include the per diems that are paid to each person to view a film or video. There's a payment of \$25 per film, or now, per video and there will have to be increased costs in the viewing because there'll be more items to view because of the inclusion of videos and the backlog. There are some additional costs in the rental of somewhat larger premises for the staff and equipment.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Well, the question I was going to ask is, are they still in the same facilities? When you say larger facilities, have you moved the whole Film Classification Board into new facilities or is there one doing films, and another in another area doing the video?

HON. E. KOSTYRA: They will be moving their offices on July 1st to another unit in the same complex, slightly larger.

MR. F. JOHNSTON: As to the policy on the videos which the Minister announced, there's no question. I think he would agree that it's going to be a fairly complicated and, let's say, tough job to be able to get a handle on all the videos. I'm sure we can do it as far as the retail outlets are concerned. What is the structure that's being set up to, hopefully, have the government involved in all of the videos that we have coming into the province that are undesirable? Certainly, there are probably some underground type of videos going on, but that is not desirable to have happen. What is the structure, let's say, for the policing or for getting a handle on what is happening so that the Minister's policy can be put into a really effective and, hopefully, a very effective method of policing these?

HON. E. KOSTYRA: The basic premise will be that once the changes to the act and once the administrative structure is finally put in place, the videos that are rented in the province will have to be classified in the

same way as films are. In other words, if any videos are being sold or rented that have not been classified, then they will be in contravention of The Amusements Act as it may be amended later this Session. So that would be the basic position and it will be up to all of the participants to ensure that it is policed. We, as you notice, have just a small increase in staff so there will be some monitoring of the retail establishments.

We will respond to consumer complaints about receiving videos that are not classified and there'll be immediate investigation and, hopefully, the problem can be corrected there without having to resort to any charges - and co-operation with the industry, because I don't believe that the industry or the majority of the retail establishments want to be in contravention of the law or want to operate that way. There may be some, as in any business or any area, that want to skirt around what may be the law, but I think the majority of the industry and the community will respond. So that would be the basic process.

MR. F. JOHNSTON: The Minister mentioned the \$25 per viewing. Has there been any increase in the board? There may have been and I missed it. Has there been?

HON. E. KOSTYRA: There hasn't been any increase in the number of members on the board, or in the amount the individuals receive for viewing. We may increase the board as a result of bringing in the changes. In fact, we probably will increase it. At the present time, there's a legislative provision in terms of the maximum numbers on the board and that may be one of the revisions that is brought forward in the bill that has already received first reading.

MR. CHAIRMAN: 2.(m)(1) - the Member for Virden.

MR. H. GRAHAM: I was looking through the Grants. I see we have two pages of — (Interjection) — Have you got any more questions?

MR. F. JOHNSTON: No, I was going to suggest that we pass this item and then Mr. Graham wanted to ask some questions on that page.

MR. CHAIRMAN: 2.(m)(1)—pass; 2.(m)(2)—pass.

Resolution 43: Resolved that there be granted to Her Majesty a sum not exceeding \$15,667,300 for Culture, Heritage and Recreation for the fiscal year ending the 31st day of March, 1985—pass.

The Member for Virden.

MR. H. GRAHAM: Mr. Chairman, I notice that we have two full pages of Linguistic Support Grants starting with the Airport Hutterian Brethren School for \$240.00. Some of them \$150, some \$130, \$170, they're all listed, two full pages. Then we go to the next page and we see Cultural Industry Support, \$3,500 for New West Publishers and then \$100,461 for miscellaneous expenditures. I wonder if the Minister has provided the breakdown, even as low as \$130, on some of the other programs, if he could give us a breakdown on that as well. We don't have to have it right away, but if we can get it before the committee meets again, that would be fine.

HON. E. KOSTYRA: Unfortunately, the staff who are involved in that specific area have left, but there'll be no problem in providing that. Just from memory, it's no grant support, but what it was is program expenditures in terms of contracts for policy work that was done in terms of developing the Cultural Industries Program. I think there were a number of consulting contracts that were let under that in order to develop the cultural industries policy, but I will provide the full details for the member.

MR. H. GRAHAM: I thank the Minister for that.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: We've now come down to communication services and there will be some questioning on that. I will ask the Minister when I can discuss the cultural industry's development agreement with him but, other than that, I would suggest committee rise for tonight.

MR. CHAIRMAN: What is the pleasure of the committee?

HON. E. KOSTYRA: If I could just respond to the question.

The cultural industry, you're referring to the Federal-Provincial Agreement. We discussed part of that in terms of the discussion we had early on the support program for periodicals and book publishing, but we can deal with that frankly at any point. If we want to start the next meeting of the committee on that point, I have no problem with that at all.

MR. CHAIRMAN: Committee rise.

SUPPLY - AGRICULTURE

MR. DEPUTY CHAIRMAN, D. Blake: We are considering the Estimates of the Manitoba Crop Insurance Corporation, Item 2.(a) - the Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Chairman. I appreciate getting recognition after having the floor just prior to the dinner hour. I want to make a few comments. We'll be some time on Crop Insurance. I would like to ask the Minister, and I think it's a matter of policy, I see that the General Manager of the Crop Insurance is able to be with us this year. Last year, we flipped right through it and we missed him. This year, there are a lot more controversial issues in the corporation, so we'll spend somewhat more time.

I do have a question of the Minister, and it deals again with his political posturing and the use of the Department of Agriculture and the corporations relating to the Department of Agriculture, and would ask him as to when the policy of the Crop Insurance Corporation was changed so that there were specific issues sent out to different regions of the province with his picture with the director from his area, yes, I grant that they've got the Federal Minister as well, but they've got the Crop Insurance agent from Fisher Branch which is in

his riding. They've got the Crop Insurance agent which is from the Interlake, but is from my colleague's riding of Stonewall. But this document is specifically targeted at the Minister of Agriculture's riding or his area.

I would ask the Minister as to why - and I don't particularly think the rest of the people of Manitoba missed seeing his picture in their kitchen, but it seems somewhat strange that we now have the Department of Agriculture or the Crop Insurance sending specific letters to certain regions. Maybe the Minister could explain as to why this is taking place. Is it to give him more political coverage? Is it to keep the farmers better informed as to what's happening in Crop Insurance? Is it a policy of the government now to point out who the directors of Crop Insurance are specifically in those regions?

Being a member of Crop Insurance or a contract holder of crop insurance, I haven't received a letter in my mail stating who my director is or who the Minister is - (Interjection) - the Minister says, am I a 25-year man? Well let's deal with it, because I think it's important.

I think, Mr. Chairman, and it goes back to the question that was before us before the dinner hour, that the southwest area of the province was the first area that ever had crop insurance. It was done on a trial basis, and expanded from there. I can't see why he couldn't have expanded or made use of the southwest area for a feed security program at the same time.

But I ask the Minister, is it now the policy of Crop Insurance to send specific newsletters to different areas, and hope that each one is going to be treated equally, not that we miss his picture in the southwest area. But just is it now his policy to spend taxpayers' money to better his own image?

MR. DEPUTY CHAIRMAN, D. Scott: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the honourable member should be aware that bulletins from the Crop Insurance Corporation were sent out regularly, not in this format but in another format, advising farmers of change.

Now the member makes reference to an area in the province, namely the Interlake area, and highlights the agents - the Federal Minister of Agriculture, myself and the board member from the Interlake area. The honourable member should be aware that that piece of correspondence was targeted specifically at the Interlake.

A MEMBER: Yeah, I can see that.

HON. B. URUSKI: No, no, of course, and it was a deliberate move to . . . - (Interjection) - Mr. Chairman, the honourable member, if he would just listen for a moment and not jump to conclusions, he might not get himself into the predicament that he got himself into before the dinner hour of raising issues and not knowing what he was talking about.

The move to target the Interlake area was made for one specific reason, and one specific reason alone. The Interlake area historically has been the lowest participating area, a risk area in the province in terms

of the number of farmers insured. The changes that we brought into the program certainly should be highlighted and farmers be advised. Because of the type of changes that have been implemented, we had hoped to be able to promote and sell the program and make sure that as wide a distribution as possible of the farming community could be reached.

Mr. Chairman, as well, we did cover his area in terms of the entire province with a similar bulletin, Crop Insurance News, which, had he brought it out, came out the month before that one and I believe was targeted to the southwest. This one was throughout the entire province highlighting the history of crop insurance in this province with a message from the Federal Minister and a message from myself, a plug for the Livestock Feed Security Program and increased hail coverage; and, as well, highlighting the significance of having our contract No. 4, a 25 year person, I believe, from his own constituency. The honourable member himself attended the 25th anniversary of crop insurance which was held in Deloraine - or Melita? Melita it was - the reception held in Melita, and Grant Andrews, I had the honour and privilege of meeting with Mr. and Mrs. Andrews in their home in that area, and that was the first publication. Of course, it did have a message from John Wise and from Bill Uruski in that publication.

A MEMBER: I know John Wise. Who is the other guy?

HON. B. URUSKI: Charlie MacLean was the other fellow on the front page. He was the individual who had been with the corporation back in 1961 when he joined the corporation in the southwest region as well. So, Mr. Chairman, in terms of giving the corporation a higher profile, it is true in terms of targeting the Interlake region on a specific basis in the second piece of information, there likely will be one or two others in a year probably in terms of the same amounts, in terms of information as there have been in previous years. The format, of course, is somewhat changed and highlighted, but really, basically, the information is similar. Trying to give a personal approach that the corporation is people and it is staff from the Department of Agriculture and it is staff as boards of directors and it is staff as individuals who work with farmers and that has been the type of approach that is being used. But basically the reason that it was targeted in one region of the province, that one document in one region of the province, specifically was to highlight the program changes and clearly a marketing tool to try and market crop insurance in an area that has historically been the lowest served anywhere in the province.

MR. J. DOWNEY: Well, Mr. Chairman, the Minister can do all the smoke screening he likes. It was truly taxpayers' money used to try and improve the image of the Minister of Agriculture.

He talked to us earlier this afternoon about what his ambitions were and of course it was to highlight the Minister of Agriculture and to put his best front forward. He hasn't changed any when it comes to the operation of crop insurance. I don't believe it was the general manager of crop insurance that said, Mr. Minister, we need your picture and we need the Federal Minister's picture and we need the director's picture. I would

believe that it was the Minister of Agriculture who came forward and said, wouldn't it be nice if we targeted specifically in the Interlake to tell them what good things we're doing as far as the Government of Manitoba is concerned. I accuse him of that, Mr. Chairman. I don't accuse the Crop Insurance Corporation of doing that. I accuse the Minister of doing that.

He said earlier in the Estimates today what his objective was and it hasn't changed any when it comes to dealing with the Department of Agriculture, and I'm somewhat disappointed that the Minister of Agriculture, if he has information that's going to be of use to the Interlake, that it would be of assistance to all the rest of the people of Manitoba. I can't see why he wouldn't have sent a normal newsletter out.

He says the format has changed. Well, I agree. He has changed the format; he has changed the colour of it, but I think it would have been less political-appearing if he'd have done it on a general mail-out basis, rather than just specifically targeting it at the Interlake.

The Minister earlier this afternoon, Mr. Chairman, made reference to the fact that there were some major increases in crop insurance participation by some 1,360. Could he confirm, that even with that increase of 1,360, that it hasn't reached the all-time high of crop insurance participation by Manitoba farmers of the either late 1970s or early 1980s, that really the 1,360 increase that he brags about really doesn't reach the all-time high numbers of sign-up as far as Manitoba farmers are concerned in Manitoba crop insurance - that he is again leading the committee and the public to believe that we have reached a new plateau as far as crop insurance sign-ups, but in fact the numbers of crop insurance people who are participating is still lower than what the all-time peak was.

HON. B. URUSKI: Mr. Chairman, I want to briefly comment on two points. One, that I didn't deal with, after I rose, that the member raised before we broke for supper, and that is the issue that was left here, the impression that was left that if the province would in fact lessen its rigidity to the Crop Insurance Program. The entire province could be covered tomorrow under the Feed Security Program.

That's the impression that was left by the Honourable Member for Arthur, and I want to indicate that if that was the case, Mr. Chairman, why would we have to, in negotiations with the Federal Government, schedule a number of crops that we would have liked to put on the program. In fact, we have a tentative scheduling - the honourable member should know. He was in this office. Maybe he doesn't remember.

There has been an ongoing schedule of negotiations, and we are looking always at two or three years in advance as to which crops we will be able to schedule based on the money flow, not that we wouldn't be able to handle it. We would have to gear up as quickly; it would cause us difficulty, but an equal difficulty is the amount of premium dollars and premium sharing on behalf of the Federal Government.

I mean, you just can't lump 20 new crops and say we've got a program tomorrow and we're going in the whole province. Even the honourable member should realize that's the case. Either he's being mischievous

or he just - well, maybe I should back off, Mr. Chairman. Maybe he was ignorant of the facts and didn't know what the situation was, because we have many crops that we've backdated and we've had to negotiate and try to move them in because dollars are tight. We have to negotiate those programs with the Federal Government, whether it be the Livestock Feed Security Program or regular Crop Insurance Programs.

There are many crops that are not insured that we would like to insure, and those negotiations are ongoing with the Federal Government. When their dollars are freer, then we can bring in more crops and get them on the table and negotiate them and have them insured.

So to make that assertion on the Livestock Feed Security Program really doesn't wash, Mr. Chairman, because we have the same backlog and the same situation. The honourable member should remember. It was no different when he was in office. You were trying to move as many crops as you could on an ongoing basis, and were doing the same with the Livestock Feed Security Program and with the regular program.

Insofar as the information, Mr. Chairman, in the Interlake, I want to find out from the honourable member what he finds so politically motivating and image building in a document that tries to give factual information on the basis of staff reaction and premiums and programs that farmers can participate in.

Does he find objectionable the message from John Wise and myself who are in the inner page, indicating and announcing program improvements and also giving some indication based on the coverage of spring wheat, a 1984 coverage of 60 percent? Is there something wrong with that information? Or a statement from the agent who is in the Interlake? And I said we have targeted the information directly at the region of the province which has had the lowest participation rate anywhere in Manitoba, and it was specifically designated. Or does he find something offensive about the statement of the regional manager, Mr. Charlie McLean, who looked back and reminisced about the 25 years of the corporation? Is that any less valuable or more valuable than the information there? Or a message, again, from John Wise, Minister of Agriculture and a joint message from the Federal Minister of Agriculture and myself in the inner document, as well, talking about increasing hail protection coverage for the province and expansion of the Livestock Feed Security Program and, of course, talking about Grant Andrews who holds Contract No. 4 and reminiscing and paying a tribute to a gentleman who has been an active supporter of crop insurance say Day One, holding Crop Insurance Contract No. 4. Are any of those so politically motivating that would cause any member, especially the Member for Arthur, to raise those kinds of concerns to this committee?

Now, Mr. Chairman, the specific information that the honourable member wanted - the highest year of both landlord and operator contracts was in the crop year of '77-78, during the drought year, of 18,000. Our staff are projecting an amount of contracts of approximately 14,700 which would be the highest amount for any of the last six years. We would exceed the number of contracts of any of the last six years.

But what is more significant than strictly numbers, Mr. Chairman, is the amount of insurance coverage

purchased by the farmers of Manitoba as I had indicated earlier in my remarks. This year we have \$430 million of coverage purchased by farmers to date - or thereabouts - as compared to \$355 million last year, a significant increase in the dollar coverage. That is what is basically significant; the higher dollar, the amount of dollar coverage is really the significant amount.

Mr. Chairman, when you compare that to the increase in premiums, it's roughly \$24 coverage for each additional dollar of cost to the farmers. I think that's what we looked at because we were looking at about \$2.5 million of additional premiums on \$60 million of increased coverage, which basically left it - I want to get the exact figure for the honourable member so I just want to make sure that the figures that I put on the record are accurate.

Mr. Chairman, just to make sure that I make the point. The figure on increased premiums I did not have but, as I indicated, the significant amount is the change in dollar coverage as insured by farmers increasing from 355 million for 1984 to \$430 million for 1985 at the present time. That is the significance in terms of the amount of coverage purchased by farmers.

MR. J. DOWNEY: Well, Mr. Chairman, the Minister likes to use ballpark figures. I'm aware that he and his manager have been in communication with a farmer who indicated that for the same kind of coverage that he had last year on the basic wheat crop, that he had somewhat of a 100-and-some percent increase in his premium and a very small percentage in his coverage. I make no bones about who it is, it's Glen Findlay who is a candidate for our party in the upcoming election, who wrote letters publicly to the newspapers and made no bones about what his increased costs were. In opposition to his coverage, it was a substantial increase.

HON. B. URUSKI: What were his benefits?

MR. J. DOWNEY: Well, his benefits did not go up in relationship to what the costs of buying the insurance were.

HON. B. URUSKI: Jim, check your figures again.

MR. J. DOWNEY: Mr. Chairman, I want to as well point out, when we're talking of total numbers, if we did have 18,000 farmers insured and the Minister made reference to 18,000 contract holders. I think that's a pretty good indication of the numbers of farmers who have traditionally supported it. He made a lot of to do earlier about 1,360 additional farmers being participants. I'm pleased that they are participating in it because I think it's a good opportunity to provide protection. He made reference to the fact that all farmers who were buying crop insurance paid an 11 percent surcharge for the continuation of long-term premium discounts. Is there a decrease in those people who want to now buy insurance because of the Ministerial change, because of the government's change? Is the premium reduced by 11 percent because of his change? He made a lot of to do about the fact that they were carrying the reduced premiums because of long-term participation. Is there a reduction in the premiums for new participants

because of the change that the Minister has made? I think it would be straightforward that would be the case. He wants to make a lot of to do about it. Is there, in fact, a reduction now for new participants of 11 percent?

A MEMBER: I think you got him, Jim.

MR. J. DOWNEY: I think I got him again.

HON. B. URUSKI: Mr. Chairman, I'll answer the first part of the question in this way. Where he left the allegation on the record in terms of what one's coverage would be and the analogy would be very similar to this because I believe the analogy that was used by Mr. Findlay was at the 50 percent - so he was even lower than, he had the 50 percent. — (Interjection) — I'll use the 60 percent which would be a higher coverage that you would receive. In fact, I'll be more conservative in my analysis than what the member would have because the benefits could have been far less than what I will show here at the 50 percent range.

I want to tell the honourable member that before I have the figures and the program on the 11 percent, the program does not cancel out the discounts in existence so that those farmers who have accumulated the discounts will continue to do so. The whole discounting process, I should mention, did not totally recognize good management. It recognized basically what, thank goodness, none of us have control over. It recognized being able to crop in an area that generally has favourable weather. As a result, few claims arise.

But getting back to the coverage level, Mr. Chairman, in 1984 under the old program on wheat, 300 acres of wheat in the most common soil classification, C, the premiums and coverage level of 18.3 bushels of coverage at 60 percent, \$4.08-a-bushel, if there had been a crop production of 16 bushels, a yield of 16 bushels-per-acre, there would have been under the old program a benefit paid to the farmer of \$2,815.20. Under the 1985 program, the coverage rose from 18.3 bushels to 22.1 bushels. Had the same dollar per bushel, \$4.08, that I quoted earlier been in place under the new program, the benefit package on a 16-bushel yield would have risen \$7,466.40. Mr. Chairman, more than double, almost two-and-a-half times the benefits that a farmer would receive under the new program even though his premium may have risen close to 100 percent.

If he was at the 50 percent bracket, his premiums may have risen by 100 percent. The benefit on that kind of a crop were more than two-and-a-half times. Of course, as the yield goes higher, at the 20-bushel range, of course, under the old program, there was no coverage because it exceeded the 18-bushel coverage level. Under the new program, there still would have been a \$5,000 benefit which would be 5,000 times as much as there was under the old program, Mr. Chairman.

You know, I think Mr. Findlay - I have to say this in all fairness - an educated man that he is, really should have known better, unless he was being a bit mischievous. He, being a graduate of the University of Manitoba, would know if you decided to put forward a case very selectively, would have been able to put

forward very clearly the greatest disparity as one could get. What he failed to remember was that only 5 percent of Manitoba farmers are insured or have been insured at the 50 percent level, the level with the greatest premium disparity that there is. But what he failed to also put forward is the side of the equation that says, what is the benefit side of the program. What do you receive in terms of that additional coverage in terms of dollar amount should you have a crop loss? That's what he didn't put on.

It's unfortunate, Mr. Chairman, because he may have dissuaded some farmers from, in fact, who may have just looked at the paper and said hey maybe this thing is just out of my league and I may want protection, but I'm not going to get it because if this guy who is a graduate of a learned institution can quote these kind of numbers, maybe this program is not for me. It would be very unfortunate if there would be a number of farmers in that part of the province who would not have purchased coverage based on the reading of Glen Findlay's assessment. What farmers hopefully would have done, they would have said hey I'll check for myself, I'm not buying everything that this guy says. I will go to my agent and see really what the story is.

Certainly, the numbers of clients is very encouraging. I want to be very clear on the number of clients that the corporation has just so it's clear for the record, Mr. Chairman. In '77-78 was the high point of 18,016 contracts. Mr. Chairman, what happened in '78-79 when we dropped to 15,950? Then, Mr. Chairman, what happened in '79 and '80? We dropped to 14,275. Who was the Minister then? In '80-81 we went down again to 14,176. Then we started climbing back up, Mr. Chairman. We went in '81-82 14,633. Then we dropped back down again in '81-82 14,087, and '83-84 was our low point in terms of — (Interjection) — thirteen thousand, eight hundred and . . . — (Interjection) — eighteen thirty-seven.

Yes, Mr. Chairman, there is no doubt that there has been a reduction. I have to say this, we were very concerned and I was very concerned about implementing the type and the magnitude of changes that we have implemented in the program this year. They were forward looking, they were innovative and they recognized the need for change, Mr. Chairman, and while grain farmers have been going through difficult times, I'm very pleased that the response from the farm community across this province has been as good as this in spite of the difficult times that farmers are going through. To make a change - there have been increases in premiums, there is no doubt about it, the premiums have increased. In some cases, depending where you were at in terms of coverage, in terms of dollars per bushel, they would have been fairly sizable premium increases if you went from the lowest point, as Glen Findlay tried to point out in his article and went to the highest point in coverage, there would have been dramatic increases in premiums. We were concerned about that.

Certainly, the number of new contracts show that the changes that we have made have been and are being well accepted by the farmers. We haven't gone all the way, I admit. We'd have liked to see more innovative changes moving towards individualized coverage and the like but, certainly, those have to be negotiated with the Federal Government and we'll be

pursuing those negotiations in the months and years ahead.

MR. J. DOWNEY: Well, Mr. Chairman, I find it interesting that the Minister of Agriculture has some criticisms of a participant in crop insurance for not fully assessing the program and the information. How could he have done that, Mr. Chairman, when the manager of the Crop Insurance Corporation did not forward all the information for him to make his assessment as to where it's at.

I'll quote from a letter that Mr. Findlay has sent to Mr. Ron Dalgleish, general manager, and I'll make some reference to the letter that was sent to him. The criticism shouldn't be going to Glen Findlay. It should be going to the Crop Insurance for not sending out the accurate picture and the actual facts of what's taken place.

I will quote the letter, Mr. Chairman, because I think it's important for the record. This is "Mr. Ron Dalgleish, General Manager, Manitoba Crop Insurance, January 31, 1985, Shoal Lake. Thank you for your response to my letter on crop insurance premium increase. The information you supplied on a dollar pay-out comparisons between 1984 and 1985 for partial losses is very important additional information that can be used to assess the value of paying the much higher premiums in 1985."

So, in other words, they've sent out. They weren't sending out the total picture or the total story of what was actually taking place. This information was not sent out to each policy holder with the confirmation of insurance and notice of premium increase. So, they weren't given all the information from the Crop Insurance. So I think it's the department that deserves criticism; not the individual customer who's trying to make his assessments as to where he or she are at in their upcoming changes. Nor was it mentioned by agent, nor included in the information my agent sent to me after I talked to him after changes on January 18 and 21. (Yes, I did discuss with my agent.) Nor is it detailed in any substantive way in the Crop Insurance News of February 1985. So the Crop Insurance Corporation were not giving the total picture as to where they stood with the changes. Farmers can only assess the value of crop insurance and the impact of 1985 premiums on their operations when they are supplied with all the information on coverage and premiums."

And here's what his request is, "And I urge you to immediately mail to each contract holder in Manitoba all the information on partial-loss coverage for each dollar level of coverage, for each crop they insure, together with the corresponding premiums." That's dated January 31. I understand that through that encouragement, it took place.

So the Minister has no right to criticize a contract holder, who has made an assessment on the information that he had available, but should be criticizing his department on the operations of his crop insurance for not totally explaining to the public and those people who are paying the bill where they stood. So I want that to be clear on the record. Again another example to the public of Manitoba how this Minister isn't able to manage the Department of Agriculture and the affairs of the people of Manitoba.

Mr. Chairman, it's just another example of the many, many concerns that each and every Manitoban has.

I've made reference again to the 11 percent increase, or the 11 percent surcharge, that each contract holder has to pay for the reduction in long-term premium benefits. The Minister hasn't told us that they're now going to have 11 percent less premium to pay. Are they going to see a lower premium; they aren't, because in fact, they're now out. Where does the 11 percent be eaten up? He makes a lot to do about changes that he and his government are making; that there's an 11 percent surcharge on each contract holder, new participant, that that's being used to carry or give a reduction to long-term program participants who like Grant Andrews and Coulter, who I complimented many times for being a long-term participant in crop insurance, and by the way just for to correct the record, Grant Andrews' name is not mentioned in this document that I can find — (Interjection) — well, he makes reference to the other one. I'm saying that this was a specific one for the Interlake.

Mr. Chairman, I want to know where the 11 percent of the premium is now being saved by the new participant? He made a lot of to-do that if a new participant wanted to sign up in crop insurance, they would have an 11 percent saving. Is there an 11 percent saving by new participants at this particular time in Manitoba crop insurance and where is it?

HON. B. URUSKI: The honourable member talked about and I want make sure that the honourable member knows and he raises the point as to why wouldn't crop insurance put all the figures in the paper and do all the information based on Mr. Findlay's assessment.

Mr. Chairman, there is a reason why we didn't go to press and try and print out payouts and give that analysis in the newspaper.

MR. J. DOWNEY: You've got a new Communications Officer. You hired a new political hack for a Communications Officer. You should give her something to do.

HON. B. URUSKI: Mr. Chairman, I know that the honourable member has a particular bent. If he'd listen, maybe he would learn something in this whole process, because he hasn't, obviously, learned very much up until this point.

The reason that we didn't show any payouts in the press because the situation of payouts is different in different areas and really would have been confusing. Mr. Chairman, our own agents asked us not to do any actual dollar communication in the press, because you may have a paper or a press covering one area which straddles two different risk areas and the situation would be completely different. In all the communication that the corporation has provided to farmers, it said that farmers are encouraged to meet with their local crop insurance agent for details on how the changes will affect them. That was the message going out day in and day out.

Mr. Chairman, and I'm pleased, although maybe Mr. Findlay didn't want to go and meet with his agent, obviously 10,300 farmers did meet with their agents to discuss how the changes impacted on them. Maybe the honourable member didn't know that, so I'll provide that information for him.

Mr. Chairman, we could have done that in the Interlake because the communication that we did there went only to risk area 15 farmers and it is our intention that with specific changes in specific risk areas, to use this type of communication directly for the farmers in the area that they are affected.

With respect to the 11 percent surcharge, the honourable member should know that with the changes in the program there have been premium increases and there have been premium changes so that the 11 percent reduction has been subsumed in the new premium structure, but it hasn't been subsumed totally. There still is about a 5 percent surcharge in the present program, because there are still a number of farmers who are receiving the maximum 50 percent discount and will still be receiving that 50 percent discount and until that discount is moved away, that surcharge still will be there until there are claims that will actually reduce that discount. That will be the only time. It may take a year, it may take two years. It really depends on how many are removed from that 50 percent discount downwards to the 25 percent maximum that is now on the program. That's how it will be balanced off. Right now, it's been reduced by about 6 percent and it's been subsumed within the present premium structure.

MR. J. DOWNEY: Mr. Chairman, I just want to point out that the Minister is not coming straight forward with the true facts. He talked about 11 percent reduction in premiums and it isn't there, so why is he making a lot of to-do about it?

A MEMBER: That's the way he operates.

MR. J. DOWNEY: He talks about us not dealing with the facts. He is far from it himself and it's really an inaccurate statement to say that new participants have an 11 percent reduction in their premiums. It isn't working. As well . . .

MR. H. ENNS: He said we imposed the old 11 percent.

MR. J. DOWNEY: No, we didn't. That was from Day One. It was an encouragement for people to continue on with their crop insurance premiums, and it was to show the fact that there was a recognition of long-term performance and customer participation in the program. Yes, long-term participation, because no claims, that's right, fifty percent on long-term; but the Minister is again not telling and coming straight forward. I'll again quote from the Glen Findlay letter that his manager got.

It says, "This information was not sent out to each policyholder with the confirmation of insurance and notice of premium increase, nor was it mentioned by my agent, nor included in the information sent by my agent sent to me after I talked with him about these changes on January 18th and 21st," so his agent didn't tell him about it. The Crop Insurance Corporation didn't send him out the accurate information, so how is he to make the assessment that the Minister makes reference to.

Mr. Chairman, I have another area that I want to deal with, and it's dealing specifically with crop insurance coverage of winter wheat and semi-dwarf wheat.

Mr. Chairman, a lot of the producers in the western region of the province - and not only western, but southern - have now, because of continued drought in Western Canada, have now gone to the production of winter wheat. As well, we've seen an increase in semi-dwarf wheats in Western Canada. We've seen a recognition of the marketing needs by the Minister responsible for the Canadian Wheat Board of allowing a separate pooling system for semi-dwarf wheats and the availability of a pooling system.

We have seen the decision made by the Crop Insurance Corporation to now cover semi-dwarf wheats and I'm not in opposition to that decision; but, Mr. Chairman, why are we not now covering winter wheat as we cover fall rye, as we cover a lot of other generally-accepted crops for crop insurance? — (Interjection) — Mr. Chairman, the Minister makes reference to trefoil. Let's talk in relevant terms. There aren't 25,000 farmers in Manitoba wanting to grow trefoil, but there are 15,000 farmers wanting to grow winter wheat and be covered by crop insurance. I think they deserve the coverage of crop insurance. There are recognized varieties. We have recognized licensed varieties, where in the semi-dwarfs we have only one licensed variety. But the Minister's policy is now to cover the semi-dwarf wheats but not the traditional winter wheats which are licensed.

Another problem that we have seen develop, and I have heard nothing from this Minister about it, and that is we have seed producing people in this province who are totally restricted from handling semi-dwarf wheats. Yet he recognizes them, as Minister responsible for crop insurance, as does our Federal Minister of Agriculture who has the control of our licensing of varieties and our licensing of seed production units. But why, Mr. Chairman, have we not got some consistency?

If it is the policy of the Government of Manitoba and the Government of Canada to provide crop insurance for semi-dwarf wheats, why can we not become consistent and allow seed producers and seed growers to handle that product if it is a recognized product within the whole system? My question will come later on dealing with the licensing of seed dealers, but my more specific question is now. Why is the Minister of Agriculture in the Province of Manitoba and the Crop Insurance Corporation dragging their feet in coverage of winter wheat varieties and winter wheat coverage in Manitoba? Why are we covering semi-dwarfs, which are unlicensed, and not covering winter wheat varieties, which are licensed?

I would like the Minister's explanation as to his inconsistency and as to why he hasn't given the producers of winter wheat in this province the option of providing insurance for the crops that they are producing. They can buy it for fall rye; they can buy it for many other crops that probably haven't had as good a record as winter wheat.

I ask the Minister if he is going to give it consideration. I think it's extremely important because this winter we have seen several thousands of acres of winter wheat lost because of winterkill. We have seen thousands of acres of fall rye that have been lost because of winterkill.

I asked the Acting Minister the other day what was the loss - and I still haven't had the answer; I haven't had many answers from this government on many issues - and I asked the Minister why is he not providing crop

insurance, which I think is extremely important to the production of winter wheat. Why isn't he providing it for winter wheat when he is in fact providing it for unlicensed semi-dwarf wheats in this province?

HON. B. URUSKI: Mr. Chairman, I am pleased to hear the comments of the Honourable Member for Arthur on crop insurance, because — (Interjection) — Pardon me? Mr. Chairman, I find the comments fairly humorous because twice today we've heard a condemnation of federal policies. Twice - once on the Livestock Feed Security Program, Mr. Chairman, and now we have this one, the semi-dwarf wheat.

Mr. Chairman, I want to tell the honourable member that there certainly was no intention of the corporation insuring semi-dwarf wheat. There is no expansion of the program in terms of how the grain is being treated, Mr. Chairman. Once the Minister of the Canadian Wheat Board and the Canadian Grains Commission decided to have separate binning and allow for the marketing of semi-dwarf wheats, the program was carried on and it's being treated as a utility wheat. There is no new program established.

Insofar as the Winter Wheat Program, it has in fact already been put forward to the Federal Government for inclusion in the 1986 crop year, and that's when we expect that they will insure winter wheat in the Province of Manitoba. We are hopeful that they will move it along, but certainly there was no intention of the Crop Insurance Corporation of insuring semi-dwarf wheat until the Federal Government decided to license it or at least allow it by separate binning, and the corporation added it to its regular program of utility wheat.

So there's basically no expansion of the program. It is being treated as a utility wheat through the corporation.

MR. J. DOWNEY: Mr. Chairman, I'm not satisfied with the answer the Minister has given me. You know, it's a cop-out. He's not doing his job as Minister of Agriculture. He is unable to handle his portfolio. He is not able to deal with the situation of the day and the situation of the day is we have got a farm community that have been growing licensed winter wheat varieties . . .

A MEMBER: Northstar.

MR. J. DOWNEY: . . . Northstar, Welsh, there are several others, Mr. Chairman, and I think that it's incumbent upon this Minister of Agriculture to stand up on behalf of the farmers that want to produce a variety of crops. — (Interjection) — Yes, Mr. Chairman, he goes to strawberries and he says, trefoil - let's deal with some of the larger issues.

A MEMBER: What's wrong with strawberries?

MR. J. DOWNEY: I am not against strawberries and I tell you, Mr. Chairman, that the Minister is trying to . . . what is being said here. The point I'm trying to make and will continue to make is that we have several thousands of acres, in fact I think the Minister and his department and the Crop Insurance people should be

able to tell us how many thousands of acres of winter wheat were planted last year. I want to know specifically how many thousands of acres of winter wheat? It means a lot to the farmers of the western region, particularly, of the province who wanted to take full advantage of the moisture that comes through the winter months.

MR. C. MANNES: And soil conservation.

MR. J. DOWNEY: Yes, Mr. Chairman, my colleague from Morris says, "And soil conservation." Yes, good farming practices, part of what his opening statement was all about. The problem is he's not prepared to back up what he says. It's a bunch of verbiage that is coming onto the record that doesn't mean anything.

What we are asking him for is to put a strong voice forward to direct his department, which is responsible for crop insurance, to provide crop insurance for winter wheat varieties in Manitoba.

Farmers have been growing it now for several years. They are somewhat reluctant to sow it on summer fallow, so it's traditionally grown on their stubble crops. But I have seen last year, Mr. Chairman, summer fallow winter wheat produce something like 50 bushels to the acre.

A MEMBER: How much?

MR. J. DOWNEY: 50 bushels to the acre, not uncommon. Again this year the same summer fallow winter wheat actually had to have a reseeding of spring wheat because of the winterkill. Now, we have crop insurance for flooded acreage. If a farmer wants to insure for a crop that he's not going to be able to seed for flood, then he doesn't have to produce anything. He gets paid.

What difference is it in winter wheat, Mr. Chairman? I think the concept and the principles of crop insurance should apply to licensed varieties. I think because of the fact there's a recognition of our semi-dwarfs, and they've been producing extremely well in this country, that there is reason to insure semi-dwarf wheat. I am not opposed to it.

What I am saying is, where does the Minister stand? He again stands up and he says that because of the fact that the Canadian Wheat Board and the Grain Commission recognize semi-dwarf wheat that they are now compelled to insure it. I don't see that as a compulsion at all. I don't it as them being forced into recognizing semi-dwarf wheat as an insurable crop. — (Interjection) — Well, sure it's a feed grain, but it's an unlicensed feed grain. Why would you insure an unlicensed grain when you won't insure a licensed one? I mean where does he stand? — (Interjection) — He doesn't have a consistent policy. What I am saying is not to remove the insurance on semi-dwarf because it's proving itself.

What I am saying, why is he not including winter wheat and why has he not included winter wheat in crop insurance? He says he's going to tell me why. I think he should tell the farm community why, Mr. Chairman. He's insuring fall rye. He's insuring many, many crops. We insured many crops. We continually increased our crop coverage, but he is not, Mr. Chairman, doing the job that he should be as the

Minister of Agriculture. We have seen farmers in this province who are probably some of the best agrologists in the world. They aren't going to plant a crop in the large acreage sense that is going to put their industry and their business in jeopardy. To me, that is a good thing to base your decision on as to whether you provide crop insurance. The Minister apparently isn't interested in providing crop insurance for winter wheat. He still hasn't given me the reason why he's providing it for unlicensed varieties of semi-dwarf and not licensed varieties of winter wheat.

I asked him to make the clarification as to why he's not doing it. Is it a philosophical thing? Is it because he doesn't know how to manage the Crop Insurance Corporation? Why is it that he is not providing crop insurance for proven, licensed wheat varieties and he's providing it for unlicensed semi-dwarf wheats? Why is that the case?

HON. B. URUSKI: Mr. Chairman, I want to tell the honourable member that part of the problem — (Interjection) — Mr. Chairman, the honourable member related part of the problem that there is with the growing of winter wheat. Winter wheat is still not recommended for growth in the Province of Manitoba. He indicated — (Interjection) — well, Mr. Chairman, part of the problem he indicated that winter wheat can yield 50 bushels to an acre on summer fallow. Mr. Chairman, winter wheat is not recommended to be grown in summer fallow. Part of the problem is winterkill on winter wheat. In fact, I'm advised that half of the crop in Saskatchewan this winter was destroyed as the result of winterkill. — (Interjection) — Mr. Chairman, that is part of the problem. The corporation has an application and is in the process of negotiating to ensure winter wheat next year.

There are two areas, one of winterkill, and the other is rust damage on winter wheat. There are no rust-resistant varieties that have been proven out in winter wheat. That is part of the difficulty in this crop. That's not to say that we should not be insuring the crop, but we certainly will be leading the way in terms of insuring this crop, but to try and make an analogy of one to the other, Mr. Chairman, isn't accurate. We have an existing insurance policy on utility wheat and all the wheats that are grown for feed are being insured as a utility wheat regardless of what they are. They were recommended. The corporation was not. I have to admit it was not going to insure utility wheats this year - I mean semi-dwarf wheats - until the Grains Commission made its decision that it was prepared — (Interjection) — Mr. Chairman, I don't know what the honourable member is getting at in terms of the program, I really don't.

Mr. Chairman, there are many crops that we would like to insure that we still haven't insured. Mr. Chairman, the Honourable Member for Morris when I mentioned the word honey, how do you insure honey? Mr. Chairman, some provinces have now moved to insure honey over other crops. Honey is being insured by the Province of Saskatchewan based on production. I believe Alberta insures honey production through crop insurance. Wheat wheat, as I've indicated, will be a target for insurance coverage for next year. The requests are in there. We still don't insure onions. There have

been representations made to us to insure green unions by the vegetable producers. Alfalfa seed production is still not an insured crop. There are many crops that are being grown but are not covered. Alfalfa seed production is not covered. Strawberries are yet not covered under crop insurance. It is a fairly major crop as well as carrots. Those are just a few examples of many of the crops grown in Manitoba that are as yet not covered.

To be honest with my honourable friend, I would like to see as many crops covered through crop insurance as, in fact, we can. That would be our mandate but there will be - there is no doubt - in terms of ability to handle them administratively and financially, those constraints will be there on the Federal Government and on the province in terms of the future. But to suggest that somehow there is some political motive and philosophical hangup on the corporation and the government not to insure certain crops, Mr. Chairman, I find that really a bit much and the honourable member is stretching it a little bit. — (Interjection) — Now, he says he didn't say that it wasn't a philosophical bent of the government, that we are opposed to it.

Mr. Chairman, I am saying that it is not, it's a matter of working through all the details with the corporation and trying to get a crop and, hopefully, that farmers can, in fact, grow a crop and have a good crop rather than relying on a crop that is doomed to fail as we've witnessed this winter in other parts of the country where the crop has yet not been developed to the stage that it should. Notwithstanding that we're pursuing to have that crop insured next year.

MR. J. DOWNEY: Mr. Chairman, I challenge the Minister and his department to take a look at what is actually happening in the winter wheat production in Manitoba. I can tell you that there are some excellent stands of winter wheat. I think that Crop Insurance are doing themselves a disfavoured by not giving a lot more serious consideration to the application of it for coverage.

The Minister made a statement that we will have winter wheat coverage next year for this fall seeded crop. All winter wheats will be eligible for crop insurance coverage, did I understand him correctly?

HON. B. URUSKI: Mr. Chairman, that is on the table for negotiations with the Federal Government. It is there. The request is there. If the negotiations proceed as planned, it will be a crop that will be insured for the 1986 crop year.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I asked the Minister a question about three or four weeks ago with respect to how he was able to reconcile the fact that crop insurance covered the semi-dwarf wheats this year, when his department just a year previous put out a bulletin indicating that they were totally opposed to the advent of new American semi-dwarf varieties. The Minister at that time indicated that some federal pressure came into play and that the decision was influenced to some degree by federal powers and that is the reason that Manitoba Crop Insurance covered American semi-dwarf varieties in 1985.

The Minister made some further inference to that in his statements to the Member for Arthur. I would ask the Minister what his feelings were, what specifically were the Crop Insurance concerns with respect to covering, insuring American semi-dwarf varieties in 1985 given their free choice on the matter?

HON. B. URUSKI: Mr. Chairman, there certainly has never been any hang-up about not insuring any particular variety and I say this — (Interjection) — I'm not sure whether the honourable member wants to hear my answer and I'll refrain.

MR. C. MANNES: Mr. Chairman, I most definitely would like to hear the answer. I apologize to the Minister, I was interfered by another member.

HON. B. URUSKI: Mr. Chairman, I want to tell the honourable member that there has not been any hang-up on the corporation's side about not insuring crop, any particular crop that we can have concurrence that there will be premium sharing and funding available from the Federal Government. I say this in this context, with respect now specifically to semi-dwarf wheat, until the Canadian Grains Commission was able to make a decision that they would be able to market it and be able to . . .

MR. C. MANNES: The Wheat Board.

HON. B. URUSKI: But the Grains Commission had to do the sampling and testing and the checking and be able to identify the variety, in terms of separate binning . . .

MR. C. MANNES: They still can't.

HON. B. URUSKI: But it's still a matter of identification of the crop and when they made the decision that they in fact could identify it by having separate binning and the like, then there was really no reason that the corporation could have in not insuring the variety as a utility wheat, as we do insure other feed wheats; it's not treated any differently. So I'm advised that was the basis that we used to insure the crop. Maybe I'm not understanding the honourable member's question.

MR. C. MANNES: Mr. Chairman, again the Minister doesn't show a total understanding of this whole issue and that's fine. I can understand where many of the grain matters don't fall into his scrutiny.

On our farm we grow Klages barley. That's a variety of barley that is not recommended for Manitoba and consequently is not covered under the Manitoba Crop Insurance and I understand why. Mr. Chairman, as I was saying, on our own farm we grow Klages barley. That's a variety that is not covered by Manitoba Crop Insurance for a good reason. It has some agronomic weaknesses and they're identified readily and crop insurance does not apply in that case, and as a grower, I understand the reasons of that and I have no difficulty with the decision by Manitoba Crop Insurance not to cover that particular variety.

Have there been identifiable weaknesses associated with American semi-dwarf varieties, that under that

same type of rationale, that they too should not be considered, or indeed is the Minister and crop insurance taking their lead exclusively from the Canadian Grains Commission, who have been, as you know, over the last two years I dare say, involved in a major dispute within the grains industry as to the acceptability of these American semi-dwarf varieties?

HON. B. URUSKI: Mr. Chairman, the Variety Committee and the checks that the corporation made, I'm advised that there were no agronomic reasons for not being able to grow any of the semi-dwarf wheats in the province from an agronomic point of view.

The difficulty was and the corporation did not want to get itself involved in a jurisdiction dispute between the Wheat Board and the Canadian Grains Commission by insuring a variety that was not licenced by the Canadian Grains Commission.

MR. C. MANNES: Vice versa.

HON. B. URUSKI: Well, I don't know of any situation whereby the corporation would in fact insure a crop that, first of all, may not be agronomically wise to grow in this climate, a crop that was not licenced by the Canadian Grains Commission, that it was distinguishable and could in fact be identifiable and be separate binned in order to market that crop.

When they made that decision and from the information that the corporation had that the crop could successfully be grown in the Province of Manitoba, that there were no agronomic reasons that it could not or should not be grown, on that basis, in consultation and negotiation with the Federal Government, was the crop then included on the coverage.

MR. C. MANNES: Mr. Chairman, the Minister is contradicting himself on two accounts. Firstly, he says that the department made the decision once they were sure that there was some place, a marketplace for this particular variety. The Minister indicated to me an answer three weeks ago that in fact the only reason the Manitoba Crop Insurance considered insuring this particular variety was the pressure - and this was the inference he left with us - was the pressure that was laid down by the Federal Government, so let that be put on the record.

Secondly, he talks about licencing. He just indicated to my colleague here, the Member for Arthur, that indeed licencing wasn't the be all and the end all, because my colleague, the Member for Arthur, was indicating that indeed that fall rye was licenced, and indeed was not covered within Manitoba, and he was asking the question. Pardon me, winter wheat was not covered by crop insurance, even though it was licenced. So he can't have it all ways and all situations. Maybe he is trying to, and that's the question I pose to him with respect to this whole area of insuring different varieties, whether they're licenced or not.

What criteria does he use or does crop insurance use to determine whether or not they insure a particular variety? Is it something to do with licencing? Is it agronomically sound or is it the lead that is given to a variety by the Canadian Grains Commission, because you can't have it on all three criteria, and that's the concern I have today.

The Minister talks about crop insurance being caught in this great dispute between the industry and the Canadian Grains Commission. Well, I dare say, if they hadn't licenced a variety that was agronomically sound and that potentially was going to be grown on a million acres, for the Minister of Finance, that represents an awful lot of revenue to the Province of Manitoba, the revenue from a million acres of crop. Could he ever see a situation where crop insurance would not insure a variety that was agronomically sound and that was going to be grown on that magnitude of acreage, particularly when the crop insurance news bulletin indicates that pedigreed Timothy seed was going to be insured and it's covered on 40,000 acres. I can tell him also that I'm a Timothy seed grower and I don't dispute that; but when does a million acres in itself, whether that type of acreage is grown with seed or varieties that are licenced or not, but are growing on that type of magnitude and also varieties that are agronomically sound, how does he distinguish between these various criteria, the board of crop insurance decide between these various criteria as to whether a particular crop, a particular variety is to be covered or not under the insurance program?

HON. B. URUSKI: Mr. Chairman, as I understand the honourable member's question, in terms of criteria I believe that - and, staff, you can correct me if I'm wrong - as I understand the honourable member's question, the three criteria would be the most optimum is that, first of all, it is economically sound to produce in the Province of Manitoba; it has been a licensed variety; thirdly, it's marketable. Those are the two basic criteria and it's marketable of course, but the two would be the basic criteria that would be required.

In the case of semi-dwarf wheats, the corporation knew that the crop did have, one could say, the blessing from the varieties committee that it was agronomically sound in our climates to be grown. We knew that, but there was a concern by the corporation that the crop could not be distinguishable and would cause great problems. — (Interjection) — Well, Mr. Chairman, it's not our - now I understand the honourable member saying, "It's not their role."

Well, Mr. Chairman, — (Interjection) — if the grains industry - now I see what the honourable member is getting at - if the grains industry was left in separate compartments to do its own thing in every direction, there would be very little co-ordination within the industry and very little cohesiveness, notwithstanding the matters. I believe that the grains industry has to work as an industry not as separate units, and we are interdependent between one another on information and basic advice.

Mr. Chairman, can you imagine if the corporation had insured that crop before the Grains Commission gave its blessing that it was prepared to license those varieties? Can you imagine the hue and cry in this Legislature? Mr. Chairman, can you imagine the hue and cry from honourable members opposite? How can your corporation insure a crop that is not able to be marketed? There is no market anywhere. How come you're insuring this crop and allowing it to be produced in the Province of Manitoba? That's what you would have heard in this House, sir.

MR. C. MANNESS: They're American varieties. They're not licensed yet.

HON. B. URUSKI: Mr. Chairman, the Canadian Grains Commission has approved them for marketing and has licensed them, as varieties . . .

SOME HONOURABLE MEMBERS: No, no!

HON. B. URUSKI: They're not licensed, they're approved varieties. All right, maybe I'm stretching my definition of allowance of the crop. They are being approved to be grown in the Province of Manitoba. Is that accurate?

A MEMBER: You can grow anything you want on your farms.

HON. B. URUSKI: Well, Mr. Chairman, no one is denying that you can grow anything you want on your farm. That's not to say that the corporation will have to insure it.

MR. C. MANNESS: Mr. Chairman, I guess my only concern - and you can look at it either way. I can see where Crop Insurance did not want to be caught in endorsing a particular variety before there appeared to be a market opportunity. But secondly - the reverse side of that, even more dangerous - is that crop insurance will be caught in this massive grain political debate as between varieties, and I think if a variety is agronomically sound and it is grown on significant acreage, that crop insurance should cover it and leave it up to the farmer to decide or define a market. If he can't, well then it's his loss. He is able to grow the product and, if, through some vagaries of nature, he can't, well then crop insurance is there to protect him because obviously the reason that the variety was not produced in some multitude was not because of the agronomic weakness but because of weather.

Therefore, Crop Insurance is in a very impartial position, but if they attempt to take the lead and work against their new variety, licensed or not, but agronomically acceptable, then they are taking a position, a political position in opposition to a variety, not based on agronomic factors, but based on market factors. I say today that the Manitoba Crop Insurance, I don't believe it is their mandate to take a decision as to whether to insure a variety or not, will be determined as to whether there is a market for that grain. Because today indeed you can look at feed grains where 80 percent of the variety is marketed within the nation.

So let the Minister and indeed Crop Insurance not be caught in this whole trap, and let them make decisions based on impartial knowledge as to the agronomic strengths or weaknesses of a variety.

HON. B. URUSKI: Mr. Chairman, I wish the world were perfect in terms of the argument and the straw man that the Member for Morris puts up. You see, if the world was perfect the corporation should in fact be insuring every crop that is produced, and it is always a political decision. — (Interjection) — Mr. Chairman, we don't insure carrots, agronomically sound. We will

be, but we haven't up till now. We don't insure strawberries. We haven't insured alfalfa seed production. We haven't insured green onions, honey.

A MEMBER: Why not?

A MEMBER: Why didn't you when you were Minister?

HON. B. URUSKI: Mr. Chairman, those are but a few examples of the crops that are still not insured, and it's true, there's no doubt that we would — (Interjection) — insurance is not a free market.

A MEMBER: Don't be silly.

HON. B. URUSKI: Mr. Chairman, the honourable member talks about insurance as a free market. Mr. Chairman, when half of the premium is subsidized by the taxpayers of this country and the administrative costs are subsidized by the provincial taxpayers, it is not free enterprise; the honourable member knows that. And it is a very good program; it is a very good income support program in terms of protection against weather related risks.

But let the honourable member not say that somehow we should be insuring whatever farmers want to grow, Mr. Chairman, when the premium is subsidized 50 percent by the Federal Government and the administrative costs are subsidized by the province. There always will be decisions and trade-offs as to which crops, and how quick one can move in terms of the financial constraints of both the Federal and Provincial Governments, and those will be the political judgments that will have to be made, not on the basis of let a farmer grow whatever he wants to grow and if he can't market it, that's his tough luck.

Mr. Chairman, that doesn't mean that the corporation has to go ahead and insure it. That's what I'm getting at. It doesn't mean that the corporation has to be blind enough to say, we'll insure it, even if you just want to grow it and it's agronomically sound, we'll go ahead. There has to be some integration and some semblance of realization of what is happening around us. It just can't be channelled in a one-way approach that the Honourable Member for Morris puts his thoughts on record.

MR. DEPUTY CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Chairman.

I'd like to ask the Minister some questions regarding the Flood Assistance Program that was brought in to complement crop insurance.

HON. B. URUSKI: Mr. Chairman, I rise on a point of order.

MR. DEPUTY CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I don't mind the member commenting on the Flood Assistance Program, but I believe that that program should in fact be discussed under - just a minute here — (Interjection) — Pardon me?

MR. DEPUTY CHAIRMAN: Appropriation No. 5, I believe, Farm and Rural Development Divin.

HON. B. URUSKI: Yes, Mr. Chairman. Well, just a minute - I believe when we get to the Farm and Rural Development Division because that was the division that was handling the flood assistance. That would be the area to raise the comments on the Flood Assistance Program.

MR. DEPUTY CHAIRMAN: Does the Member for Swan River have any questions dealing with the Manitoba Agricultural Credit Corporation?

MR. J. DOWNEY: Crop Insurance.

MR. DEPUTY CHAIRMAN: I'm sorry, Crop Insurance - under Appropriation 2. No? Okay.
The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I want to ask some questions dealing with the financial status of last year's payout and what the financial position is of the Crop Insurance Corporation as far as premiums in excess of payouts over the last year, because in 1980, I believe there were substantial payouts and we've had some significant payouts in the last few years. What was last year's status as far as payouts in relationship to premiums paid?

HON. B. URUSKI: Mr. Chairman, under All Risk, the payouts were \$20.2 million; under Hail Spot Loss, 10.1 million; Part 2 Hail, 7.7 million, and Livestock Feed Security, 1 million - for a total, I believe, of \$39 million.

MR. J. DOWNEY: That was the total payout of crop insurance last year? What was the premium take last year? In other words, was the Crop Insurance in a position of surplus last year?

HON. B. URUSKI: The premiums under All Risk were 23.7 million, that's a combined premium, Mr. Chairman, so that the member knows. That's not just the farmer premium, it's the federal/provincial. 23.7 under All Risk; 6.2 million on Hail Spot Loss; 4.6 million on Part 2 Hail; 20.23 million on the Livestock Feed Security Program.

MR. J. DOWNEY: For a total of?

HON. B. URUSKI: Roughly 34.7 million.

MR. J. DOWNEY: So there was, in fact, a shortfall as far as the crop insurance was concerned. That would be totally picked up by the province, or was there a federal . . . on that amount of money?

HON. B. URUSKI: Mr. Chairman, the excess indemnities were taken out of the Manitoba Re-Insurance Fund. That fund has now been depleted and we are in deficit of under \$2 million in the fund that we have had to put in, almost \$2 million in order to cover the coverage indemnities for last year.

MR. J. DOWNEY: If I understood the Minister correctly, that's re-insurance that's federal money, or . . . paid out on the major losses from last year, am I understanding correctly? Was last year's payout total

provincial money, backed by the province? Was that where the money came from?

Another question is, are the administration charges over and above the costs here? This is an additional \$4,680,400, that's over and above any operational costs or the loss factor.

MR. DEPUTY CHAIRMAN, S. Ashton: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, the question the honourable member raised last, I'll answer first. The administrative costs of the corporation are over and above, that is an accurate reflection. The re-insurance fund is made up this way. When the farmers pay their premiums, a portion, 15 percent of their premiums, both the farmer and the Federal Government contribute to the Canada Re-Insurance Fund and I think part of that same amount to the Manitoba Re-Insurance Fund. There is still an amount, as I understand, in excess of \$18 million in the Canada Re-Insurance Fund, however, the Manitoba Re-Insurance Fund is in a deficit. The province has had to put in \$1.2 million as an interest free advance to the re-insurance fund. As the premiums come in in the spring, that fund will then be replenished and that's how it will work, but the 18 million is still in the Canada Insurance Fund and that will remain there. If there are more claims than premiums, that will be depleted. But the hope is that we have a good crop and some of those re-insurance funds are replenished.

MR. J. DOWNEY: Mr. Chairman, I would concur with the Minister that it would be good to have a good crop for more than the reason of the Manitoba Crop Insurance, and it would be good to replenish some of the bins that have been emptied out because of the severe dry weather conditions and adverse problems that the farm community is having.

Mr. Chairman, my colleagues may have another question or two dealing with crop insurance, but I do think the Minister could have done a better job dealing with the provision of a feed security program for all the farmers in Manitoba, again, it's a commitment of our party that will be provided, and that the stumbling block and the blockage on that was due to the Minister's lack of desire to move more rapidly and provide the kind of program that would work.

As well, I'm sure through some pointing out of our concern, I'm pleased that the Minister has finally decided to provide crop insurance coverage for winter wheat. I think it's that kind of crop that has proven its way to a lot of farmers and deserves the kind of coverage that it should get. We will be watching very carefully in the coming months the administration and some of the changes that have been made and getting reports from the farm community as to their satisfaction with the crop insurance.

MR. DEPUTY CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Chairman.

I just have one question. I think the Member for Arthur has covered the territory pretty well. It answers most of my concerns, so I won't be repetitive and go over

them again. I just would like the Minister to confirm for me and my constituents that the move of the Crop Insurance Office from Minnedosa to Neepawa has produced the savings that he was projecting when that move was made?

HON. B. URUSKI: Mr. Chairman, I see the staff are looking for the information on that. The honourable member knows that in terms of the shifting of the office space that was done by the corporation that we were able to accommodate the Minnedosa situation in terms of a mutual agreement with staff to have our farm management specialist who was located in Neepawa and was driving from Minnedosa, it was actually a very good natural shift in terms of what the corporation wanted to achieve and what we were able to accomplish with our staff when we basically traded positions in the two communities and it worked out rather well.

Notwithstanding that, it was a decision that was made by the corporation without any interference and/or influence even though there was a lot of pressure to have myself interfere in that decision made by the corporation. I've indicated that the office in terms of Neepawa has accommodated about more than three-quarters of the farmers within that service district this year. I'm told that there are 823 insureds in that area and this year 664 farmers were met by agents in that area which was a good turnout and, as I understand it by these numbers, there have been, of course, some 74 new sales in the Neepawa area, so business has expanded.

I don't want to say that it was totally because of the office move. I know those kinds of moves are sensitive in terms of communities, that one tends to conjure up the death of a community when one or two people move out who have been long-time residents in the area. That's always difficult. I'm only pleased, Sir, that we were able to accommodate that move in a kind of a mutual transfer within our own department by using staff who were, I believe, more than pleased to travel from the area that they live and work out of their own area and to accommodate a corporate shift that the corporation wanted to do for many years now.

MR. D. BLAKE: I can thank the Minister for that answer. I can confirm that anyone living in that area, Mr. Chairman, is so happy to stay in that area that they don't mind travelling an extra few miles for employment because the people in the community are exceptional, of course, and make working conditions so pleasant in that area.

I wonder when the Minister is getting me the cost of the operation of the office if he might also confirm that they are still in the space that was allocated to them originally or have they expanded the office space in Neepawa?

HON. B. URUSKI: Mr. Chairman, I'm advised that the corporation did take new office space. They moved upstairs from the location that they were. They were downstairs and the Department of Agriculture has the downstairs office and Crop Insurance has the upstairs office in the building that they're in.

MR. D. BLAKE: Well, the Minister might provide me with the cost of the new office space because that

might shoot the argument of the cost savings in the original move a bit out of kilter. Maybe he could provide me with that information at the same time.

HON. B. URUSKI: We'll have to provide that figure so that we provide the full information. They don't have it with them. We'll get that for them.

MR. DEPUTY CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I'd like to pay some tribute to Crop Insurance. Maybe it was in response to the letter that was written by my colleague-to-be, Glen Findlay or, indeed, maybe officials within Crop Insurance that did finally put out a fact sheet, I believe, in early April was it or late March with respect to the various coverages. It was well laid out. As a contract holder, I can say that I found the information very specific for our area and, indeed, for the farm and I thought it was extremely worthwhile. — (Interjection) — No, it came out to me individually as a contract holder.

Now, Mr. Chairman, I'd like to ask the Minister a specific question with regard to the process of claim settlements. I had a number of constituents last year that suffered severe loss particularly within their flax crops because of the very severe hail storm that went through Southern Manitoba. It's my understanding that within the contract - I haven't taken the time to make myself totally familiar with it - I understand that there is to be a total completion of the claim process after 30 days, it was spelled out in the contract, if there was to be an agreement between the corporation and the contract holder as to some determination as to the potential claim, and that was to be arrived at within 30 days of the damage being sustained.

Now, in many flax crops that were severely attacked on July 8th, I understand that supervisors, field inspectors that came and looked to assess the damage, indicated to many farmers that they would not be prepared to enter into a final negotiated claim, that they would want to see and watch the crop develop. They called it a deferral in some respects.

What happened in many cases was that there was another bout of hail in early August and so if the crop was coming back to some degree, it was again hit with another bout of hail. It seems to me that, in many cases, contract holders experienced some loss because not only did they ultimately maybe lose the crop, but they had not been able to work it down in the first instance like they might have had some agreement been reached. They were asked by Crop Insurance - as a matter of fact no settlement was reached because the inspectors, field people, would not arrive to claim notice, that they wanted to go beyond the 30 day period spelled out in the contract. I'm wondering if the Minister could indicate whether the Crop Insurance have had those types of concerns expressed to them and can they indicate whether there is going to be an attempt to address those particular concerns or are there any changes forthcoming in respect to them?

HON. B. URUSKI: Mr. Chairman, it is a situation, as is explained to me by staff, that I'm not sure is very easy to resolve, in terms of how the member puts it

forward, in terms of having crop losses being adjusted for hail damage. It can actually work both ways. A deferral can in fact assist the insurer and/or, of course, confirm the inevitable, in terms of having the loss even worse. If the farmer would like to plough the fields down and work those fields, the corporation does allow that, but in discussion with the producer, what they try and do, depending on the size of the field, they try and obtain a strip across the field or maybe two, depending on the size of the field, in negotiation with the adjuster, kind of a representative strip of the loss that is there and that will be used to determine the extent of the loss in the period of deferment because there may be, the crop may rebound in some instances and in some instances it may be a total wipeout and that will be used as the confirming factor in determining the amount of exposure and of course the amount of loss that the insured sustains.

So it's not one that the corporation is that crazy about - let's put it quite bluntly - because it does delay things and farmers would like to have a decision on the spot and, in some instances, the corporation does not want to just make a spot decision because of past experience of seeing other crops rebound or come back as a result of losses; and, of course, should there be an additional hail storm through that area, then of course that is confirmed. The loss is there and of course the claim is paid; but it's usually by, if there is a question, the corporation asks for the leaving of a strip across the field that the loss has occurred and they try and assess it in a period that they give. I don't even know how long it is - 10 days, thereabouts, two weeks, depending on the stage of the crop as to how long they give it and that's basically the process that they use.

MR. C. MANNES: Mr. Chairman, the Minister misses two points. Firstly, I understand private hail insurance companies pretty well reach a settlement right at that particular date but, more importantly, the contract is signed and it's binding on both parties, makes a 30-day determination as to when that is to be reached.

I'll have to search that out. It's been indicated to me that it's 30 days. I'm not going to enter into great debate on it but, more importantly, certainly the Minister understands that there are many situations where farmers are prepared to take their loss if they know what it is and work the crop under because experiences of crop coming back, after being severely affected with hail in July, and yes, there may be a chance for a crop to come back, but it's being driven with much greater risk into that frost potential range and many farmers aren't prepared to take that extra risk. They may be more prepared to work the crop under and have the land in a condition ready for a crop the following year.

So I ask him whether crop insurance recognizes those variables that have been put forward by many policyholders and whether there is going to be an attempt to address them and whether there are any changes forthcoming?

HON. B. URUSKI: Mr. Chairman, precisely the point that I was making. If a strip is left and taking the analogy that he's given us, goes into the frost period, if that crop goes into the frost period, obviously the

corporation will have to adjust and the crop loss will occur as a result of frost damage, in addition to the loss that was there; so the coverage is there all the way through.

Is the member suggesting that the leaving of the strip is not an appropriate mechanism to do a follow-up for adjustment? Secondly, I checked with the officials. There is no 30-day limit, as the member suggests, in the contract whatsoever. There's no such a time limit, in terms of binding or whatever. I'm not sure what the honourable member, if he had heard about it, maybe he can bring it to our attention of how that 30 days or whatever the 30 days is, is being interpreted, I know of no such time frame that a claim has to be settled.

There is a cut-off date, in terms of how long claims should be filed, after what point the claims will be accepted, but I'm not sure what the 30-day significance is in terms of the present contract. But if the honourable member is making a suggestion for some improvements, some changes, I'd like to hear them because there may be some innovative means that issues of this can be resolved; but clearly I'm not sure that we would want to follow some practices of insurance companies, other insurance companies who are in the business.

I believe that many of the practices that crop insurance in Manitoba has pioneered, in terms of adjusting, many of the companies subsequently follow those procedures, so I'm not sure that we would want to go ahead and adopt somebody's practices when I believe it's generally recognized that the adjusting procedures and adjusting methods used by crop insurance are really leaders in their field in terms of pioneering and adjusting.

MR. DEPUTY CHAIRMAN: 2.(a)—pass. 2.(b) Canada-Manitoba Waterfowl Damage - the Member for Emerson.

MR. A. DRIEDGER: Thank you. I just have a few questions here regarding the waterfowl damage and the compensation agreement that is set up between the Federal and Provincial Government.

The figures indicate that the Federal Government covers half of that. I wonder, could the Minister indicate the arrangement, the procedure that takes place between, if somebody has waterfowl damage, do they apply to the Department of Natural Resources who then turn it over to the Crop Insurance Department who then make the assessment? Could the Minister maybe clarify that aspect of it?

MR. DEPUTY CHAIRMAN: The Minister of Agriculture.

HON. B. URUSKI: Mr. Chairman, I'm advised that previously to the change in administration and making the direct contact through crop insurance, farmers did phone the Department of Natural Resources, the conservation officers, and reported it, and that's the way it would be handled. Farmers can now phone the corporation direct and file their claim and I believe there's a \$25 fee that farmers do put forward as an inspection fee and when the claim is verified and there is a claim, that \$25 is of course refunded within the claim.

As I understand it, the procedure is that crops must be inspected when standing, swathed, sheafed or stooked but not thrashed. If complete crop loss, percentage of crop value, maximum of 70 percent per acre. If a partial loss, proportional to percentage damaged or percentage of \$70 per acre, whichever is less. That's basically the procedure that is used in determining the value or the dollar amount per acre of loss up to \$70 per acre maximum. That's been increased from - I think it was \$65 last year, and it's gone up to \$70.00.

MR. A. DRIEDGER: It is my understanding that if there is damage from wildlife, by bear, elk, or deer, that the Crop Insurance also does the inspection for - it is not covered necessarily under this agreement, but the Crop Insurance does the inspection on these. Would the same percentage apply and could the Minister maybe clarify how that system works?

HON. B. URUSKI: Mr. Chairman, I'm advised that insofar as big game damage to crops, the procedure is that farmers do contact the Department of Natural Resources and before Crop Insurance gets involved in it there has to be a confirmation, as I understand it, and all the administrative details, at least in the initial sense, have to be cleared through the Department of Natural Resources and then Crop Insurance become involved in the process.

MR. A. DRIEDGER: Would the same procedure apply where they have to pay a \$25 fee, when they have a complaint or a claim to the Department of Natural Resources? The Minister is indicating that the CO then goes out and does a personal inspection and if he feels it is justified that there could be a claim from wildlife, then the Crop Insurance is called in to do the assessment and the same percentage applies at 70 percent of the crop damage - that is what he gets compensated for - would that be the same procedure there?

HON. B. URUSKI: Mr. Chairman, I can't answer the specifics. I'm sure the member was in the Estimates of the Department of Natural Resources and would have raised those specific questions. As I understand it, the reason that the conservation people are involved is that they attempt to put into place preventative programs or preventative measures, of whatever source, to attempt to alleviate the damage for future years.

As I understand it - I'm not 100 percent sure - I don't believe that there is any cost-sharing from the Federal Government under that program and that's not part of our mandate in this discussion, Mr. Chairman, but we do do the adjusting. I can't tell you what the actual dollar damage amount is. I'm sorry I don't have that information. I'm sure the honourable member likely knows because he would have been at the Department of Natural Resources Estimates and would have gotten that from the Minister. — (Interjection) — I can't remember. I don't know.

MR. A. DRIEDGER: Mr. Chairman, the problem that we had in the Department of Natural Resources is the Minister said he had just gotten into that and he didn't

have all the information either, so I'm just trying to establish a little bit. What is the relationship between the Department of Natural Resources and the Crop Insurance - that's what I was trying to establish. How is this being handled? That is why I raised the question here because we've had complaints, bear complaints, elk complaints.

I'm wondering, do the Crop Insurance people also do the assessment in terms of the damage that was done by elk and deer during the winter months in terms of the peat situation? Was the Crop Insurance department involved in making those assessments or does that not fall under this category? The Minister maybe missed my question. Where bear damage or elk damage to sunflower seeds and spruce woods, stuff of that nature . . .

HON. B. URUSKI: It's not here.

MR. A. DRIEDGER: Well, we're talking about crop insurance here and the Crop Insurance people do the assessments and that's why I raise the question here. I don't want to be stonewalled on this thing, passed the buck on . . .

HON. B. URUSKI: Mr. Chairman, the Manitoba Crop Insurance Corporation's involvement in the program that he's talking about is strictly from an adjusting point of view, nonetheless. All we do is adjust and determine the percent of crop loss. As I understand it, the Natural Resources do pay on a different formula than is in the Canada-Manitoba Waterfowl Damage. They do pay a percentage of the commercial value of the crop. It's a completely separate formula, but the role of Crop Insurance is strictly adjusting.

MR. DEPUTY CHAIRMAN: The Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I have a few questions here. The Minister can either deal with it tonight or we can have committee rise.

MR. DEPUTY CHAIRMAN: What is the will of the committee?

MR. J. DOWNEY: Mr. Chairman, I can comment later. The opposition are prepared to accommodate the staff of the Crop Insurance. I realize they have to travel back to Portage, so we possibly can ask a few more questions. I will deal specifically with the waterfowl damage.

Has there been any move made this year to increase the dollar value that farmers are paid for crop loss? I understand it's \$25 from the feds and \$25 from the province. The last increase took place during our term of office prior to 1981. Increased costs and values of production, costs of production are increasing. Has there been any move made by this Minister to increase the compensation to farmers through waterfowl damage?

HON. B. URUSKI: Mr. Chairman, we are in the second year of a five-year agreement with the Federal Government under this program. The present level of compensation has increased to \$70.00. It is reviewed

annually, and as I understand it, the basis of the revision is - I guess what is taken is an average of the increase in dollars coverage per acre is used as the determining factor of what the coverage will be on the crop that will be covered under this program. In other words, last year the coverage was \$65 an acre; this year it's increased from \$65 to \$70 and that's how it will be done annually over the life of the five-year agreement. That's basically the agreement that we got.

MR. J. DOWNEY: Mr. Chairman, during the Natural Resources Estimates I had made some comments about whether the DU programs and the money spent to help encourage the production of ducks if the - and I'll ask this of the Minister of Agriculture. Does he, as Minister of Agriculture, feel there's any responsibility or should any responsibility by DU, Ducks Unlimited, to help pay for some of the crop losses that are incurred because of the increased populations? Does he have a policy position as Minister of Agriculture in this area?

HON. B. URUSKI: Mr. Chairman, this question goes far beyond the surface issue of just what Ducks Unlimited should be involved in. As the member knows, the Federal Government is involved in the International Migratory Bird Agreement with Mexico, United States and Canada; and, of course, Ducks Unlimited, as an international organization, has as its mandate, the propagation of migratory birds.

I have always felt that Ducks Unlimited should play a role in terms of compensation in Ducks Unlimited. However it can be in the form, because of the international agreement - Ducks Unlimited has attempted to use what funding it has for - I'm not even sure whether they contribute towards lure crops - and they may - I don't know whether they do. I'm not sure that it comes down to six of one or half-dozen of another, provided that the monies and the relationship that the Federal Government has with Ducks Unlimited and the province has with Ducks Unlimited, that in some of those projects that they are involved in, that there are dual benefits in terms of water regimes, water control. Because although there is a lot of debate and a lot of emotion on some of the projects that Ducks Unlimited have been involved in, there have been some successes.

I know in my own area, going about 12 years ago, Ducks Unlimited was or wanted to be involved in the regulation of a little lake called Swan Lake in the Municipality of Eriksdale. Initially, there was great opposition by the farm community to the project. However, I guess what I would say when the smoke cleared and the project went ahead, the farmers did agree. Really, it's been very well accepted, notwithstanding the damage that does occur.

I am advised here that Ducks Unlimited is helping to do some research on winter wheat to help develop winter wheat, and certainly it would be of benefit to ducks and would be of benefit to farmers. So, they are doing some good things but, certainly, I have been of the opinion that there is some onus on us and on Ducks Unlimited in terms of the propagation that they be involved in in compensation for losses that farmers half. That's always a debatable point even within government, within competing ministries, to say, no, if we're going to have a compensation program, we will

do it publicly for the losses that we have, and we will have some side benefits from projects that they get involved in in terms of water regulation and drainage. I certainly have been of that opinion that I mentioned earlier.

MR. J. DOWNEY: Mr. Chairman, I want to make one further point in this area and I want to make it to the Minister of Agriculture and to this Committee. I think that because of some of the difficulties that have been created, particularly coming from the side of the farm community, there has been somewhat of an unnecessary amount of frustration, and one would not want to use the term bureaucratic red tape, but I think that is probably where it's at when it comes to two departments carrying out what is almost dual responsibilities - the crop insurance; making the assessments and then the Department of Natural Resources making the payments - then I think it's incumbent upon government to try to streamline to some degree how the damages are assessed and how the damages are paid for by government. To put a producer through the hoops of having to deal with two departments of government, 1) the assessor and 2) the other making the payments is something unfair to the farm community. I regret that there wasn't probably more action taken during our term of office, but I would highly recommend that some of the red tape and some of the frustrations be removed by either the crop insurance taking on totally the administration and the crop damage payments or the Natural Resources Department.

I think it would be very helpful for people to understand precisely who they're dealing with. If not, I wouldn't expect an immediate position or decision made by this Minister, but I can assure you that given the opportunity to do so again, I would highly recommend that a committee of the two departments and of the farm community and the resources people put together a group of people to make recommendations to government as to how best compensation could be paid in the most direct and efficient manner possible. We don't have that setup today. I think there are some better minds could be put to it; I say from the Resources Department, I say from Crop Insurance, I say from the farm community; from the people who are involved in the resource management in the private sector; that there should be a look taken at how best compensation could be paid for both wildlife and for other crop losses.

I would encourage the Minister and would be very supportive of that kind of a committee to be put together to make recommendations to cut down some of the frustrations and the difficulties that the farm community would have.

Mr. Chairman, with those comments, I'd be prepared to pass the Crop Insurance Corporation so that the people who live in Portage la Prairie may proceed home and not worry about coming back tomorrow.

MR. DEPUTY CHAIRMAN: 2.(b)—pass.

Resolution No. 7: Be it resolved that there be granted to Her Majesty a sum not exceeding \$4,680,400 for Agriculture, Manitoba Crop Insurance Corporation—pass.

Committee rise.
Call in the Speaker.

IN SESSION

The Committee of Supply has adopted a certain resolution, directs me to report the same, and asks leave to sit again.

MR. DEPUTY SPEAKER, D. Scott: The motion before the House is that the Report of the Committee be received. Is it agreed? (Agreed) Agreed and so ordered.

MR. S. ASHTON: On a point of order, Mr. Speaker, I believe I have to move the motion before it's passed.

MR. DEPUTY SPEAKER: The Member for Thompson.

MR. S. ASHTON: I move, seconded by the Honourable Member for St. Johns, that the Report of the Committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

HON. A. ANSTETT: Thank you, Mr. Speaker.

Mr. Speaker, I beg to move, seconded by the Minister of Agriculture, that the House do now adjourn.

MOTION presented and carried and the House accordingly adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).