

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 6 April, 1982

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Harry M. Harapiak (The Pas): I call the committee to order. We're on Highways and Transportation on No. 3. Planning and Design. 3.(a) Salaries.

The Member for Assiniboia.

MR. RURIK (Ric) NORDMAN (Assiniboia): Mr. Chairman, in my Throne Speech I did mention the fact that I had a concern about the Trans Canada Highway west of the Perimeter, and to the Minister, can I assume that the proposed plan submitted by Damas and Smith last year can be considered as being abandoned? And if so, is there any consideration going to be given to paving, possibly the shoulders, or maybe even more adequate lighting from the Perimeter all the way to the Headingley area?

MR. CHAIRMAN: The Honourable Minister.

HON. SAMUEL USKIW (Lac du Bonnet): Mr. Chairman, that whole question is still a matter for discussion and I would have to say quite frankly and candidly that I have not taken any time at this stage to review the findings of the consulting firm. It's not, of course, something that's going to be looked at in the current year's spending. There are many alternatives that are being looked at with respect to that section of Trans Canada and the dollars that one would have to approve for whatever takes place by way of a new route are such that, I believe, we do have to look for alternatives and, at least, have that determined before we decide on going the new route.

MR. NORDMAN: I do know, Mr. Chairman, that the zoning officers of the City of Winnipeg are holding up quite a few decisions along the present Trans Canada with properties there as to their development and so on, and I do think that I would appreciate it if you would, seriously, take a look at it and come up with some kind of a decision. I know that the alternate plans — I think there were three alternate plans that were drawn up — and there was a great deal of dissatisfaction amongst the people, particularly in the Town of Headingley, as to what was going to happen there. But I still feel, myself, that the best plan really is to do something with the existing road and upgrade it in some manner and, I sincerely believe, Mr. Chairman, that the lighting that was added to that stretch has certainly been a big help. I think if that area was lit right from the Perimeter to the Town of Headingley I think it would alleviate a lot of the problems that are there.

MR. USKIW: Well, yes, I guess I misread the comments. I assumed that you were expressing a bias for a new location or a new route, and I kind of think that's

an expensive proposition. But so far it's been my own preference that we try to do something on the existing route for the reasons of dollars. But I'm not locked into that position; that is my own particular preference at the moment.

MR. NORDMAN: I have another concern which will come up under, I guess, Construction or under Maintenance, but I really sincerely hope that you will take the time to take another look at this and maybe not for this year but for the following year. One of the things that I think was a good move that was made when we reduced the speed limit to the 70 km/h that they red-flagged every one of those signs and I think possibly that could be looked at again, I think some of those signs are down, the red flags. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. GERIE HAMMOND (Kirkfield Park): Yes, Mr. Chairman, on the same road, the safety factor is such that in my constituency the Blumberg Golf Course complex is the home field for our soccer players, and we've got carloads of kids sitting out on the highway, and they really need the holding lanes as far as left turns go. That's pretty horrendous to sit there with a carload of kids and watch the traffic come barreling down on top of you. I think that if anything possibly even at that particular intersection, could be done this year that would be a help and is certainly something that, I think, just from the safety factor alone on that one area. I know there is more that the Member for Assiniboia could quote, certainly, in the Headingley, as far as the school buses go. But the car situation is very bad out in our area and we certainly would appreciate some swift action as far as that Blumberg turn is concerned.

MR. USKIW: Well, I know the area in question, I travel it quite frequently and I happen to concur with everyone that expresses a great deal of concern about the traffic situation on that stretch, and to the extent that it's possible, I hope we can do something this year. I just don't know what the logistics are offhand, and whether we will be able to do something this year or not I can't commit but we're going to make the attempt to make improvements if we decide on a course of action. So the first decision to make is to decide which direction we are going to go vis-a-vis that report; if it's the direction of upgrading the existing, then it's possible we might be able to do something even in 1982 but I'm not in a position to be more definitive than that at the moment.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. LLOYD HYDE (Portage la Prairie): Thank you, Mr. Chairman. Mr. Minister, last evening I drew to your attention some of my concerns. First of all my appreciation of the fact that you have plans for completing that road construction on 1A west of Portage la Prairie, the approach to the city. I appreciate that

and I also mentioned to you about the urgent need of control lights.

Now, Mr. Minister, I would just like to touch on the subject that I and the Mayor of Portage and his Council have been working on for some numbers of years now, 3 years, on the upgrading of Saskatchewan Avenue. I spoke with you earlier on this. However, Mr. Minister, I want to stress the fact that the condition of our Main Street in Portage la Prairie is really deplorable and needs upgrading. The Mayor and the present Council have agreed to the necessary upgrading of our underground surface water drainage system and are ready to accept the planning, I suppose you could say, on design on the avenue today and I would urge that you give every consideration to the completion of the Saskatchewan Avenue in Portage la Prairie.

MR. USKIW: We did touch on this a couple of days ago, or was it yesterday? Did we begin yesterday? Yes, this was discussed yesterday and I though I did indicate that we had to forego a meeting with the Mayor because of the Estimates review and pre-empted that meeting, but that I will be undertaking to meet with the Mayor of Portage la Prairie as soon as I have an opportunity. As I understand the nature of the project, it is really two-fold: one is, the excavation work has to be undertaken by the City of Portage, which wouldn't be undertaken unless there was a commitment to recap the surface, so I can understand the context in which we must make that decision. It has to be a joint effort and a joint program, so that discussion will take place and I just don't know what the result will be so far as timing is concerned.

MR. HYDE: I appreciate what you're saying and, as I said earlier, the city does have the necessary funds set aside to complete the underground drainage system, which is only natural that should be looked at first.

I would like also to speak on the Lynch's Point Road to the Lynch's Point Beach. That's on Highway PR 242. Mr. Minister, I have correspondence here dating back to 1979 in regards to that proposed improvement to that short distance — I believe, something like 10 miles I believe it takes in — and I have, I believe your department has a petition signed by some 17 of the 18 property owners that face that proposed route. They are urging me to put pressure on the department to give every consideration to their proposal. They are not against the improvement of that road but, however, they do not want to see the proposed plan to go ahead, that is, of destroying the scenic route that leads from No. 16 Highway north to the Lynch's Point Beach. That is a beautiful drive and the proposed route, as I understand, will take away from the beauty of that route and, in the opinion of the property owners who have been there for umpteen years, I guess, they have said that it is not necessary to destroy that particular scenic route. They will, and are ready, to submit their property, the necessary frontage, to straightening out some of the hazardous curves that do show up on that particular four or five miles, but they do not want and they urge that the department give them every consideration when it comes to a decision being made on that construction project.

MR. USKIW: Well, Mr. Chairman, there is carry-over work. On page 6 you will notice 6.8 miles of acquisition of right-of-way and then you'll see ten miles of acquisition of right-of-way, and then there is another eight miles in new work that we are voting on this year. So, I believe, we are addressing the concerns that the member is raising.

MR. HYDE: On what page is that additional . . .

MR. USKIW: On the new program — page 21. Oh, that's 2nd Lift Construction Gravel; that's Somerset. No, that's not the area is it?

MR. HYDE: It's north of 16.

MR. USKIW: Yes, yes. Okay, the new one is at the other end, but on the carry-over there is 16.8 miles of acquisition of right-of-way; if you look on page 6 of the carry-over program.

MR. HYDE: Mr. Minister, what I would like to draw to your attention at this time is to give every consideration to the request of these property owners in that area to not destroy the beauty of that particular section of the road. It runs parallel to the Willow Bend Creek and it is really a pretty drive and it seems to me so unnecessary at this time to destroy that. As I say they are agreed to sell the necessary property to straighten out some of their hazardous curves, but they do not want to see a proposed alternate route included.

Mr. Minister, I'd like to also speak to you, on page 11, No. 430 - Acquisition of Land North of 227 on the St. Ambrose Beach Road. I have taken and been in contact with some of the people in that area and they do hope that your acquisition of land will continue there and include straightening out some of the severe right angle turns that are on that particular stretch of road that is hazardous to the people and — (Interjection) — To slow the traffic down. Right, it's been brought to my attention that's right that we must be careful of that turn.

But, however, I have been through that particular area and I can quite understand their concerns when the proposed development of that new road does take place that you consider the disastrous curves and right angle turns on that road.

MR. USKIW: Well, Mr. Chairman, the member is aware that we have acquisition of right-of-way of that section from 227 to St. Ambrose Beach in the program so that I don't know what is at issue excepting the other comments that the member makes. Logically, when we reconstruct, we do try to refine the curves, if you like, and improve the safety of the highway in question, so I take that as a given in the reconstruction project.

MR. HYDE: Mr. Minister, if it's fair to ask you, have you seen the plan for that particular stretch of road?

MR. USKIW: No, I haven't.

MR. HYDE: Well, I'm sure, once you do have the opportunity and time to take a good look at it that you

will understand the need of upgrading that particular chunk of road.

While I'm speaking on that 430 road, I notice, by the information that I've received, the Highway Construction Program for '82-83, there is an area there of something like 8 to 10 miles that was upgraded. The grade was put up a year ago; there was a new bridge opened over the Assiniboine River and named by a leading resident of that particular area. The Mr. Ben Bridge it's known as today, and I notice that you have not included the completion of that section of road which is recapping, putting the asphalt on it. I hope that you will see fit to complete that section of road in the near future.

One more item I would like to speak to you at this time about and it is the access road to the Village of Macdonald, on page 3. This is something that — it has been a dangerous curve there — is right on a curve and I'm glad that it's going to be corrected both for myself and for the residents of Macdonald. I can't relate whether there's been any tragic accidents right at that particular point but it is an area where you must be very careful when you approach Highway 16 from the Village of Macdonald.

MR. CHAIRMAN: I would ask the members to wait until you are recognized because we are recording for Hansard and they are having problems identifying the speakers, so I would ask that you wait until you are identified.

MR. USKIW: Well, Mr. Chairman, there is only one point that I would like to raise. It doesn't really matter to me where we discuss the road program but we are really not at that item. It's another resolution way down in the Estimate Book. If it's your preference to deal with them now I have no objection; I just thought I'd make that observation.

MR. HYDE: Mr. Chairman, I guess maybe that's as far as I'll go at this time, but I do have a couple of others items that I want to bring forward to the Minister at a later date.

MR. CHAIRMAN: The Member for Assiniboia.

MR. NORDMAN: Thank you, Mr. Chairman. I am very pleased to see, on page 4, that the great improvements — base asphalt surface treatment — on the frontage road from St. Charles Street West is going forward. I believe it was started last year but it was not completed and I must comment that I'm very pleased that this is going to be carried forward.

Last fall I did speak with the previous Minister, as well as with the Deputy Minister, with regard to the access to Augier Avenue off the Perimeter. I know that this is a heavily trafficked of the Perimeter; I think it's something like 18,000 cars by that area in a 24-hour period, but if and at one point in time there was consideration given to closing access to Augier completely which would have diverted all the traffic that enters into that part of St. Charles, would force them to enter by way of Portage Avenue and that would be only one access into an area of about 470 homes, only one entrance and one exit and in event that there would be an accident on the corner of Portage and St.

Charles Street, there would be actually no access to it for emergency vehicles. This is what our concern has been.

Now, I know the City of Winnipeg has been trying to come up with an alternate entrance. I chose to attend their community committee meeting here about two weeks ago and the access that they are talking about isn't particularly viable I don't believe. The people that own the trailer park there adjacent to the Perimeter, they would have to go all the way through the whole area before they would arrive at their homes and the owners came with Damas and Smith who they have hired to consult with them and try to come up with a proper entrance and exit. My suggestion has been that it be right turns only allowed into that area.

The one thing that maybe the Minister and the Deputy Minister are not aware of is the fact that Glendale Country Club — this is most of the people that are members at Glendale Country Club and that is in the vicinity anywhere from 450 to 600 members — most of them live in the River Heights-Tuxedo area and this is the access that they use to their golf club and that would be additional over and above the normal flow of traffic of the residents there that all summer long these people are in and out of there at least, well, it's a heavily-used club. So I would urge that you, before the building season starts again, that we do resolve that in and out of Augier.

The Streets and Transportation Department of the City of Winnipeg is willing to meet with the consulting engineers and the Highways Department in order to help resolve it.

Really, that's all I have on that unless there's something that you would like to know further, but I'd be willing to meet with the Highways Department and would encourage Damas and Smith's input on it because this is something that has to be resolved before the building season starts.

MR. USKIW: Mr. Chairman, I don't know the timing on these things, but I do know that is part of the Damas study area and part of the recommendations are at least involved there. I don't know whether they're the same recommendations as what I have heard here tonight, but we will have to look at that whole package. I have to admit that I have no particular knowledge about that particular area. I just have not had time to go through it in that kind of detail.

MR. CHAIRMAN: The Member for Gladstone.

MRS. CHARLOTTE OLESON (Gladstone): Thank you, Mr. Chairman, the concern I have is with the lighting at the junction of Highways 34 and No. 1 at Austin. There have been several really serious accidents there and I have some concerns about that have been expressed to me by several of my constituents in that area. I was wondering if you have any plan to put some lighting at that intersection?

MR. USKIW: My Deputy and I are comparing notes on it — mental notes — and it seems to me I recall a discussion on that very point, but I don't remember a decision. I think we have a report on the location and the very question you're raising has been discussed or recommended on. I just can't remember what hap-

pened, whether we said yes or no —(Interjection)—

MRS. OLESON: Perhaps I can have an answer.

MR. USKIW: The Deputy confirms that he thinks that we have decided we could put some lights in there.

MRS. OLESON: Put some lights? Thank you.

MR. USKIW: I know I recall discussing it, but I don't remember his position on it.

MRS. OLESON: Another concern my constituency has is the Provincial Road No. 352 which goes south of No. 1 at Sidney. That road is in very poor condition. The top of the road itself is below the height of the ditches, which without too much imagination can tell you what happens when there is a severe snow storm. There's a great difficulty with school vans and just general traffic on that road if we have any amount of snow in the winter. I was wondering if there's any plans to redo that road?

MR. USKIW: It looks to me like we have a section on 352, but it's immediately south of No. 16, there's 13.2 miles shown on Page 21 for survey and design work, but that's from 16 south and yours is from what point did you say?

MRS. OLESON: From No. 1 Highway south at Sidney.

MR. USKIW: Oh I see, you're south of No. 1 again. No, we've got nothing in the program for that, that I'm aware of, at the moment we haven't any.

MRS. OLESON: I would ask you to have a look at that section for the future because it is in need of some work.

MR. USKIW: Just to confirm, that's to take off from 34, is that it? From Highway 34?

MRS. OLESON: No, from No. 1.

MR. USKIW: To Highway 34?

MRS. OLESON: It runs parallel to 34.

MR. CHAIRMAN: I'm sure that Hansard is having difficulty recording this.

MR. USKIW: It's an L-shaped situation here, it comes south about several miles and goes east to 34.

MRS. OLESON: Yes, I realize that. It's the part immediately south of No. 1 that is the main problem.

MR. USKIW: I'll make a note of it.

MRS. OLESON: Also, Mr. Minister, I'd like to ask if you have any plans in locating a bridge at either Stockton or Treesbank on the Assiniboine?

MR. USKIW: There are no plans for this year. In fact, I really have expressed some negative opinions about the amount of expenditure on a bridge at that loca-

tion. That's not a definite answer, but it's an impression that the traffic flow there just raises the question of whether we should spend that much money on a bridge, but I haven't closed out the idea; don't get me wrong.

I do recall discussing it with staff and I was not terribly impressed with the need for it basis the traffic of the area. You might be able to impress me, but at the moment I haven't been impressed with the urgency of that one.

MRS. OLESON: Well, I raise it because, of course, it's raised to me by the community. There was a great deal of talk and there were some surveys done apparently. Of course, that immediately sparks local interest and the question is where. A great many of the farmers in the area are concerned because they haven't got easy access to some of their land, which is on the other side of the river. Well, of course, I would go along with the fact that's a pretty expensive way to get the machinery across, but there isn't a bridge between Brandon and the No. 5 as far as I am aware of. So that is a large area that is not serviced by a bridge.

MR. USKIW: What I would like to determine before we decide on that eventually is the alternate routes that are available that would reduce the need for a bridge if possible, and there, that's being dollar conscious again. If it isn't possible to do it that way whether or not there is sufficient use to warrant that kind of expenditure, and I'm not impressed to this point there is. You know bridges are terribly expensive components and next to cloverleaves I think they're the enemy of the expansion of miles of road. In any event we've noted your comments.

MRS. OLESON: Thank you.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. BRIAN RANSOM (Turtle Mountain): Mr. Chairman, I have a number of questions dealing —(Interjection)—

MR. CHAIRMAN: I'm sorry, the Member for Assiniboia was next. —(Interjection)— Okay, Turtle Mountain.

MR. RANSOM: Thank you, Mr. Chairman, perhaps I'll put these one at a time and let the Minister respond to them. Could he advise me what is the state of planning with respect to re-construction, the re-alignment of the bridge on 346, across the Souris River, north of Margaret?

MR. USKIW: I'm not aware of any program in that area, Mr. Chairman.

MR. RANSOM: Well, I realize that there's nothing included by way of a construction program. I'm wondering at what stage it's in in planning and design?

MR. USKIW: For a bridge or for a road? Which is it?

MR. RANSOM: Well, Mr. Chairman, it's a bridge and a re-alignment of the approaches.

MR. USKIW: Oh, I think I know, we discussed that. I know there was some discussion of it, Mr. Chairman, but I believe we decided to put it on the shelf for the moment.

MR. RANSOM: Mr. Chairman, then the next one would be at what stage is the planning for the resurfacing and strengthening of Highway 10, south from Boissevain?

MR. USKIW: I presume from that line of questioning that there is nothing in the program, is that it? If it's not in the program obviously it's not going to happen this year, Mr. Chairman.

MR. RANSOM: Well, I know that it's not going to happen this year, Mr. Chairman. What I'm asking about is, at what stage is it?

MR. USKIW: Well, all right, the member is asking what stage, which implies that there's some continuation or some program under way. I'm told there is no program under way at the moment. It's really a question of prioritization.

All right, Page 16 — I'm told to look on Page 16. Oh, there's 15.8 miles. If you're talking about the U.S. Border south limit of Boissevain of grade widening and shoulder gravel and a structure.

MR. RANSOM: I'm sorry, Mr. Chairman, that's the one that I'm referring to.

MR. USKIW: Okay, that's where it's at anyway.

MR. RANSOM: Further then, is there something which I may have missed here on No. 3 from 10 to 18.

MR. USKIW: Would the member give me the location again?

MR. RANSOM: On No. 3 Highway from 10 to 18.

MR. USKIW: I don't see anything in that area, Mr. Chairman.

MR. RANSOM: Was there some preliminary planning in process for the resurfacing or strengthening of that stretch?

MR. USKIW: I just want a moment to take a look on the map. There are no notes on it, Mr. Chairman.

MR. RANSOM: Mr. Chairman, I was under the impression that there had been at least some preliminary work done on that because Killarney doesn't have, when the restrictions are on, access by highway that allows for the 350 pound restriction and the strengthening of that highway would be the most logical way to provide that service to Killarney.

MR. USKIW: The project that we have in that area is really 3 and 18 which is 12.1 miles and .6 miles. U.S. border north-junction PTH 3, that's a Basin AST pro-

ject. It takes us from the border to Killarney, that's right, and you're talking about the stretch from Killarney across to No. 10. No, we have nothing there at the moment.

MR. RANSOM: Then, what about on PR 253 west from Glenora, I think there is a stretch of about 5 miles there that the people have been pressing for some surface work to be done, is that anywhere in the list for prioritization in future years?

MR. USKIW: From what is the location again?

MR. RANSOM: West from Glenora.

MR. USKIW: I wonder if the member might give us some direction as to location, which town is it nearest to. I'm trying to find it on the map and I can't find it. I have found it, that's straight south of Spruce Woods Provincial Park.

MR. RANSOM: Well, Mr. Chairman, I've one other question and perhaps the staff can check that to see if there is any reference in their files to any work being planned there. Perhaps this isn't exactly the right place to raise this but I'm hoping the Minister will deal with it. There is a question of lights being put on the railway crossing of No. 5 Highway at Cartwright. The local councils there feel that this is a particularly dangerous crossing especially when being approached from the north and I'm wondering if the Minister is at all familiar with that problem if he has had any discussion respecting it.

MR. USKIW: My advice is that we don't have any knowledge of it, although, it's possible our traffic engineer might but we're not aware of any suggestions regarding it.

MR. RANSOM: I wonder if the Minister, Mr. Chairman, would inquire about that problem. I understand there has been some assessment of the traffic there and I know that there was some local concern that because at least one of the traffic surveys was done in the middle of January that the councils felt that it was rather a bad time to assess the traffic flow when it's mid-summer especially when traffic is heaviest there because there is quite a lot of tourist traffic that comes from the south. So I'd appreciate if the Minister could look into that and advise me of what the status of that request would be.

MR. USKIW: We've taken a note of that, Mr. Chairman, whatever questions are unanswered here we will get back to the members later on when we have derived the information.

MR. CHAIRMAN: The Member for Pembina.

MR. DONALD ORCHARD (Pembina): Mr. Chairman, just a couple of questions on a number of projects that are in the planning and design stage. First of all, on the Headingley Highway stretch. Has the Department of Defence replied to a request we made to them about some land on the south end of that, I assume it's a communications tower, property? Have they replied

formally on that yet?

MR. USKIW: I am not aware of any correspondence, Mr. Chairman.

MR. ORCHARD: I think if my memory serves me correct that was one of the things that the Director of Planning and Design was going to check out, he was making an inquiry of CPR and he was also making an inquiry of the Department of National Defence to see. I wonder if the Minister might be able to follow that up. That's involved with that alternate route which all of us had some problems with.

MR. USKIW: Yes, apparently there was some inquiry but we don't have the results of it to date. We'll take that question under advisement.

MR. ORCHARD: Thank you, Mr. Chairman, another question also, if I recall the planning rationale for going off location it was something along the lines that quite likely the CTC (Canadian Transport Commission) would not approve the widening of the crossing, the level crossing, on the CPR tracks at Headingley and we made some inquiries as to find out whether CPR believed their train frequency would increase dramatically in the next, say 10 years or so, and they indicated to my knowledge that it wasn't going to increase dramatically. I think, once again my memory may not be correct, but I believe there was to be, once again, by planning and design a follow-up to see if CTC might approve level crossing improvements, which would allow us to stay on in the existing location. Do you know whether those inquiries have been made and the any results from them?

MR. USKIW: I am advised that we are expecting an answer almost any day on that, but we haven't got it yet.

MR. ORCHARD: Thank you, Mr. Chairman, just one question, the problem was presented to me of remaining on location was the physical traffic separation on the existing lanes. And we've got those concrete barriers on certain sections of the south Perimeter. After a winter's experience, would the Minister think that might be an alternative to be considered on that Headingley stretch?

MR. USKIW: Well, I don't have a report on what did occur this winter, although it's been a very light winter in terms of snowfall. So it's not the best year to use as a barometer, so to speak, that's the very question I raised when I found out that we had such structures built. What is going to happen with winter snow and so on, I don't know if there is an answer to that or whether we can determine it at this point in time.

MR. ORCHARD: A general question on the planning of, particularly, provincial roads and their upgrading. Is the Minister contemplating any change in the standards to which provincial roads are upgraded in right-of-way requirements that have been under discussion for various groups for a number of years?

MR. USKIW: Well, I think I tried to impress the com-

mittee earlier on with a statement that, for this year I undertook that there was no time to look at policy areas and that we're going to proceed with a road program which was part way in the making when we assumed responsibility and that the policy discussions for the department will take place between sessions for the next year. That's essentially what I am doing; I really have not had the time to spend on a great deal of policy discussion.

MR. ORCHARD: Thank you, Mr. Chairman. We'll look forward to hearing the Minister's views on that this time next year, I guess.

Could the Minister indicate if the Dauphin by-pass is proceeding. My recollection is that we were going to do a truck-traffic count to see how many trucks might potentially use a by-pass if it was in place. Does the Minister know whether that traffic count was successfully completed at the scale in Dauphin and whether the results indicate a need for a by-pass in Dauphin?

MR. USKIW: Mr. Chairman, I don't know what a traffic count would do but my visual experience was that there ought to have been one years ago. Anyone travelling through on No. 5 would appreciate the problem of getting through town and back on to the main of the highway at the other end. The configuration of streets that one must use, and jogs, and so on, right through the main traffic flow is such that I don't believe we even need a study to conclude that there ought to be a by-pass. The latest on it, however, is that I believe there is shaping up a consensus between the rural people and the Town of Dauphin on location. That development is quite recent and if there is that kind of consensus I'd be inclined to move as quickly as one can move towards accomplishing that project. But we have yet to hear some of the people make their views known to us.

MR. ORCHARD: Is that consensus on location consistent with the right-of-way that been acquired for about 10 years now, that we've owned for about 10 years?

MR. USKIW: I gather there's a new consensus shaping up, between the town and the RM and other interested people which could mean a trade-off of some properties. I think the properties that we would use are owned by the same person from whom we've expropriated the existing right-of-way so it probably would not be difficult to trade off acre for acre, so to speak. But I was given to understand about a week ago that there's going to be sort of single mindedness on location there before very long as between the town and other interested groups.

MR. ORCHARD: That new location, at one time, I believe the Reeve of the RM of Dauphin, had envisioned a by-pass which would basically be an extension of No. 5 straight west to intersect with PR 274. Is that the kind of consensus that's fast approaching?

MR. USKIW: No, I've seen the proposal but that is not the current consensus that seems to be developing.

MR. ORCHARD: That is a very interesting development of consensus. I'll look forward to seeing that. I notice there is nothing in the budget this year for — by the way, I assume the Minister is going to try and make an even-Sтивен swap and use his best negotiating ability.

MR. USKIW: The developments there are of such a nature and the stage that they came after this program was put in place, so really I've had no opportunity to reflect that in this program that there is going to be a change.

MR. ORCHARD: Whilst I had the opportunity of doing some travelling in the country we met with officials, and I forget which RM it is, but we met with them to talk about PR 354 which goes north from Strathclair through the Little Saskatchewan River Valley and there's been a longstanding plan there. I guess this must go back six or seven years. There was a design that was proposed to go through the Little Saskatchewan Valley there and I think, legitimately, the RM objected to the plan because it was striking out a new road and going to take up, if I recall correctly, about two miles of new road construction across some pretty good farm land.

I think it was during the summer of last year I had the opportunity to take a look, firsthand, at that area, and I think we came up with a fairly reasonable alternative that the Reeve of the RM thought would work out quite well. It involved using a lot of the existing route and then striking out, if I can be approximate in the area, at a point approximately where the PR 354 went west through the valley and up the valley to make a further turn back south. The proposal was to go up a small coulee and across the field and the path across the field would go through a slough which isn't being farmed. The whole proposal took a lot less land; it looked like it would straighten out some of the curves in the valley; it seemed like a pretty logical plan and I know I had indicated to Planning and Design to have a look at it, survey it, and see if they couldn't get on with finalized plans so that construction could take place because the road did need to be upgraded. Would the Minister know if there's a current status on that proposal that was made to Planning and Design?

MR. USKIW: Mr. Chairman, I know that there have been discussions. I also know that there is some negative response to some of the proposals that were put forward but I really can't comment on it. I don't think there's anything in the program here. The location question is not yet resolved.

MR. ORCHARD: Thank you, Mr. Chairman. I wonder if the Minister might make an inquiry, a routine inquiry as to the status of that and possibly report back. It doesn't have to be whilst these Estimates are on, but at a later date, because I really think sort of the compromise position that I had suggested by letter to the department would resolve a lot of the concerns that everybody had on it and give them a pretty safe road.

On PTH 75 south and the project of the twinning, there was some concerns identified and an alternate plan was, in fact, reviewed by Planning and Design. Has the final plan been accepted by the Minister to

take 75 down to Ste. Agathe, that last six, seven mile leg, is the plan finalized for that?

MR. USKIW: No, that particular area, we have not. I, quite frankly, haven't seen the plan. We are proceeding with the twinning of 75, I believe, up to St. Adolphe on the first leg and I guess that's what is reflected in this program. There's no mileage on here. Yes, we're going ahead with that 4.7 miles.

MR. ORCHARD: I don't think that is quite the area.

MR. USKIW: No, I know it is the next leg.

MR. ORCHARD: Right, and it involves the CKY tower, the television towers there. I think the design they were taking a look at was to go to the west side of the towers with the south-bound lanes and I just wondered if that plan had been drawn and any costs pulled together on it?

MR. USKIW: No, the decision that we took was that we were going to limit our discussions given the time frame we were working in on the first leg of the 75 project, and that once we clear away this part of our responsibility we will have more time later to develop the next thrust and that'll be between now and the next year's program or before the next year's program is finalized.

MR. ORCHARD: Were some of the access problems on — like various farmers had concerns over the spacing of accesses, I believe from the service road to the highway lanes — there were some fairly legitimate concerns. Does the Minister know whether those were resolved to the satisfaction of the landowners?

MR. USKIW: I have to admit I have no awareness of those concerns, whatever, Mr. Chairman.

MR. ORCHARD: If I could just offer some advice, I think some of those concerns are pretty legitimate, and if the Minister could find some time in the next little while and see if they could be resolved, I think they were legitimate. In the twinning of Trans Canada has a design been achieved for the Oak Lake area and the Town of Oak Lake on Trans Canada.

MR. USKIW: No, not yet, Mr. Chairman.

MR. ORCHARD: There has been a longstanding study of the traffic needs between the two communities of Morden and Winkler and a four-lane design was in the drafting stages, I suppose, for better than two years. Could the Minister indicate whether there has been a plan finalized on the so-called Morden-Winkler corridor?

MR. USKIW: No, I have not seen that plan yet, Mr. Chairman.

MR. ORCHARD: I wonder if the Minister might be able to provide me at a later date the status on it, how close it is to completion. I have a certain amount of interest that and wouldn't mind sitting down with the Minister and taking a look at the plan

with him when it's available.

MR. USKIW: Well, Mr. Chairman, I don't know when it will be available, I presume it's something that's been worked on, but I have no hesitation, no problem with that.

MR. ORCHARD: The Minister will find on file letters from a number of communities in the general area of Winkler say to Altona and the RM's involved there, of Rhineland and Morrison, and their concern was an alternate north-south road in the vicinity say of 336 or thereabouts, which would help to provide possibly a reasonable alternative to twinning 75 highway, for instance, south of Morris. It was just in the early concept stage, there was no planning and design even considered when I had that responsibility, but I think the general concept was a reasonably good one because often times 75 Highway can be flooded out and cause a fairly major diversion of traffic through Carman to get into the Winkler-Plum Coulee, and Altona areas. Would it be the Minister's intent to pursue preliminary design this year or next year on that alternate north-south road concept?

MR. USKIW: Well, Mr. Chairman, I did receive some delegations on that one. I can understand the thrust behind what they are saying. They are making the argument that the traffic flow on 75 would be substantially reduced and so on. I'm not sure that I totally agree with the volume of reduction they are talking about.

Secondly, No. 75 is, indeed, the main route into the United States and I don't think that any other approach is going to alter that fact. I'm inclined to think that 75 should have the priority on twinning. That's an intuitive position on my part. I don't know how many highways we can build side by side that require the tonnage capacity that is needed for that particular traffic area. There are tremendous tonnages of product that is moved from that area into Winnipeg via 75, which would then move via No. 30 through to No. 3 and into Winnipeg.

We've upgraded a number of key highways in Manitoba to higher load limits, but if you're going to build new roads or re-construct new roads and have those high limits available on those roads it means you've got to spend an awful lot of money per mile. That's a trade-off, because the other option is to make those few extra miles and use the existing road. Now if you're saying forget about twinning 75 and give us a road to No. 3, that's fair, I'm not sure if it's the right decision but then maybe you're talking about the same dollar rather than additional dollars, but it indeed involves a trade-off.

MR. ORCHARD: I note in the planning and design the extra lanes for the by-pass around Brandon are, I think, in survey and design. That will include another crossing bridge over the Assiniboine?

MR. USKIW: That's the west end of Brandon, yes it would involve another bridge.

MR. ORCHARD: Is that planning and design inclusion a result of the Brandon area traffic studies. Is that

one of the recommendations that were finally made out of that Brandon area traffic study that we commissioned a couple of years back.

MR. USKIW: I would tend to think that it's independent of that study although it maybe coincidentally identical. I don't know if it is identical. I don't have any idea as to what the Underwood McClellan Study was saying. No, it's not part of the study, apparently, Mr. Chairman.

MR. ORCHARD: One project that's very near and dear to my heart that I discussed with the Minister of Natural Resources briefly was completion of grading on PR 240 which is south of 23 Highway. They're grading about, I believe 11 miles or 12 miles, which will be completed on a contract let last year. The last two miles approximately, which are immediately south of 23 Highway, go through a fairly deep ravine which is actually the headwaters of the Tobacco Creek and it occurred to the Reeve that whilst we're upgrading that road it might be an ideal time to undertake a project similar to a project undertaken in North Dakota called — I believe it's called the Snake River project — and basically it was, when you're constructing the road, make it a high enough grade that you could back up some of that spring run-off water behind the road for a month or a month-and-a-half in the spring and let it trickle away slowly rather than take a great gush down into the flatlands and cause flooding problems down there.

I think the department has been working over the past winter with Natural Resources, and Natural Resources has come up with I believe a roadway height which would give some 2,000-acre feed of storage behind it. Conceptually it's an entirely new and different concept from what the department has been dealing with over the past number of years and I thought it was quite an unique opportunity to combine road construction funding with some flood protection. I guess my question to the Minister is, is that a kind of a principle and a concept that he would want to pursue further or will the concept sort of die a natural death and not be a test case for that kind of road construction project?

MR. USKIW: Mr. Chairman, if the member is asking whether or not the Highways Department can work with the Drainage Department, I would have to say that I don't see any reason why that couldn't take place. But it really is a matter for Water Resources as I would see it to determine the desirability of such an arrangement as opposed to being a matter for the Department of Highways to be concerned about.

MR. ORCHARD: It's the kind of project that tends to get bounced with one department saying it's the other department's main responsibility. That's why I guess the Minister of Natural Resources, some months ago, and myself did take a look at it and thought that it made an ideal test project because I think it might well have application for instance in the Duck Mountains, maybe even in the Riding Mountain watersheds in the Dauphin area, where they have flooding problems and from time to time we do reconstruct roads. In this particular case, there's no lack of material because

there's a major cut that could be made through a — well, they call it a hogsback — and conceptually I think it has gone as far as it can probably go with the two departments studying it. I guess what it would need now is probably a Ministerial decision as to whether it should proceed as a test project.

I know the Minister of Natural Resources has some interest in water conservation and I'm sure this Minister does too and I'd like to work with them. I certainly don't expect an answer tonight, but I'd like to work with them on that concept because I think it has some pretty valuable, downstream applications. It's basically patterned on a reservoir style that was developed in North Dakota, in what they call the Snake River area, where they set up about eight or nine small holding dams in the escarpment, Pembina escarpment. They've been very successful in sheltering, I believe it's the Town of Cavalier, from flash flooding in the spring and it was that sort of concept that we were working on currently in the same area.

I might just add to the Minister that currently in the same area PFRA along with a representative from Water Resources is looking at about eight or nine alternate sites in different ravines in the general area on the Tobacco Creek to try and develop a total retention project and in this road, quite frankly, presents one of the areas of highest potential for water retention behind a road-dam combined structure. So I'd like to take this opportunity just to mention it to the Minister and to maybe sit down with him in the near future and discuss it further.

MR. USKIW: Mr. Chairman, if studies like that have been undertaken, we will certainly be interested to know what the results of those studies are or to at least find out at what stage they are at. I don't have any particular knowledge of the existence of road studies at the moment, but will be glad to take a look at that.

MR. ORCHARD: Those are all the questions I have, Mr. Chairman.

MR. CHAIRMAN: Okay, it's 3. (a) Salaries—pass; 3. (b) Other Expenditures—pass.

Resolution No. 82 — Resolved that there be granted to Her Majesty a sum not exceeding \$1,641,900 for Highways and Transportation for Planning and Design for the fiscal year ending 31st day of March, 1983—pass.

Go on to 4. Maintenance — Highways and Airports, 4.(a) Maintenance Program — the Member for Pembina.

MR. ORCHARD: Mr. Chairman, just a question to the Minister on how close was the budget for last year on to being totally expended on both maintenance, snow removal and ice control.

MR. USKIW: Within a half-a-million dollars, Mr. Chairman.

MR. ORCHARD: Which way?

MR. USKIW: Within the estimate. —(Interjection)— Oh, yes, you must remember that we won't have the final figure for a while yet.

MR. ORCHARD: I appreciate that, Mr. Chairman, so that it looks like there could be roughly a half-a-million dollars . . .

MR. USKIW: Pretty close.

MR. ORCHARD: . . . under in the estimate. Is the majority of that saving resulting from the rather light snowfall this winter that snow removal was not a major issue?

MR. USKIW: That appears to be the case, Mr. Chairman, yes.

MR. ORCHARD: Is the Minister planning any reduction in the Maintenance Program in any areas?

MR. USKIW: No, I'm not aware of any.

MR. ORCHARD: There will be the same gravel standards on PRs, the same blading standards, the service level is — the intention is — to leave it at the same level?

MR. USKIW: What is represented in these Estimates is an increase of just under \$7 million which is the inflation factor that we're attaching related in particular to the energy components in the Maintenance Program. The program has not been reduced or altered in any way. Again, I refer to the statement that I made earlier, and that is that policy decisions in their totality have really not been looked at; that is something for another time. We have not tampered with the existing program in one way or another as it relates to policy.

MR. ORCHARD: Does the Minister view the policy on Maintenance to be one that needs review or is the policy that I suppose has been there for a number of years deemed satisfactory?

MR. USKIW: Mr. Chairman, I don't have a personal knowledge of provincial roads throughout the whole province. I know if I travel provincial roads in my own area, I never am satisfied with the condition of those roads. So, intuitively, I would say that one can never spend enough money on maintenance programs because we're always looking at the need for more gravel, more grading and road improvements. Anyone that would argue that we spend too much money on road maintenance doesn't travel the roads that I do, I'm afraid.

MR. ORCHARD: That's laudable and I suppose that's why there's a fairly continued and ongoing emphasis in the construction program to regrade a lot of the provincial roads and resurface and overlay a lot of our asphalt roads. You're right, you never run out of advice on how good the maintenance should be. I'm sure the Minister will find a lot of the same letters. It seems like everytime there's a new Minister, the staff can go back to approximately 15 years ago and drag out the same letters for the Minister to give the same reply that's probably been given for the last number of years. The Assistant Deputy Minister is particular chuckling over there because he has to maintain all of

those files and keeps us well informed on them.

So then, basically the increment from 39 or so million to almost 46 million is to cover basically increased costs of fuel, I suppose asphalt for patching and all of the inputs into the regular maintenance program.

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

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. HYDE: Thank you, Mr. Chairman, to the Minister, I have a letter before me, Mr. Minister dated January 5, 1982 addressed to you and to your office from a Mr. Ashley who is one of my constituents drawing to your attention and I think possibly I'll just read this short letter into the records:

"Dear Sir: This letter is to bring to your attention the poor conditions of PTH 314" — Mr. Minister I'm not familiar with that particular area up in there but, however, he owns a cottage in there and has trouble travelling that particular highway — "this highway for the most part travels through the Nopiming Provincial Park. It serves as a link for tourists and cottage owners at Beresford, Long and Wallace Lakes. The beauty of the park is certainly lost in the obstacle course in this highway. PTH 314 is a narrow, winding, rock-strewn, hazardous road serving the public who wish and have to travel it. There is a common sight to see vehicles unserviceable from the conditions above. In this day and age this is a poor advertisement for our tourists and reflects on our administration in this province. The boulders protruding out of the road must be atrocious on your road grading maintenance. Surely, a work project could be initiated to remove them so the grader can do the job it was intended to do. It is disgraceful to see the rocks strewn over the road. The gravel which has been applied periodically is full of rock which makes for ruptured gasoline tanks and blown tires. A more practical approach about the conditions used on PTH 314 are certainly a must. It appears that this is a forgotten road with no consideration given for the safety of its users. I would appreciate your intentions after your personal trip over this road by vehicle. Then, advise me re this problem. Thank you. Signed by Mr. E. A. Ashley."

Now, Mr. Minister, I wonder whether you have travelled over that road. Apparently, it is hazardous. He has asked me to once again bring it to your attention at this time.

MR. USKIW: Well, I can assure my honourable friend from Portage that I have been invited many times to travel over that stretch at my own peril, of course. One of the problems that we have with letters like that and perceptions as we see in that letter is that people are not aware of the origin of the road or the conditions that we are dealing with. The Department of Highways never builds roads as are described by that letter or like those described by that letter. You know, we get trapped into taking over roads that somebody else builds and sometimes they are just trails carved out by some interest groups including other governmental departments. The public then perceives that is now a provincial road. Well, if it were a provincial road it would have been built to standard to begin with. As I understand 314 that was carved out of the wilderness

by the Parks Branch who don't really worry about the straightness of roads and the safety aspect and the hazards of the area but as long as someone can get through in some fashion from point A to point B. Then, we get some people getting through in some fashion but then they write to us complaining about the condition of our highways and want an upgrading. That's really how some people get roads snuck into the Highways Department. This is a typical example of that.

My Deputy hints at a point that was made by the Member for Portage. These are scenic roads somewhat like what was alluded to by the Member for Portage into St. Amroise. They want all the natural characteristics maintained and yet they want a very convenient, smooth-riding surface at the same time. Sometimes, those two are not compatible, you see.

MR. HYDE: Well then, Mr. Minister, my recollections are true. I think it was the NDP Government of previous to 1977 that did take over a large part of our present PR roads and you possibly had a lot to do with accepting some of the responsibilities that you are today responsible to see they're kept up. I believe that I'm right when I say that the previous administration of the NDP prior to '77 was responsible for taking over a large part of these here PR roads. However, personally I have not travelled over that road. It sounds very interesting. I'll make sure that my gas tank is full of gas and I have — (Interjection) —

MR. USKIW: Oh, don't do that, you'll waste it.

MR. HYDE: You'll waste it and I'll . . . but, however, Sir, I draw it to your attention once again as did the writer of this letter asking for consideration on your part and your government to do the best you can to improve the conditions for these people travelling to the beautiful northeast corner of our province.

MR. USKIW: Well, first of all, I would like to correct an erroneous impression on the part of the member.

The provincial roads that we have are as a result of a takeover of many of those roads in 1965, way back in the Roblin years. But, that was a good decision. I don't object to that. I just wanted to get the timing right. The particular road in question though was taken over in April of last year. Now, I'm told — and you know I've been invited by a few contractors in the area that no doubt wouldn't mind to get a contract on that road — that I should spend a day with them on that road and that if I spend a day, I would know exactly how to prioritize my road program. That's what they told me and, since it was so close to my constituency, I thought it would have been unfair to the rest of the province for me to do that, so I didn't travel on it yet, you see. Because if it was going to be that convincing I would have had to pre-empt all the Portage la Prairie works for example.

MR. HYDE: Well, Mr. Minister, I appreciate this little conversation that we've had and it's brought me up to date on some of the conditions that you're faced with, and I sympathize with you if that road is as bad as this man indicates it is — I'm sure it is — and, possibly, in our spare time, your spare time, my spare time, that

some of us could get up and pick some of those big rocks off that road.

MR. USKIW: I intend to travel on that road during the course of this coming summer, but I will assure the Member for Portage if he wants me to swap I'll consider it, but he's going to have to give up about 10 miles for every mile that we do over there. That's the ratio in terms of cost, at least.

MR. HYDE: Thank you, Mr. Chairman. No, I don't know that I will take, after what I hear about that road, I don't think I'll take you up on that but, however, I am going to report to Mr. Ashley that you will be doing what you can to correct this hazardous condition up there.

MR. ORCHARD: Mr. Chairman, since my colleague didn't clear that question, I have to admit, I was the guilty one that took over that little chunk of road in there and I have to also admit that my senior staff, the Deputy and the Assistant Deputy said that it is fraught with trouble when you take over a road like that because the moment you put a number on it then people expect a PR standard on it. It is not in good shape, but however, it was an arrangement that just plain made sense to take over that road and call it a PR. It's access to a fairly good recreation area and we did it with the full knowledge that we would be under duress to improve it whereas it seems as if the parks people were never available to complain to about the condition of the road whereas the Minister of Highways is a fairly prominent figure, at least he was then, and would get a lot of complaints about it. Now the Minister of Highways has that road in his own constituency. But I think, that before he makes any move to improve that road, he should undertake serious consultation with the Member for Inkster who may not want him to do anything because it might upset the balance of nature in there and he would be able to use the Member for Inkster as a — I don't like to use the word "scapegoat" — but as the reason why he shouldn't proceed with immediate improvements there.

MR. CHAIRMAN: The Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): Did I understand the Minister to say that the Department of Highways was providing some maintenance to roads at the present time that do not have a provincial road number or standard?

MR. USKIW: I don't recall mentioning that. No, Mr. Chairman.

MR. GOURLAY: All the roads that are being maintained have a PR number or . . . ?

MR. USKIW: Well, either that or they're cost-shared with the LGDs and so on and the municipalities.

MR. GOURLAY: I was just wondering about the forestry road, I believe it is, from Pine River across to Wellman Lake. I know there's been efforts made in the past to try and get that taken over by

the Highways department.

MR. USKIW: My understanding is that it's an LGD road of which we're responsible for about six miles.

MR. CHAIRMAN: 4.(a) Pass; 4.(b) Mechanical Division — the member for Pembina.

MR. ORCHARD: Mr. Chairman, there is a fairly sizable increase in expenditure under Other Expenditures. No. 1, could the Minister indicate if the Other Expenditures, the 9 million, were totally expended last year and what's involved in Other Expenditures for this year's funding proposal?

MR. USKIW: The big increase is in the area of the fuel purchases. It has to do with energy pricing. It's mainly related to petroleum products.

MR. ORCHARD: That's 3.5 million roughly. Surely the cost increase in one year can't be that sizable.

MR. USKIW: The noted cost increased projections are \$3.5 million for that component.

MR. ORCHARD: For the fuel component alone, for this coming year?

MR. USKIW: Yes.

MR. ORCHARD: That, indeed, comes as some shock. I wasn't aware of that. Okay. There's no other major expenditure changes under Other Expenditures then?

MR. USKIW: Nothing major, Mr. Chairman. The rest are all general increases throughout the whole system. That is the single major impact area.

MR. ORCHARD: The Highway Buildings and Storage Yards, the \$100,000 item. Where do you propose to expend that — in what types of buildings?

MR. USKIW: I think I'm right here. I have notations on Boissevain, Gladstone, Elm Creek, Cranberry Portage and Virden. Is that correct? — (Interjection) — Yes.

MR. ORCHARD: Mr. Chairman, what buildings are involved there? Are they snow plow storage sheds or washroom upgradings?

MR. USKIW: We're going to put in washroom facilities in these locations, Mr. Chairman.

MR. ORCHARD: I had a unique suggestion made a short time ago about the prospect of saving some electricity in our highways yards and in other locations but the highway yards were the ones that were most often cited, and that being to go from the mercury lamps, on a replacement basis, to the sodium lamps which, as I understand, are much more efficient in terms of energy consumption for light output. Would the Minister give that some consideration? I didn't have the opportunity to see what the savings might be but every dollar, I suppose, is important nowadays.

MR. USKIW: Well, I'm advised that we're doing that essentially on interchange lighting, Mr. Chairman, but not in the yards and so on.

MR. ORCHARD: Is that because it's not deemed economical at the yard sites?

MR. USKIW: I'm told we just haven't gotten around to that stage, Mr. Chairman.

MR. ORCHARD: In the Recoverable, I assume that the Recoverable is totally from Item (a)?

MR. USKIW: I'm sorry, would the member repeat that again?

MR. ORCHARD: The Recoverable, is Recoverable entirely from Appropriation 4.(a) Maintenance?

MR. USKIW: Apparently not completely, Mr. Chairman.

MR. ORCHARD: Then some of it is from airports? Just refresh my memory on where the Other Recoverables are from on that, if you would, please.

MR. USKIW: Yes, what is not recovered under (a) is in Accounts Collectible and under Airports.

MR. ORCHARD: The Accounts Collectible primarily being with LGDs, the cost-shared works of the LGDs?

MR. USKIW: Yes.

MR. CHAIRMAN: The Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Chairman, I may not be at the right item but I would like . . .

MR. USKIW: We weren't all evening, so you're very consistent with the rest of us.

MR. MANNES: Well, you'll soon bring me back to the right line, I'm sure, Mr. Minister. But I would like to ask some questions specifically related to gravel. Under what line would I find that entry or under what . . .

MR. USKIW: Well, perhaps you should put the question and we'll see whether we can identify the . . .

MR. MANNES: I would like to know specifically what change there will be in the allocation of funds towards a gravelling program this coming year compared to last year.

MR. USKIW: Yes, the member was absent when I reiterated what I said three or four times during the course of the Estimates debate and that is there are no policy changes that have been introduced for this set of Estimates. It's a program ongoing as it was, simply because we didn't have the time to look at policy areas or to even discuss them. If there are going to be policy changes they are going to take effect a year from now.

MR. MANNES: I really hadn't even allowed myself to think that far, as far as policy changes, are you talking politically policy changes or are you just talking program changes?

MR. USKIW: No program changes.

MR. MANNES: Because the reason I asked the question, municipalities with the tremendous increase in inflation in some cases are beginning to cut back to the degree that they are spreading gravel on some of their roads. And I'm wondering if, in fact, that decision has been reached or, in fact, have you answered the question.

MR. USKIW: Well, on the maintenance program, Mr. Chairman, I did indicate that the increase, which is fairly substantial, is substantial simply because of the increases in cost to do the same kind of program that was carried on last year. So the program level is the same, the costs are much higher.

MR. MANNES: Does the department have a policy or do they have the ability, let's put it that way, to turn back roads that the province now owns to the municipalities? No doubt, there are some roads they wish they did not have.

MR. USKIW: All right, that is one of the policy areas that I intend to pursue with some degree of urgency after this Session is over because I believe we have to sit down with the municipalities another time and simply fine-tune what was decided way back in 1965. There are many areas that are so obvious to the naked eye that ought to be altered. The traffic flows aren't there, the trade-offs were the wrong ones, in terms of being futuristic at all. And we may want to make some swaps back, if you like, some horse-trading might take place, hopefully, in the best interests of the area involved. It's really not our interest that we're trying to service here it's the interests of the people that use the roads and if we can channel the traffic in a way that is more efficient and advantageous to people in the local area we ought to be looking at that. And emphasizing our dollar spending on those roads rather than the sort of helter-skelter approach, if you like, or the approach of pressure groups notwithstanding the sort of future of the area and the direction the traffic should be going.

MR. MANNES: I'm not going to argue against the concept one way or the other but I'm more curious as to the time frame the Minister sees this whole review — you know, when is it going to begin — can he see himself being back talking to the municipalities as early as next fall, can you give us some idea?

MR. USKIW: Well, I don't regard it as a very urgent item, but I believe we should gradually start refining our highways program along with the municipal highways program so that we complement each other and to the extent that we can identify with that is not happening. We should attempt to remedy that situation and I don't believe there has to be a time frame on it but within practical limitations. That is we should unduly delay those discussions because we would

want to prioritize our dollars in the most advantageous way for the benefit of all the people involved.

MR. MANNES: Well, when the Minister and his department is attempting to reassess the whole road system in rural Manitoba will they give consideration to the tremendous requirements by the school divisions through the municipalities to offer all-weather roads to all those residences from which children are attending school. It's put a tremendous burden, as you're well aware, on the municipalities particularly those to the west and to the south and I'm wondering if the Minister is prepared to recognize that fact and to include it in his whole assessment?

MR. USKIW: Well, Mr. Chairman, I'm sure that the municipal people would be cognizant of that particular element within their boundaries and I'm sure that we would be most interested in knowing the problem areas connected with school transportation. There is that aspect and there is the aspect of tonnage movements and what the future is going to have in store for those localities and what the inner-connections ought to be. I don't know whether one should be terribly critical about the past performance of the department and I say past in the sense of the last three or four decades. There have been various methodologies applied in trying to deal with provincial highways program and at the same time respond to local sort of pressure and demand. I don't know that I would have done it any different than what has been done in the past. But I believe that we ought to, at least, have a few sort of rules of the road and I suppose the previous government had some rules that they were going by making that as an assumption. So that we try to maximize the benefit of dollars spent and relating dollars spent to tonnages that are moving in rural Manitoba I think is an important criterion and in particular because of the fact that we are forced to rely more on trucking now that the railways have reduced their level of activity and there may be further reductions.

So we do have to pay a lot of attention to the needs of those people that are our primary producers who do have to get product to market in a reasonable way at reasonable cost, if you like — if there is such a thing these days, that has to be one of the most important criteria with respect to rural provincial roads and how they tie in to the main provincial roads, of course, is the other consideration. Distance and everything else has to be looked at.

MR. ORCHARD: Thank you, Mr. Chairman, the Minister struck a rather interesting note when he mentioned about a consultation process and possibly realigning provincial road priorities. I think the Minister will find that there has been quite a bit of discussion on that in the last little while particularly in areas that were affected by rail line abandonment and once again I make reference to that area study that was done and that, I think, pretty solidly laid out a plan for development in at least one area of the province for the road needs that would take us into the turn of the century I suppose.

MR. USKIW: Highway 250?

MR. ORCHARD: Highway 250 was probably the centerpiece in that particular area. We put some considerable effort on the reconstruction of 250, because it's fast becoming a very heavy tonnage road. Probably we didn't maybe foresee that kind of growth such as it was and maybe our design standards weren't quite as good as they should have been. However, you know, the reconstruction that's on there, most of it is given a pretty serviceable road and it still needs some work to complete a course. But, part and parcel of those discussions was always the openness for suggestion from the municipalities as where we might be able to make road swaps and generally the RM's are pretty long-headed on these sort . . . oftentimes they try to make the best deal, which is only fair, but they've often got some pretty doggone good ideas as to which road would be a focal point of traffic and, of course, that's the reason for the PR system is to pick up the heaviest travelled, the heaviest loaded roads and bring them under provincial jurisdiction because often municipalities can't afford the bridges and the actual reconstruction costs. So, I think the Minister will find the RM's most amenable in those kinds of discussions.

MR. CHAIRMAN: 4(b)(1) Salaries and Wages—pass; 4(b)(2) Other Expenditures—pass. 4(b)(3) Equipment and Tools—pass; 4(b)(4) Highways, Buildings and Storage Units—pass; 4(b)(5) Less: Recoverable from Other Appropriations—pass; 4(c)(1) Salaries and Wages — The Member for Pembina.

MR. ORCHARD: Mr. Chairman, could the Minister indicate whether this is year 4 or year 5 of the Warehouse Inventory Stores Program that was the computerized Warehouse Stores Program that has been in development for the last several years?

MR. USKIW: It's the last year I'm told, Mr. Chairman.

MR. ORCHARD: So does that mean that system will be operative . . .

MR. USKIW: October of '82.

MR. ORCHARD: In October of '82. Now we were presented with some fairly significant savings as a result of going on that program and always the savings were three years away. We had to commit to the program some, I think, three years ago to get it. Can the Minister indicate whether those savings appear to be materializing as projected?

MR. USKIW: Well, the notation I have is that it should substantially reduce inventories on hand. You know, we're not going to be in a position to realize anything until about '84-'85 in terms of time frame.

MR. ORCHARD: Then just having that program on line, you're not going to see any significant reduction in inventories as of October, 1982?

MR. USKIW: No, if the program is launched in October of '82, it will be from that period on then that we will do a monitor, after which we will be in a position to give some report on it about a year or two down the road.

MR. ORCHARD: Under Purchases, is there any major new line of purchasing or is that simply cost increases of an existing purchasing program?

MR. USKIW: The cost increases reflect only the inflation factor, Mr. Chairman.

MR. ORCHARD: So that there's no new direction in Purchasing, (a) and (d). Once again the recoverable from other appropriations, primarily that's from Mechanical Division in this particular line?

MR. USKIW: Yes, and Maintenance and Construction, Mr. Chairman.

MR. ORCHARD: That's all the questions I have, Mr. Chairman.

MR. CHAIRMAN: 4(c)(1) Salaries and Wages—pass; 4(c)(2) Other Expenditures—pass; 4(c)(3) Purchases—pass; 4(c)(4) Less: Recoverable from Other Expenditures—pass; 4(d) Airports and Roads (1), Salaries and Wages — the Member for Swan River.

MR. GOURLAY: Yes, Mr. Chairman, I'm wondering if there's any money in this item for upgrading the airport at Swan River?

MR. USKIW: I'm sorry, would the member repeat that again?

MR. GOURLAY: Is there any money in this item for upgrading of the airport at Swan River?

MR. USKIW: I think it's in a separate item, is it not? It's under Assistance Programs. Under (8), Mr. Chairman.

MR. GOURLAY: No. 8? Acquisition and Construction.

MR. CHAIRMAN: Do you have any other questions, the Member for Swan River?

MR. GOURLAY: No, I understand that it's under No. 8, which is Acquisition; I'll wait till we reach that item.

MR. CHAIRMAN: 4(d)(1) Salaries and Wages—pass. Member for Pembina.

MR. ORCHARD: Just under Other Expenditures, what's the nature of the increases there?

MR. USKIW: Well, in 1981-82 I believe, the Mechanical Division subsidized the airport equipment by about \$201,000.00. This, of course, increase provides for full cost of operating runway maintenance.

MR. ORCHARD: How many airports fall under this appropriation (d)?

MR. USKIW: I believe there are 30 airports.

MR. ORCHARD: That doesn't represent any new additional airports, I don't believe. It's the same number as last year?

MR. USKIW: It's the same number as last year, Mr. Chairman.

MR. ORCHARD: That's fine.

Oh, and one other question, the Recoverable From Canada; I don't believe we recovered any money from Canada. Which airport are we recovering some of the maintenance costs from Canada?

MR. USKIW: I'm told that's Norway House.

MR. ORCHARD: Just a quick explanation, probably the Deputy would have it, I don't recall us ever recovering any money from Norway House. Is this a new agreement we've got with them, or is that line always been there?

MR. USKIW: We had never received any before. Oh, I see, no, I'm told it's consistent with past practice.

MR. CHAIRMAN: 4(d)(2) Other Expenditures—pass; 4(3)(1) Salaries and Wages—pass — the Member for Pembina.

MR. ORCHARD: Mr. Chairman, I notice there's a staff increase here. Could the Minister provide us where the additional staff is to be located?

MR. USKIW: There's an increase of one-and-a-half staff man years amounting to the tune of \$27,500, and that's to operate the Ingemar-Carlson Ferry at Matheson Island.

MR. ORCHARD: Well, that's a takeover of a community operation?

MR. USKIW: Yes, that is correct.

MR. ORCHARD: The Ferry that I believe we had on the Nelson River at Norway House, now that the bridge is completed — I think that's the location — what's the plans for that Ferry now? Maybe it was the Cross Lake Ferry.

MR. USKIW: We're not sure just what the member is alluding to. The Cross Lake Ferry is still in use, Mr. Chairman.

MR. CHAIRMAN: The Member for Pembina, do you want to clarify it?

MR. ORCHARD: Well, okay I'll phrase the question this way. Where will the ferries be operating this year that they weren't operating last year?

MR. USKIW: As I understand it, the locations are all the same, Mr. Chairman. The locations are all the same.

MR. ORCHARD: It just sticks in the back of my mind that we were not needing the Cross Lake Ferry with the construction of the road in there and we'd have an opportunity to redeploy that ferry.

MR. USKIW: Yes, we still need this one until we receive the ferry that we have a tender for.

MR. ORCHARD: That's a cable ferry that was going across the Nelson Channel there.

MR. USKIW: Yes, that's correct.

MR. ORCHARD: That ferry was on order. When is it expected to be delivered?

MR. USKIW: June of this year, but it won't be operational until late late this year.

MR. ORCHARD: One other question on ferries. I don't know if the Minister is familiar with an arrangement we were attempting to make between the Department of Agriculture and the Highways Department to put a ferry into the Carrot River to serve the Saskeram marsh area. Is there any active status on that?

MR. USKIW: No, that one has not been finalized, Mr. Chairman.

MR. ORCHARD: Are negotiations still alive and well on that or has the concept been shelved?

MR. USKIW: I believe that it's at the stage of a need for a ministerial meeting on that one. There was a change in the Natural Resource Department Ministry as you will appreciate, and we just haven't had the time to sit down and discuss it with the new Minister who has taken over those responsibilities.

MR. ORCHARD: The Chairman and I will both appreciate the sensitivity of that ferry, but it was when I was in that glorious country of Polder II, I think they call it . . .

MR. CHAIRMAN: Ill, it was the Saskeram . . .

MR. ORCHARD: . . . Ill, in the Saskeram area. I was very impressed with the livestock potential in there which certainly appeared to be compatible with the existing use of the Saskeram and that ferry seemed to me to be a pretty ideal way to accommodate a dual use of a resource there. The last recollection I had is that there was a used ferry that was available at what seemed to be a fairly reasonable price I think from — well, I can't remember the chap's name, but is the department still pursuing the purchase of that used ferry from — I think it was Northland Freight and Forwarding?

MR. USKIW: Mr. Chairman, what the member is talking about is a barge rather than a ferry.

MR. ORCHARD: Is the Minister still pursuing the purchase of that used barge?

MR. USKIW: If we ever get around to deciding the question, I believe we are, but I have to admit that decision has not been made.

MR. ORCHARD: I thought that the Chairman would have used his considerable influence on you and had that decision already made as a matter of formalities.

MR. USKIW: Yes, Mr. Chairman, the Chairman used a great deal of influence on me personally.

MR. ORCHARD: Could the Minister care to indicate which way he's influencing? Mr. Chairman, the Chairman has quickly shelved the question. Is there some reason for this?

MR. USKIW: Well, I suppose the Chairman is quite prepared to comment on it if someone else would assume the Chair, but I'm not sure that it's that important.

MR. CHAIRMAN: The Member for Virden.

MR. HARRY GRAHAM (Virden): Mr. Chairman, I just had one question. I was wondering if the Minister could indicate how many ferries we have operating on the Assiniboine River at the present time.

MR. USKIW: My Deputy is getting terribly technical. He doesn't think they're in operation at the moment.

MR. GRAHAM: I would have to agree. I would be very surprised if it was operating at the present time, but could the Minister indicate what the program is and how that ferry operates at the present time?

MR. USKIW: Yes, that's South Cypress. We have a resolution from the municipality offering to operate it for us.

MR. GRAHAM: So then there could very well be a reduction in staff rather than . . .

MR. USKIW: No, I'm told that they have operated it for some time so it doesn't impinge on our staff needs one way or the other.

MR. GRAHAM: And that operates — what? — daylight hour, from eight to eight or . . .?

MR. USKIW: Apparently that decision is left up to the local government, Mr. Chairman.

MR. GRAHAM: No, that's all the questions I have.

MR. ORCHARD: Just one final question on Marine Services. Are there any contemplation of changes of the scheduling in the various ferries, hours of operation, either extending them or reducing them in any proposed change for altering the fare schedules?

MR. USKIW: We have not arrived at the stage of arriving at the scheduling of the ferry system for this year.

MR. ORCHARD: Would you anticipate any major changes in the scheduling?

MR. USKIW: There may be some related to logical community desire or request or logistics, but nothing in the major way that we're aware of.

MR. ORCHARD: How about on fare structure?

MR. USKIW: That's still not decided, Mr. Chairman.

MR. ORCHARD: I take it, with ever-increasing costs, a small increase in the fees might be under consideration?

MR. USKIW: It's a possibility. I haven't had the opportunity to look at that question.

MR. ORCHARD: No questions.

MR. CHAIRMAN: That's 4.(e)(1) Salaries and Wages—pass; 4.(e)(2) Other Expenditures—pass.

Resolution No. 83—Resolved that there be granted to Her Majesty a sum not exceeding \$49,788,500 for Highways and Transportation for Maintenance of Highways and Airports for the fiscal year ending the 31st day of March, 1983—pass.

We will move on to No. 5. Would the committee like to move on to the next area? No. 5. Assistance Programs. 5.(a) Work in Unorganized Territory — the Member for Pembina.

MR. ORCHARD: Can the Minister just let the records show where the \$3.5 million is expended in Work in Unorganized Territory?

MR. USKIW: Is the member suggesting that we indicate a list of expenditures? These are mainly in the LGDs. —(Interjection)— You would like to have list. We don't have a list.

MR. ORCHARD: Well, I'll tell you what, I'm . . .

MR. USKIW: We can provide you with the information, but we don't have it here.

MR. ORCHARD: Mr. Chairman, it would be convenient and I know it would save a lot of time because you've got a number of LGDs with a number of various expenditures. If the Minister could provide us with a list as to where the expenditures are going that would suffice. We could offer comments at a later date.

MR. USKIW: We wouldn't be ready with that kind of information at the moment, but I have no hesitation in providing it to members once it is available. It would be last year's program in any event, Mr. Chairman.

MR. ORCHARD: Right, but all of the LGDs are currently making application as to what their road construction is going to be and I would suspect that probably within the next six weeks — well, I'm guessing six weeks — the majority should be decided and at that time if the Minister could undertake to provide us with a list of the work undertaken, that would be sufficient for the information of the committee.

MR. USKIW: The practice has been as I recall it that we would notify the member in question where there is cost-shared programming within an LGD represented by that member. The program never gets put together in its totality for the coming year at a given point. They sort of dribble in over the year, over the summer, some of them come in as late as July and August so that while we could provide whatever information we have I don't think we can say that that is a total program, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, I appreciate that it would just be, I think, pretty good information to see where some of the new LGD requests are and if the Minister could undertake in some six weeks time to provide us with the list up to that time that would be . . .

MR. USKIW: That would be no problem. Mr. Chairman, whatever information we have I have no hesitation in passing it on.

MR. CHAIRMAN: That's 5.(a)—pass; 5.(b) Construction and Maintenance Other Jurisdictions—pass.
The Member for Pembina.

MR. ORCHARD: Well, Mr. Chairman, I note that there is a decrease in the level of expenditure and when one considers the gross expenditure it's up. Can the Minister just give an explanation on (b) as to where the expenditures are increased and where they're going to and where the increased recoveries are coming from?

MR. USKIW: Yes, apparently last year we had a Hydro project which we will not have this year and that explains the reduction in our share of the figure.

MR. ORCHARD: Mr. Chairman, gross expenditures are up by \$700,000 and recoverable is up a million, that would indicate to me the exact opposite, that there is a Hydro project going on this year that there is a higher recovery on, not the converse.

MR. USKIW: Gross are up but our share is down. That's recoveries from other departments, Mr. Chairman.

MR. ORCHARD: Then, if the Minister could provide us details as to where the gross expenditures are going to take place, in what projects and from which departments the \$2.5 million recoverable is coming from?

MR. USKIW: We're prepared to supply that information when it's available but these are basically Estimates for what we see ahead and what other departments have indicated to us. I don't know that we can supply that information at this time. It's in-house operations. What we're doing is cash flowing here.

MR. ORCHARD: Well, some of it is in-House cash flowing between departments but there is a net expenditure by the department of \$2.7 million which is a fairly significant expenditure funds. Where will that expenditure take place and on what project?

MR. USKIW: I am advised that the services we provide to other government departments and jurisdictions go into Accounts Collectible and the ones with Hydro go to Current Revenue. But we have to provide for all of that.

MR. ORCHARD: So then, is the Minister saying, of the \$2.7 million which you've shown as a net expenditure for the Department of Highways that work will be undertaken on behalf of Manitoba Hydro and Mani-

toba Hydro will make the payment to the Department of Finance and not to the Department of Highways and Transportation, is that the reason?

MR. USKIW: Yes, that is correct.

MR. ORCHARD: Where is Hydro undertaking \$2.7 million worth of work?

MR. USKIW: Everything combined is \$2.7 million, Mr. Chairman, Hydro is a component.

MR. ORCHARD: What are the other components?

MR. USKIW: Manitoba Telephone System, towns, villages, LGDs, municipalities and some private parties, if you like, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, I think the aids to cities, towns and villages is represented in Item 8.(a), the Minister is indicating some expenditures to towns and villages in Item (b) here, I don't recall that being a component of Item (b). Is that a new change in policy?

MR. USKIW: The recoveries are from Hydro, MTS, LGDs, municipalities, and private parties.

MR. ORCHARD: And those recoveries will total how much?

MR. USKIW: Well, it'll be 2.5 million. The recovery is 5.2 million?

MR. ORCHARD: Where does it show in the Estimate book the recovery of 5.2 million? If there is a recovery of 5.2 million, Mr. Chairman, I think there would be no 2.7 million under item (b).

MR. USKIW: The 2.5 million recovered from other departments and 2.7 million from LGDs and others. That's 5.2 million in total. The 2.7 million goes back to general revenue.

MR. ORCHARD: The others that are included in that 2.7 million is that where Hydro and MTS recoveries are listed?

MR. USKIW: Yes.

MR. ORCHARD: Then I assume that the 2.5 million recoverable from other appropriations appear in, let's say for instance, the Department of Northern Affairs is probably a major consumer of this service.

MR. USKIW: It's not necessarily Northern Affairs, Mr. Chairman.

MR. ORCHARD: Then could the Minister indicate from whom and from what other appropriations the recoverable would be found.

MR. USKIW: Snowplowing and government services, Mr. Chairman, bridges, for water control and so on.

MR. ORCHARD: Now, so that what we're talking about here is recovery of cost-shared maintenance in

LGD roads. Is that what we're talking about in here?

MR. USKIW: Yes, that's correct, Mr. Chairman.

MR. ORCHARD: So that just to get clear on this, the 5.2 million gross expenditures, there won't be any major construction projects in here, like there's no roads being built. This is primarily maintenance of roads, snow plowing of roads and, I suppose, maintenance of bridges, etc., in roads other than roads contained in the PR system and the PTH system?

MR. USKIW: That is correct, yes.

MR. ORCHARD: So that there is no reconstruction of roads in this?

MR. USKIW: Mr. Chairman, Item (a) deals with construction. What we're dealing with here — no, it says Construction and Maintenance, Other Jurisdictions. It's not construction. There is some construction here in the LGDs, yes.

MR. ORCHARD: I've got to admit I'm getting somewhat confused and it isn't all that long ago that I used to look at these things. Okay, what makes the difference between construction under this Item (b) and say, construction that would be ordered in the LGDs?

MR. USKIW: Mr. Chairman, what we're looking at here is what we do on their behalf and we get a recovery against. What we do on Item 8. is where we have a cost-sharing arrangement, which is a direct capital project on our part. So that's the difference between the two components.

MR. ORCHARD: Okay, let me get this straight.

MR. USKIW: It's a nil cost, that's what it is. We recover a 100 percent here.

MR. ORCHARD: The only reason why there is 2.7 in this line is because that 2.7 is recoverable from Crown Corporations which, of course, don't appear in the Estimates Book. Is that a correct assumption?

MR. USKIW: I have it the other way. I have 2.7 as the LGD and Others. So we supply the capital and then when we receive the payment it goes to Current Revenue. We don't see the money.

MR. ORCHARD: Now, that is from MTS and Hydro.

MR. USKIW: And the LGDs, too, where we are doing work for them.

MR. ORCHARD: Right, but the LGD Recoverable is all part and parcel in this 2.5 million, is it not?

MR. USKIW: No, the 2.7 million is Hydro, MTS, LGD, municipalities and private parties. The 2.5 is Other Government Departments.

MR. ORCHARD: Then, in the Recovery from Other Departments, one of those is quite likely Northern Affairs.

MR. USKIW: I'm not certain, but I am led to believe that it is quite likely.

MR. ORCHARD: Once again, Mr. Chairman, that is Recovery of Maintenance undertakings, for instance, on resource roads; roads to, say, remote communities; Native communities?

MR. USKIW: No, it's an all and sundry thing, Mr. Chairman. Whatever we do for Northern Affairs, they pay us for.

MR. ORCHARD: Okay, what's the Recoverable from Canada? What work are we undertaking on behalf of Canada?

MR. USKIW: That's 957,000. That's the UTAP Program, Mr. Chairman.

MR. ORCHARD: The UTAP Program, that's the grade separation Recovery from the Federal Government?

MR. USKIW: In this example it is. PTH 12, yes.

MR. ORCHARD: I don't recall that being always shown here. —(Interjection)— Is that right?

MR. USKIW: No, it's the same. The more they change, the more they're the same.

MR. ORCHARD: The more they stay the same. Well, possibly we should leave this item before the Minister and I become totally confused. As long as the Minister can assure me he's not slipping something over on innocent Members of Her Majesty's Loyal Opposition.

MR. USKIW: This is really a nil appropriation; it's money put through and money taken out.

MR. CHAIRMAN: (b)(1) Gross Expenditures—pass; (b)(2) Less: Recoverable from Other Appropriations—pass; 5.(c) Rural Transportation Grants for the Disabled — the Member for Pembina.

MR. ORCHARD: Mr. Chairman, I understand in discussions we had at the Transportation Division that is where an SMY is being added to look after the responsibilities of this program development.

MR. USKIW: I believe that is the case, Mr. Chairman. I don't have a note here but, as I recall it, that is right.

MR. ORCHARD: Has the Minister had an opportunity to peruse the guidelines for establishment of these handicapped transit systems in rural Manitoba?

MR. USKIW: Yes, Mr. Chairman.

MR. ORCHARD: Thank you, Mr. Chairman. Would the Minister be proposing any basic changes in the criterion of providing the service in the communities?

MR. USKIW: Well, no, I think it's too early in the program, Mr. Chairman. This is quite new and I think we would have to let it function for a time frame and then review it so see whether there's any fine tuning or

upgrading or whatever that should take place. I think it's a good program, quite frankly. There seems to be a fair amount of interest on the part of many communities and that in itself, I suppose, is the supporting evidence that it's probably a program going in the right direction.

MR. ORCHARD: Yes, I agree that it's a good program and it's not coincidental that it was one that I developed in there and I think it responded to a pretty legitimate need. It was a need, quite frankly, Mr. Chairman, and the Minister will be fully aware of this, it was predicated by Federal Government funding and Canada Works back a number of years ago that developed a service and then the Federal Government in its wisdom chose to let those services sort of die on the vine. We were only able to keep two of them going until we developed the policy guidelines and that being in the Chairman's constituency in Steinbach.

How many other communities does the Minister anticipate being able to fund with this appropriation?

MR. USKIW: To date we've got The Pas, Steinbach and Selkirk and there are several applications. So, in the course of the next 12 months, there will be quite a number that will be coming in.

MR. ORCHARD: Is Selkirk's application — the last I had anything to do with it they had a bus that they were very close to placing the order on, has that been accomplished?

MR. USKIW: I thought it was a van, but maybe it was a bus.

MR. ORCHARD: Well, it was a pretty good sized van. Has that been ordered, then, Mr. Chairman?

MR. USKIW: I'm not certain where it's at. I know that the grant monies have been provided but just where the acquisition of the vehicle is, I don't know. They apparently have purchased it.

MR. ORCHARD: Mr. Chairman, the only comment I might have is that, if there are a number of communities who have applications in and in fact qualify, the only comment I might make is that the Minister might find the 170,000 to be in need of a supplement because I don't believe we expended the \$100,000 last year because the program just didn't get under way early enough in the fiscal year to get enough new organizations in it. I think we probably only expended about 60,000-some-odd of it. But certainly, with tabling and informal presentation of the policy on that Transportation Program, the interest was very significant, very sizable, and it almost left me with the question as to whether maybe we had developed a program that was just too good and might end up getting into the quarter-million to half-million dollar expenditure in very short order.

MR. USKIW: Mr. Chairman, we're cognizant of the fact that 170 may or may not be adequate for the year. We intend to monitor this quite early so that if it appears early enough in the game that we might be short of funds, there may another item in Supplement-

tary Supply, but that will be based at an update at the point where we decide Supplementary Supply.

MR. ORCHARD: No, I don't think I have anything further.

MR. CHAIRMAN: Member for Dauphin.

MR. JOHN PLOHMAN (Dauphin): Mr. Chairman, coincidentally, today I had a call from the Knights of Columbus in Dauphin who want to purchase a bus for the elderly and handicapped and I'm just wondering if a group like that would qualify for this kind of a program? Or does it have to be done through municipal governments?

MR. USKIW: As I understand the criteria, whoever carries out the program has to be supported by the local government. It has to go through the municipality.

MR. PLOHMAN: Yes, Mr. Chairman, so that the individual service club or organization then could not make application to the government. They'd have to work through their local government?

MR. USKIW: That is correct.

MR. PLOHMAN: Thank you.

MR. CHAIRMAN: 5(c) Rural Transportation Grants for the Disabled—pass; Resolution 84.

MR. HYDE: Pardon me, before Committee rises, I wonder if I could ask the Minister a question?

MR. CHAIRMAN: Could I read the Resolution first?

MR. USKIW: Let him finish, Mr. Chairman.

MR. HYDE: I just wanted to ask a question to the Minister; just where in this beautiful province of ours did he find a picture like he has on the front of his map this year? I kind of admire that; that's a tremendous piece of photography. I expect you are responsible for that; are you, Mr. Minister?

MR. USKIW: I thought it was the Lake Winnipeg Narrows, but I'm not certain.

MR. HYDE: You don't think so? It's a beautiful picture.

MR. USKIW: I think it's Lake Manitoba Narrows. No, I'm told it's not.

MR. HYDE: Mr. Minister, I tell you what made me think about it. We could use a bridge like that across the Crescent Lake at Portage la Prairie.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Mr. Chairman, the Minister has been so kind to respond to a question on the map. I was just wondering, he noted and I forgot to ask him, he said that the cost of maps had gone up by \$15,000 this year. Was that to change the picture on the back

of the map that extra cost was incurred?

MR. USKIW: If one was to relate to the quality of the picture, it could be that much.

MR. ORCHARD: Mr. Chairman, the Minister realizes that I've got a whole bunch of little pictures that I paste on the back of the maps before I send them out and change the name on the bottom to protect the innocent.

MR. CHAIRMAN: Resolution No. 84 — Resolved that there be granted to Her Majesty a sum not exceeding \$6,317,000 for Highways and Transportation for assistance programs for the fiscal year, ending the 31st Day of March, 1983—pass.
Committee rise

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): We're continuing with Item No. 1 - General Administration —1.(d)(1) Policy Studies.

The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Chairman, I wonder if the Minister could advise the committee how many feedlot operators there are in Manitoba, by that I mean beef men who buy cattle for finishing.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. BILLIE URUSKI (Interlake): Yes, Mr. Chairman, in terms of the feedlot operators, some between the 100 and 500 head per year, and there is no breakdown as to the numbers of operators who would actually go out and purchase cattle, but the assumption would be that a portion of those from 100 to 500 head per year, there are 343; 500 head or more per year 25; and 1,000 or more there would be approximately 15. So roughly of the cattle feeders approximately 8 per cent of the cattle feeders in Manitoba or a portion thereof one could make an assumption that they would buy a portion of their cattle from the statistics that we have would possibly go out and buy a portion of their heads that they would finish.

MR. RANSOM: Mr. Chairman, then it would be my understanding that up to 400 operators are now going to be faced with the situation of competing with subsidized feedlot operators in Ontario, in Alberta and that they are now going to encounter a situation in the province where, in effect, they will be competing against subsidized feeders as well through the government's program. Given those circumstances, Mr. Chairman, I wonder if the Minister could advise the committee how he expects these feedlot operators in the province to manage to stay in business or does he expect them to stay in business?

MR. URUSKI: Mr. Chairman, obviously the feedlot operators in Manitoba would not be treated any differently than they are in our neighbouring Province of Saskatchewan in terms of the herd size and the

amount of animals that they would purchase and they certainly — the farmers decided, made a management decision that they wanted to use custom feeding facilities in terms of their overall operations, that's something that the board who would be dealing with contracts, I assume, would want to look at those kinds of operations.

In terms of the feedlot operators themselves of staying or not staying in business, Mr. Chairman, we are supporting — again, I tell the honourable member — we are supporting the basic cow herd in Manitoba and that is the extent of our program.

MR. RANSOM: Well, Mr. Chairman, it simply is evident to me that the Minister hasn't worked this program through to a level that would allow him really to understand the impact that it's going to have on all segments of the beef industry. I think that's going to become more and more evident as time passes. I'm not sure whether that's simply an oversight or whether it's a decision that the government has made that they don't care what the impact is upon feedlot operators. Given some of the information that came out today, I rather think that there's an element of the latter at least.

One other question, Mr. Chairman, that has to do with another area since we're talking about research. This is one that bothers me a little bit because it has to do with a resolution that was presented to the New Democratic Party Convention. I'd like to read the resolution into the record, Mr. Chairman. It went like this:

"WHEREAS the Faculty of Agriculture at the University of Manitoba has proven itself unable to support marketing boards, co-operatives or any system that holds farmers together; and

"WHEREAS this faculty turns out at least 150 students per year with more or less the same attitudes; and

"WHEREAS these students have become very visible mouthpieces in attacking the Canadian Wheat Board and co-operative grain handling system and are staunch defenders of the commodity exchange and multinational corporations;

"THEREFORE BE IT RESOLVED that the government investigate the Faculty of Agriculture's Economics Department and the School of Agriculture to determine the amount of course time devoted to the study and discussion of orderly marketing."

That was submitted, Mr. Chairman, by the Minnedosa constituency and the Minister has said good idea. I wonder then, Mr. Chairman, if the Minister will inform the House whether he plans to undertake this kind of investigation of the freedom of research and teaching and expression at the University of Manitoba?

MR. URUSKI: Mr. Chairman, obviously the Member for Turtle Mountain wants to read whatever he can into the resolution. Mr. Chairman, I would hope that the University in presenting its courses to our young people in Agriculture does so in terms of making sure that there is that kind of a balance of view in terms of having the students be open and being allowed to have both sides of the system so that people themselves could make up their own minds. In fact, the member knows several of the — at least right now in

the news that we have in Manitoba, in Western Canada, some of the former professors who, I guess, were believing what they were teaching and went out and practised what they were preaching in terms of the open market system, and somehow the system collapsed around their ears in terms of not being able to actually put into practice what they have been preaching in terms of grain marketing and the open market system, the theories that they have been teaching. They decided to come out in the real world and try it out and we see some of the, unfortunately, some of our farmers are now in that position of trying to make sure that the checks and balances are in place by the Federal Government, can pull together some of the pieces where producers have, in fact, taken a very, very serious financial loss in the grain industry and some of the people involved were those obviously that were doing the teaching and had the — (Interjection) — well, Mr. Chairman, he was not a university professor, but at least he hasn't preached that one system is the best system and then he decided to try it and it didn't work. Obviously, we're about to try and pick up the pieces of what has been taught over the last number of years in this instance and many farmers in Manitoba and across Western Canada were hurt and are hurt financially as a result of it.

MR. RANSOM: Mr. Chairman, my question to the Minister of Agriculture was does he plan to undertake this sort of investigation. This resolution presented to his party's convention asked that the government investigate the Faculty of Agriculture's Economics Department and the School of Agriculture to determine the amount of course time devoted to the study and discussion of orderly marketing, that's the question that I asked the Minister and he gave me a dissertation on experience of individuals in the marketplace. That wasn't what I asked, Mr. Chairman, I want to know does he plan to conduct that kind of investigation?

MR. URUSKI: Mr. Chairman, obviously the member didn't like the answer I gave him because some of the people — (Interjection) — well, Mr. Chairman, the member may prefer whatever he likes. There's no intention on my part to go out on a witch-hunt of the University of Manitoba, never has and won't be but, Mr. Chairman, I would hope that in the academic freedom of the University that there is some balance in terms of options available so that students are given the whole range of options in terms of the courses that they take so that there is a balanced view in the courses that are taught to them.

MR. RANSOM: Mr. Chairman, does the Minister plan to undertake an investigation? Mr. Chairman, the Minister says he told me. I agree with him that I hope there's balance, but I've asked the Minister whether he plans to undertake this type of investigation which was called for in the resolution that was presented to his convention. A simple yes or no would suffice, Mr. Chairman. Does the Minister plan to undertake this kind of investigation?

MR. URUSKI: Mr. Chairman, either the honourable member didn't hear me properly. I said I had no inten-

tions of going on a witch-hunt to the University.

MR. RANSOM: I'm sorry, I'm not used to that kind of rhetoric, Mr. Chairman, where he's speaking of witch-hunts. I wasn't talking about witch-hunts. I was talking about a resolution presented to his convention. Now, if the type of resolution that is presented to the New Democratic Party convention calls for witch-hunts, then so be it, Mr. Chairman. That's the way the Minister of Agriculture has described it. That's not the way I have described it and I'm pleased to see then that he is prepared to grant the University the sort of academic freedom which the universities have been accustomed to.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Chairman, the Minister in some of his earlier answers today relating to the Beef Income Assurance Program has indicated that there will be further detail worked out by a committee which he says by his press release that he will be announcing by mid-April, yet not able to tell us any members who are to be appointed to that committee. We are fast approaching the middle of April and the Premier promised an emergency relief program and they had a commitment to support the beef industry, Mr. Chairman.

The press release also indicates that the committee's mandate is to establish support levels and numbers of livestock in which the individuals or the farmers will be able to enroll.

There's one other reference made, Mr. Chairman, for the ability of cow-calf producers if, in fact, they signed up this spring because they felt it was imperative to get the \$50 per cow and that by fall they determined through a management decision that the calf price was adequate enough to return them sufficient income, that's one of the details the committee would be recommending. I would ask the Minister if he, would he tell the committee that \$50 per head that they receive at this particular point will have to be paid back this fall if, in fact, they decide to opt out of the program?

MR. URUSKI: Mr. Chairman, when the contract and the details of the contract are worked out in consultation with the Committee and the group those details will be announced.

MR. DOWNEY: Mr. Chairman, when does the Minister expect to have the first payout go on the new livestock program that he's introduced, when will a farmer actually receive \$50 per cow for the program if he enters into it? When can he sign up and when the contracts aren't ready, when does he expect the first money to flow into the producers' hands?

MR. URUSKI: Mr. Chairman, the first area of responsibility or work that the committee will do is to work out the support levels in terms of the numbers of cows that would be enrolled under the program. When those details are finalized and discussed with recommendations to myself, at that point in time the finishing details to the contract could be made. We're looking at a time frame of approximately, I would think, six

to eight weeks that that could happen and by that time the contract would be ready and producers would be in a position to sign the contract thereafter and within a short period of time the money could flow. So we're talking probably eight to twelve weeks that money could actually be delivered to producers.

MR. DOWNEY: Mr. Chairman, how many, I'm sure the Minister in his discussions with his friends in the farm community or the advisory groups that he's referred to, the farm organizations, how many livestock producers does he expect to participate in this program? He must have done some projections, what percentage of the 15,000 — or how many of the approximate 15,000 does he expect to enroll in the program?

MR. URUSKI: Mr. Chairman, the member well knows that one really can't speculate on that kind of a number as to how many will actually sign up on the program. In terms of program costs it is anticipated that we could see probably 50 percent of the cow herd in Manitoba enrolled.

MR. DOWNEY: 50 percent.

MR. URUSKI: Thereabouts. But, Mr. Chairman, no one knows for certain as to the extent of the enrolment, one can't even project that with any accuracy. No different than any program that was announced previously of stabilization. You hope that producers who require assistance will take advantage of the program and make those management decisions that they require.

MR. CHAIRMAN: 1.(d)(1)—pass.
The Member for Niakwa.

MR. ABE KOVNATS (Niakwa): Thank you, Mr. Chairman, just a couple of questions and then we'll be finished with this particular department. I've listened with great interest all afternoon and the early part of the evening concerning the Minister's remarks on the Beef Income Assurance Plan and it's brought a couple of questions to mind.

First of all, how many producers have been contacted to get their opinions so that they can have some input into this Beef Income Assurance Plan? Would it have been 50, 100, 150, 200? —(Interjection)— Fair enough. The Honourable Minister says 200.

MR. URUSKI: There have been representative groups from all facets of the industry. In terms of how many producers some groups say they speak for is another matter but in terms of organizations, the Farm Bureau, the MCPA and other groups in terms of individual farmers as well, I personally have spoken directly and indirectly by correspondence to, I would say approximately 200 myself.

MR. KOVNATS: Thank you, Mr. Chairman, I wasn't trying to catch the Honourable Minister on any figures but I was just trying to get in my mind a percentage of the amount of producers as to the amount of people contacted and it's about 1 percent. It seems to

be quite an insignificant number to be making these big decisions on and I'm sure that the Honourable Minister has gone into it in great detail. I understand the Beef Income Assurance Plan on how it will protect the producers and how it will protect the consumers inasmuch that there will be a beef industry in the Province of Manitoba, so that we will not be held up so that there will be no problems as far as shipping in beef from other provinces. We will have our own industry here if we can protect the industry. But, it's like a game of chess. Has the Honourable Minister followed it through to its ultimate conclusion? How will it affect the consumer as far as the price that the consumer has to pay for meat? Is it going to take a sharp increase? Is it going to be held on a level? The reason that I'm looking for a figure of this nature is, in about a year's time I'm going to be able to go back to the Minister and say, Mr. Minister, you said that it wasn't going to go up in price or it was going to go up in price. It's going to be a status quo. This is how his program is going to be looked at by the people of the Province of Manitoba. Can the Honourable Minister advise whether there's going to be any variance in the price within the next year?

MR. URUSKI: Mr. Chairman, if the Honourable Member for Niakwa can predict what the market price in North America for beef will be, Mr. Chairman, he obviously will be able to reflect or tell all the consumers of Manitoba what they'll be paying for beef in the next year or so.

MR. KOVNATS: To the Honourable Minister, I don't have a crystal ball to project the prices, but I thought that the Honourable Minister would have some sort of an idea as to costs of producing beef now, today, as to whether the cost is going to increase with the subsidy, in fact, of what we will be giving to the meat producers. And I'm not against that subsidy, I mentioned it before, I think that we have to protect the industry and I think the Honourable Minister can come up with some sort of a figure as to how the price of meat will vary within the next year.

If the Honourable Minister is not going to give me any idea I'll withdraw and I'll just sit tight for a year and in a year's time I'm going to be able to get at the Honourable Minister anyway and say, see, your program isn't working, or, boy, I'd be so happy to say, your program is working, because it would benefit all of the people of the Province of Manitoba. But I have great fear; I don't think enough input has been put into this program at this point.

As I mentioned before, 1 percent of the producers of the Province of Manitoba have been consulted and I think, maybe, about half of one percent of the consumers, of which there is a million in the Province of Manitoba, have been — and I'm just guessing, and the figure of one-half of one percent reminds me of the jar of pickles that I see, Benzoate of Soda, one-half of one percent. It's such an insignificant amount that we're talking about and the Honourable Minister hasn't even gone, to the courtesy of the consumer, to get any input as to how this program is going to affect them.

With those remarks I'll pass it over to the Honourable Minister.

MR. URUSKI: Thank you, Mr. Chairman. Here we have a bit of a dilemma that the Member for Niakwa mentions because his leader, just this afternoon, indicated that we didn't consult, or take into account, advice given to us by the organization that was speaking for the 15,000-odd beef producers in Manitoba. And we did, Mr. Chairman, and I spoke on this very matter. Now the Member for Niakwa indicates that we've only consulted with less than 2 percent of the producers in Manitoba because I said there was only a couple of hundred producers that I spoke to. That's why I made my point the way I did. Who does the industry, or several groups, represent?

The Leader of the Opposition today said MCPA represents 15,000 producers in Manitoba. I've indicated to members opposite that we took the majority of the points that they have presented in their submission dealing with an income assurance plan and that was basically the committee that was set up by his colleague in the last two weeks of the election; the same group, or basically the MCPA, they're the ones that were going to make recommendations. Now, by speaking to them, the Honourable Member considers that this group only represents 1 percent of the producers in Manitoba, then, at least, maybe he and his leader should get together as to who represents what group and the percentage of whom we have consulted with in the industry. You can't have it both ways, Mr. Chairman, because he's saying that the groups we have consulted with are minute and very few people.

His leader said, you didn't consult with MCPA who represent the 15,000 producers in the Province of Manitoba, when in fact, our program, in major features of being voluntary, government support and the like, follows along some of the recommendations that were made by MCPA. Now, he'll have to decide for himself which group and which statements he wishes to follow; those of his leader or those of his own. You can't have it both ways.

Mr. Chairman, in terms of the consumers of Manitoba, one thing that we will attempt to, by having a stable and an assured beef industry and an assured cow-calf herd in Manitoba, is that our intent will be to finish more animals in the Province of Manitoba and be able to provide a sure, stable supply of beef to not only consumers in Manitoba, but consumers in Canada, since, historically, Manitoba has been a net exporter of agricultural products.

We are not, basically, in a position, and no province is in a position to be able to set price, if that's what the honourable member is saying as to what will be the ultimate cost to consumers. A provincial marketing agency or single desk marketing unit really can only operate within the context of the North American market and attempt to get as much competition in the marketplace to get the producers as great a return as possible in relationship to the costs that they produce. Obviously this program has been designed because producers have not been receiving their costs of production. They have been losing money and the industry has been in trouble.

The cycles that we've talked about in beef over the years, that there is a cycle of low and high, is almost, one would have to say, virtually non-existent, or, at least, it's been all shattered. There used to be a nine or

eleven year cycle in terms of beef prices and production. That's gone out the window, Mr. Chairman, in terms of what has happened in the last few years; that pattern is no longer there. As a result, producers have been very much hard hit; they could not ride out the lows; the lows have been stretched out more and more and, as a result, this program is designed to attempt to bring about some return to producers to, at least, recover their cash costs and a return on their capital investment to a degree to at least keep them, as the basic support program, to keep them in a viable industry and if they wish, to insure themselves to a higher level, that's the process that the committee will do and discuss with producers, if they want, a separate level of insurance. That would be optional to producers but that has to be discussed with the committee and with producers in Manitoba.

MR. DOWNEY: Mr. Chairman, the Minister made a comment earlier, as well, he said that the beef producers or the feedlot producers of Manitoba would have to have the same opportunities or would not be competing against, or have equal opportunity to the feedlot producers in Saskatchewan, is what he said. As I understand the Saskatchewan program, Mr. Chairman — and you can correct me if I'm wrong, but I think maybe he should check this out. I believe the feedlot producers in Saskatchewan do qualify for their Saskatchewan Beef Income Program whereas the Manitoba feedlot producers do not qualify, and I think he would be well advised to check that out and put it on the record.

The other point that has to be made, and he keeps going back to it, Mr. Chairman, is that he keeps trying to leave the impression with the committee that the beef producers of this province recommended to him that they wanted a total change, complete change, in their whole marketing structure, and that is not the case. It's very much the opposite. They do not want a change in their whole marketing structure; they want to maintain the system that they have. In a report that the Minister knows, it was tabled here today, and he keeps referring to the fact that it was a recommendation. The beef producers recommended that a national stabilization would be in their best interest, that a one-time payment to the beef industry would be their most desirous way of receiving an assistance program, and the fact that they were looking at variable premiums and those other things, were also part of the recommendations.

But they didn't, Mr. Chairman, ask to be fed a whole pill with a little bit of sugar on it, a \$50 carrot to swallow something that is going to be wrong for some six years which is an ill-conceived program. It's unfortunate that the Minister last fall, when he told the beef producers, I was campaigning in his constituency, in his area, when he promised the beef producers, Mr. Chairman, that he was going to introduce a program and give them a support program. Mr. Chairman, I was at some meetings in his constituency and the people at that meeting told me that their member was promising support for the beef industry. Now if he says that that is incorrect I would certainly give him a name or two that he could check it out with. I was told that if I was going in any way get any support in that area that I'd better promise something even though I

didn't plan to deliver because that's what the member there was doing.

That's the unfortunate part. I thought when he was indicating to the farm community last fall that he had some research work done, that they as a party were prepared to move with the program. It's very ill-conceived, Mr. Chairman, and I am sure that as we go through the Estimates as the Minister, hopefully, will give us a little more information so that we can inform the farm community exactly what they are to be faced with in the entanglement which they are going to have to deal with.

MR. URUSKI: Mr. Chairman, I have some advice here in terms of the Saskatchewan program. The basic details that Saskatchewan, when he talked about feedlot operators being involved, anyone who has a cow-calf stabilization plan would be available only to bona fide cow-calf producers and that the multiple owner operation can register only slaughter steers, heifers, grading A, B or C will qualify. The program will be available only to bona fide cow-calf producers. Mr. Chairman, the analysis and comments made by the livestock industry analysts in Saskatchewan indicated that only about 130,000 of the 1 million calves produced in Saskatchewan were slaughtered in that province as fed steers or heifers. The rest are shipped to Alberta and Ontario for feeding. The low volume of fed cattle in Saskatchewan during the last 10 years has greatly reduced the feedlot and slaughterhouse capacity in the province. So that now feedlot operators have trouble finding competitive markets, and wholesalers are having trouble finding enough volume to market outside of the region.

"If enough producers sign up for the new beef stabilization plan, this trend could be reversed," said Red Williams, head of the Animal and Poultry Science Department, the University of Saskatchewan. It has to promote more feeding and killing. It's a generous program and people will likely be obliged to participate. Mr. Chairman, the comments of industry analysts in the Province of Saskatchewan indicate that because of the small number of animals finished in that province their finishing capacity is, of course, less than ours in Manitoba. But if we can move our industry to finish more, there should be more animals that could be custom fed within the Province of Manitoba whether it occurs in operations that are now in existence, or whether producers decide to do it on their own premises or co-operatively, or whatever choice they make. That certainly, in terms of the value added, in the Province of Manitoba could add millions of dollars to the value of agricultural products produced in this province and that shouldn't be overlooked by any members in this Chamber or people within the industry and the farm community in this province.

MR. CHAIRMAN: 1.(d)(1)—pass—; 1.(d)(2) Agricultural Research Grant — the Honourable Member for Arthur.

MR. DOWNEY: Mr. Chairman, the Agricultural Research Grant has been traditionally a grant to support the research work at the Glenlea Research Station at the University of Manitoba which I am some-

what disappointed to see the Minister has not seen fit to increase the funding to the agricultural department. Mr. Chairman, it has been somewhat traditional — and I'm sure that the Minister and I'll ask him this question — if the Minister did meet with the department with the Dean of the Faculty to discuss their plans. I know I had met with them earlier last spring and I'm pleased that the Minister of Education is here as well, because I think it's an important part of the overall policies that we were carrying out to further support the work that was going on at the Faculty of Agriculture, particularly to do with the development of the different varieties of grains, I would say leading the country, leading the world in some of these plant-breeding programs that were being carried out there, particularly when you look at one of the major successes of Dr. Lynn Shebeski in the development of the triticale which is one of, I would say, a pretty major development, and is proof to the people of Manitoba and the rest of the world that is money well spent.

I have, Mr. Chairman, some concerns when I look at the \$850,000 and I appreciate that we didn't give it as much as I would like to have given it, but I felt that there was some room at that particular time in the four years that I had the chance to be the Minister to ask the University Dean and the people who were in charge of the faculty to put together a longer-term program or ideas, thoughts for the future development of agricultural research and the facilities that were supporting the kind of work activity that was taking place at the university. I, Mr. Chairman, appreciate the fact that I was asking them to put forward proposals at a time when, yes, we were facing somewhat tough budgetary times, but when we talk of education in this province we hear the Minister of Education and her government standing up and saying what great things they are doing in Education. I would hope that they are as well looking at the furthering of the education of all students and not just at the grade school level. This particular thought that I had and proposal that I was asking for from the university people was to ask them what they felt on a longer-term basis would enhance the overall research capacity of the university and the development of a strong base from which to work or if it could be, in fact, strengthened.

Mr. Chairman, they had made a proposal and I would be interested to see if the Minister has seen the proposal that was put forward, some of the objectives that they had looked at and recommended to me as the direct major funder for that faculty. I think, Mr. Chairman, that if the Minister is sincere about the Department of Agriculture and the efforts that it can put into the overall future support for the total industry that he would be well advised to try and strengthen this particular area. The funds that he has put into his own policy studies and research have increased by some — well, they've over doubled. I would hope, Mr. Chairman, or I would have hoped that in his Estimates this year that he would have increased the university grant by at least that kind of a percentage so that some of the new thrusts that were put forward by the university, the Dean of Agriculture and some of the people who were involved, Mr. Chairman, would have been able to proceed on the 5 or 10-year program that would further enhance their objectives.

I thought, Mr. Chairman, it was a particularly good time to ask the University or to have that kind of conversation with the University and get them to set up some objectives particularly when we, last year, celebrated the University's 75th birthday. The Faculty of Agriculture had a tremendous reunion here in the City of Winnipeg where plant scientists and all the different people who have been part of that faculty came back and I'm sure there were some 800 to 1,000 people at different occasions that were put on.

I think it's a tribute to them to recognize their own history and I felt it was an important period of time when we should reassess what was taking place at the University and have a new injection of thought and money as far as the government and university relationship was concerned because if we look back at the not too far past, Mr. Chairman, we can remember the major upgrading and increase of cash infusion and development that took place when Senator Duff Roblin, who was the Premier and our Leader, the Minister of the Crown felt that it was a place in which the research work for the Faculty of Agriculture should be done and there was a commitment from the Roblin government of several millions of dollars to upgrade the buildings, to upgrade the programs and the activities that were carried out at the faculty.

Well, Mr. Chairman, on their 75th year and having eight years of very little support from the past administration, I thought that it would be a good time to further show a commitment from government of enhancing their work activity and ask them for some new and innovative ideas to do more or less with the overall research, but one area in particular, Mr. Chairman, that I want the Minister to be well aware of and that's in the development of post-graduate educating of students. Because we are seeing not only within the Federal Government, but within all the areas of plant development and research, we're seeing an aging group of people and reducing numbers of those people who are and have carried out a pretty important role in the overall, as I've indicated, development of our different livestock, plant breeding and research activity.

That to me, Mr. Chairman, is a dangerous thing to have happen particularly in a country where we have the potential to produce. We pointed out through the Northern Agricultural study that there was an area of some millions of acres that could be developed for agriculture, that to support that development, to encourage that development there had to be work done at the University through research and development to enhance new areas of agriculture and expand the varieties and the broad diversification that is actually taking place not because of government force, but because of government encouragement through the kind of markets that are developed and that type of process.

So it's the real lower-cost type, bursary-type systems or programs that would help individuals through a period of time when they would normally graduate and be encouraged into the private sector or the private trade or to go with government to make an income, to encourage them to carry on their learning experience and to play a greater role in that whole field. There is a vacuum or a vacancy developing there that it's reaching, I would say, proportions that should

be of concern to the total country and not just to the Province of Manitoba. I felt again it was a good area to put additional monies, ask the University to put effort into that particular region, that part of their programming and enhance it.

But we haven't seen an increase, Mr. Chairman. We see the University of Manitoba research grant staying at \$850,000, an area that I would have felt very strongly should have been increased. As I say, I didn't increase it as much as I would have liked to in the last four years, but again I'm not overly critical, but at same time, Mr. Chairman, you'll also notice the Minister says, I only increased it once possibly and I would have to check it out, but I also did not increase the \$107,000 to any great extent, if at all, in the last four years, whereas he has seen fit to double that increase. So I would have thought it would have been easier, Mr. Chairman, for the Minister to have given the University maybe another \$150,000 or \$50,000 or \$100,000 and help them in some way.

Now, I hope it isn't his policy or his intention to deliberately start to limit or not increase the numbers of dollars going to agriculture research. I'm sure some of my colleagues would want make comments in this particular area because of the deep understanding that some of our deep-rooted colleagues have on this side that it is important to the total picture of grain exporting, the major livestock developments that we could expect to take place.

Again I go back to say, Mr. Chairman, they have a proven record. I'm not against the development of some of the other social activities or some of the other monies that are being spent at universities, but I think if we're — you know, the Minister of Natural Resources is sitting here — before he spends a dollar of public money, he looks at the cost-benefit or the benefit-cost ratio. —(Interjection)— Well, my colleague would question that. But that's a kind of a rule of thumb that you see, Mr. Chairman, when it comes to the expenditures of monies by Socialist governments. It's easy not to spend —(Interjection)— I'm very sincere about this that we always tend to — when it comes to certain areas of government expenditure — always pay attention to the cost-benefit ratio or the benefit-cost ratio. But, when it comes to looking at the monies that go to research and spending on education and that kind of development, we seem to lose that objective or that target. We seem to, through some human sympathy or some particular softness in our heart to do certain things, we don't particularly pay a lot of attention to the benefits that we're getting for the money that we put in, not as much attention as we should. That is why I say, Mr. Chairman, I am disappointed that the Minister hasn't seen fit to increase — and it's an area that I can justify because they have proven their record as far as the overall . . . and he can stand up and say, why didn't I increase it more.

Well, Mr. Chairman, as I indicated, we were in the process of asking the University, and I'll say it again, we were in the process of asking the University, because we had had some 75 years of, what I would consider, pretty good success, it was time to ask them to relook at some of their objectives and their priorities and lay a program out on a longer-term basis and he has that, Mr. Chairman, I'm sure. —(Interjection)—

Well, he said he just got it.

The other point that I would like to make, Mr. Chairman, that we traditionally have had the University of Manitoba, the Department of Agriculture Annual Report available and distributed in the House. Maybe it's the wrong time. I ask that question because it's — maybe I'm at the wrong time of the year but I remember getting it and having it distributed. I know it isn't by Statute, but at least it's a courtesy to the House, to the members, to make it available and I would certainly hope the Minister would take note of that. I would like the Minister to respond to the longer term objectives, what his objectives are. Is he interested? Is he sincere about looking at the recommendations that the Dean and the people at the university, who are carrying this load of research and development on their backs, expecting to do it at no increases. I would hope that the Minister would be prepared to lay out a little more of a longer term objective and program for that particular department. In fact, Mr. Chairman, I would go a step further and say that I was contemplating a form of further legislative authority through a form of an Act of the government, representing it to my colleagues in the government, to look at a long-going commitment by the people of Manitoba through the Legislative Assembly of the province, so that it was a statute; it was a commitment to continue funding for that facility and that they weren't at the whim of — and because let's look at this, Mr. Chairman. The major dollars for the research at the Faculty of Agriculture today are at the whim of the Minister of Agriculture. If they were to come to the Minister of Agriculture and he was totally turned off with the research and the work that was being done, with the stroke of a pen he could wipe out the major research grant that goes to the Department of Agriculture at the faculty.

Now, that is, Mr. Chairman, probably totally impossible because of the reactionary thing that might take place, but it is possible. That, Mr. Chairman, is why I would like to see — because we do vote money each year; because it is a commitment; I think it should be a commitment of our total group here that be brought into the larger arena of the Legislative Assembly to find out just where people stand when it comes to the further continuation and support of research that is so pertinent to our wellbeing as a province, as a nation and as a reputable supplier of food throughout the world.

So, Mr. Chairman, I would ask the Minister what his ideas and his plans are and hope that some of my colleagues would have further comments to make.

MR. URUSKI: Thank you, Mr. Chairman, I would like to answer some of the specific comments that the Member for Arthur has made in terms of the funding for the universities.

Mr. Chairman, in terms of legislation and some of the thoughts that the member had, I believe that it's very useful and very worthwhile that we do discuss the grants and specific amounts of funds that are voted annually to the university and that it is brought here before the Legislature and that to be enshrined in legislation, one could make that argument for many programs if one wanted to do that and say we will guarantee legislation. For example, the Hospital and

Nursing Home Program where there were projects when the change of government occurred which were already tendered. They were frozen and they were chopped for several years. I presume this would be the reasons why that type of legislation would be presented.

Mr. Chairman, in terms of the funding to the universities, the honourable member should have recalled that over the last four years of their administration there had been only one increase in the funding to the universities of \$50,000 and that was last year, in those four years. One should remember that this year's funding is the same as last year. There's was one increase. Maybe he forgot that, I don't know. He should remember and I'm sure he does that there are additional funds that are provided within the department through the AgroMan Agreement. There is additional funds in terms of that agreement and has been increasing. In fact, this year there's an increase of some \$80,000 additional to the research done in the university. In fact, there is an amount projected close to \$700,000 in the AgroMan Agreement and the \$850,000 in this budget, so you're looking at approximately \$1.5 million increase in funds to the University of Manitoba.

The member raised the point concerning the long-term objectives and the long-term program of the university in terms of research. I should indicate to him that we have just received that kind of a proposal from the Dean of the university which projects five years in advance. We will be reviewing and undertaking a review to see how we can respond on a long-term basis. I have to say I think that's a good move in terms in looking more long term than rather on an annual basis. I would think the annual specific programming should be examined annually to see that the objectives and the thrusts of the various research projects are met from year to year, but in the long term I certainly have no quarrel with that and we will be reviewing those submissions to the department.

Mr. Chairman, I think that covers all the questions that have been raised by the honourable member.

With respect to the annual report, we received one copy just I believe today and that's all that we have received. Yes, Mr. Chairman, that copy just . . . the Honourable Member for Rhineland raised that earlier this afternoon and I endeavoured to get him copies and get all members copies if we had them. We checked back at our office, we have received one. In fact, I'd be pleased if honourable members would — if he would want that one copy, that's all that we have received, and it just came into the office within the last day. So, if the honourable members would like it, we will check with the university tomorrow and see whether those copies are already printed; if they are we'll try and distribute them for the honourable members as soon as we can.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. CLAYTON MANNES (Morris): Thank you, Mr. Chairman, without having the benefit of reviewing that particular report, my question may be a little out of line and maybe the answers will be in the report, I don't know.

I want to take the Minister, if I can, down the path of

one area that really concerns me. It's an area which provincially probably there is little jurisdiction. That is to do with wheat breeding. I tie that into the research at the University of Manitoba because they are our foremost — I hate to use the word — wheat breeders in the province in the sense that they are not federal.

I'm wondering if the Minister is aware of the great debate that has surfaced over the last two or three years regarding varieties of wheat and how in fact they are properly licensed and whether he could see himself lending support to the claim of many southern and southwestern Manitoba farmers who suggest we are being held; wheat producers in Manitoba are being held to the Marcus type varieties of wheat, which are, of course, as you may be well aware, very high in protein; are very high in all baking qualities, but unfortunately are not keeping up in yield potential as are some of the varieties that are grown to the south.

We have a climate in Manitoba that would allow growing of some semi-dwarfs and some lower-quality type wheats but they are not allowed to surface because of a licensing type of system that is controlled by the Federal Government.

Now, the point I'm trying to make is that the time has come, I think, when the provincial government has to become a little involved in this whole area because producers in this province recognize the benefits that they are forgoing by not being able to grow these high-yielding wheats that exist south of the border. I'm not one that's going to advocate that the government themselves should direct the University of Manitoba into specific research and into specific breeding programs, but I think the Minister is well aware that the highest yielding wheat that we do have in the prairies now was developed at the University of Manitoba. It's Glenlea wheat. We have a tremendous record in that area.

I think within the whole licensing procedure that is administered, particularly by the Canadian Grains Commission, that there is a great amount of debate and disagreement as to which direction wheat breeding in this whole country, but specifically as it is adapted to Manitoba is going on.

So, I'm wondering if the Minister is cognizant of this problem and how he sees his department becoming more involved at least in studying it and pushing the development of wheat varieties that have some adaptation to Manitoba and will therefore, of course, create a higher net farm return?

MR. URUSKI: Mr. Chairman, there's no doubt that there is great concern and debate going on with respect to testing and developmental breeding work. There is some work that we do support financially through our grants to the university in terms of maintenance of breeder seed of cultivars of wheat, barley, triticale and rye. So, we do have some input and do support financially some of the breeding work that is carried on through our university.

I speak with some personal knowledge, of course, of the wheat that was developed here in Manitoba in terms of Glenlea being a utility type feed wheat, but nevertheless the protein content and the yields and stability of that wheat for Manitoba conditions, for the livestock and poultry industry, has done wonders in

terms of the production and requirements of our livestock and poultry industry.

There is no doubt that there is concern. We do as much, I presume, in the context of all of our total research budget that we supply. We probably could be doing more and should be looking in that area more in terms of whether or not we can be involved in it and assist more. The licensing, of course, as the honourable member knows is federal in nature in terms of which crops do get licensed and do get field tested and put on the recommended variety. So, while there is split jurisdiction, I would have to take the honourable member's, and I do take the honourable member's comments, as saying, look, can you do more; would you be prepared to do more in this area. I share his concerns and that's something that we certainly should consider and continue reviewing whether we can do more in this area.

MR. MANNESS: Well, there's two ways we can do more. I guess my secondary request, certainly not my primary, but the secondary request at this time, of course, is maybe is financially directed specifically to breeding efforts in some areas. I guess my primary concern is just the support of a provincial government because I think we're quickly heading to that point in time where there's going to be a major dispute as to the licensing procedures that are now being developed because there are many farmers in this province that feel, and rightly so I think, that they are being held back in varieties that are not allowed to surface. The University of Manitoba, of course, the breeders that I know there, are not only well aware of the dispute but they are the ones that feel that producers to some degree in this province are being held back by existing licensing procedures. So, my main concern is not extra funds; I guess my main concern is that I think it's time almost for the provincial government to become involved in this particular issue even though I realize it's federal in nature, but you know we've been forced to grow varieties that are adapted to the average of all the western prairies, and the time has come, I think to pull away from that ideal.

MR. URUSKI: Mr. Chairman, I have to admit to the honourable member that I'm not completely knowledgeable in this area of the — (Interjection) — well, Mr. Chairman, I take it for granted — I don't know everything and the member has raised some interesting comments that I want to take those under consideration; to have further discussions with the university and have our staff bring back some of the feelings and comments that he has raised to see whether or not those suggestions that he makes maybe we should follow up and see whether there are alternatives that we could use.

I appreciate the comments of the honourable member. He probably has much closer feel for that area than I have. I have some general knowledge in that area, but not very specifically. I appreciate the comments of the honourable member and hope that I will be able to get better acquainted in this area and take some of the concerns that he has raised between the farm groups and the concerns of the breeders at the university to see whether or not there is some role, more than financial, that we could play in this area. I

appreciate the comments of the honourable member.

MR. CHAIRMAN: The Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Chairman, it gives me pleasure to enter into the debates of the Minister's Estimates at this particular time. I'd like to discuss briefly with the Honourable Minister on this Item, Research Item, with the Faculty of Agriculture at the University of Manitoba whether or not the government has any intentions to demonstrate its bent or its practice as it has demonstrated so often to lead or to take on a segment of agriculture; we just discussed the beef industry and whether we agree with it or not but to set out very specific goals and objectives that this Minister wishes to accomplish.

I must confess, Mr. Chairman, that although I've always very strongly supported the research efforts of the Faculty of Agriculture at the U of M, I'm very proud indeed that I was part of that Roblin administration back in the mid '60s that did precisely what my colleague suggested was in effect established the Faculty of Agriculture as it now stands.

I must admit that I have always felt that one of the major differences that exists between American research in agriculture and Canadian research in agriculture, is that — and this isn't said without detracting or taking away any little bit of the very important work that they do, but in American research in agriculture it tends to be more directly applicable to pressing problems of the day that different producers, growers face. So I wonder whether this government intends to, from time to time, exert its leadership or its direction in directing research at the Faculty of Agriculture in any specific way. And I'm not suggesting any particular ways to the Honourable Minister, I suspect, and I acknowledge that by and large the department has operated fairly autonomously and, Mr. Chairman, I'm not suggesting that you change. We have been singularly blessed in Manitoba by having some outstanding researchers, the likes of Dean Shebeski who is world and internationally renowned for the work that he has done on such development projects like the development of triticale in Manitoba. My colleague, the Honourable Member for Turtle Mountain indicates to me that he has a bowl of triticale cereal just about every other morning for breakfast undoubtedly that accounts for his stature physically and otherwise in this Chamber.

What I'm suggesting, Mr. Chairman, there are, I think, very specific injectives that perhaps this Minister representing Agriculture has, from time to time, whether he intends to during the course of his Ministry, to express those concerns to the research arm of his department namely the faculty of Agriculture at U. of M. to achieve certain specific goals. I could mention one that just happens to come to mind because this month's National Geographic magazine has a very interesting article on tracing the history, the potential and future of the potato. The research that's going on to enable potato crops to be sown from seed rather than from tubers. The advantages are obvious, a 100 pound bag of seed would seed a very large field of potatoes, 100, 200 acres compared to a ton of tubers required to do that. China is seeding some 25,000 acres of potatoes by the use of seed. We have a grow-

ing potato industry in the Province of Manitoba centred around the processing firms at Portage la Prairie and Carberry, I believe, and I think it's in our interests agriculturally speaking to diversify our agriculture so that without getting into the Crow debate here we don't become overly dependent on having to ship our products out. And the more we can process in this province, the more we can process at any point the better it is for all of us.

So I take this occasion though to suggest to the Honourable Minister that he shouldn't feel bashful, after all he's funding the boys at the U. of M. there to the tune of some \$850,000.00. Just as he is prepared to tell me as a cattle man how to market my cattle in the future, where and when I should sell them and how I do it, he should perhaps feel free to show some leadership with respect to the research arm of his department there.

A very interesting fact in that same magazine I referred to is that the potato and the tomato are cousins and they are actually developing a pomato plant or a tompato plant which would grow tomatoes on top and potatoes on the bottom, very efficient plant. Maybe we could agree to bumping up the research here by an extra \$25,000 if, in fact, that is feasible. But I'm saying, I put these remarks on the record, I think the National Geographic magazine has some reputation of being a reputable magazine in terms of its research in the various subjects.

But, seriously, I have always felt that while Canadian research has done a very admirable job in being at the forefront and developing those rust-free varieties of grain that are so important to our grain trade, they have to some extent I felt not always communicated as directly as they could with the specific farmer's needs. I call it applied research, the American agriculture research works somewhat differently. They will, a producer group will very often put forward X number of dollars specifically and then charge a university to try to resolve the problem that they have. And it's direct, yes it's somewhat narrow, I call it applied to the problem that the party that is funding it requests. The relationship between the party that is providing the money for research and that wants the results is a little tighter. Under our more general system we vote the monies here in this Chamber, it's given over to the university, it is not directly tied to such individual groups as the sugar beet growers or as the potato growers or as the vegetable growers and I think what can happen and I haven't always been satisfied, what can happen from time to time, I think it's an appropriate role for the Minister who is the recipient of different requests when he meets with different producer groups, listens to their problems, he must always keep in the back of his mind that he is funding substantially a research arm.

I think there is nothing wrong for the Minister, although my friends at the university would throw up their hands if you overdo it, but some proprietary feeling about the research faculty that you have at the U. of M. recognizing that you have to raise the funds. You will be criticized if you don't raise sufficient funds, you have to pass those funds here and I think that gives the Ministry some very legitimate rights to, not to tread on academic freedom at the university, but certainly to see that some of that research is

directly applied to the problems as you interpret are being faced by Manitoba producers and the agricultural community in this province. So, Mr. Chairman, I invite, I won't always be this generous, there are other places, quite frankly, I'd like to have him keep his nose out of some of the farmer's business. But in this particular instance I would appreciate hearing from the Minister whether he has any of these intentions. And, by the way, I'd ask him to take up seriously the suggestion that I made about the tompato and pomato.

MR. URUSKI: Mr. Chairman, I don't know what's happening this evening, here's myself getting up to agree and thanking the Member for Lakeside for his comments. I sincerely appreciate his advice in this area because, and I think he knows better or even more than I as having been a Minister of the Crown and having been in this department, having been Minister of the Department of Agriculture that historically there is a kind of, as I understand it, a tripartite consultative process because the university does come in with a large shopping list of projects that they would like the government to fund, and in the process of consultation, negotiations between the University, Agricultural Canada and the Province of Manitoba, this kind of process does go on between staff so that funds that are put into the University from the Federal Government are not duplicated, we do not duplicate our work and our funding to the University.

Certainly provincial priorities in this process are considered and projects are then evaluated as to how far and how much, how many projects can go ahead. That's been done, as I understand it, year in and year out. Sometimes it may be the consultation and the discussions are less or more, it may vary from year to year depending on the number of projects to be considered but certainly that's an ongoing process that's been happening for many years and because there's been a change of administration, really basically, I have to say nothing much changes in that the University brings forward their list and there are discussions as to how far and how much we will fund, then the specific projects are looked at and arrived at.

MR. DOWNEY: Mr. Chairman, I have a question for the Minister of Agriculture. To support further expanded or extended research at the University of Manitoba or any other research, does he feel or could he indicate, should the University be allowed to sell some of its research work, or the results of it, to further enhance the development of research and the production of new varieties of crops or to support the taxpayer in total, with the overall efforts of the University?

MR. URUSKI: I'm not sure I understand fully what the member is getting at in terms of where the public treasury funds specific research projects. I believe any funds that are gained from that research towards the sale of that project or papers derived therefrom, those funds should retain with the University. If we fund that kind of research — I think directly we pay the cost of the research — the people of Manitoba should have some say as to what distribution or whether or not there should be some cost or some returns made from the research that is developed.

Obviously the research material should be made available but to specifically go out and sell commercially that kind of information, I believe that any funds recouping should stay — as a general principle — within the University to be used to continue research. But I would want to know even further, what the member is getting at.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. MANNES: Thank you, Mr. Chairman. The Member for Arthur opens up a very intriguing area. I guess then to be more specific, we would want to ask the Minister where — and he should also realize that anybody today that breeds a new variety of grain has an opportunity to either let it go public for which there is no royalty and there's no cost to the individual for the right of the breeding effort, or even submit it to . . . Organization, by which there is a royalty payable.

If the University of Manitoba were to develop another, or an improved variety of Glenlea, which they are working on, of course, that choice is open to them as to where they direct the distribution of that seed stock. Which particular area or which direction would this Minister favour?

MR. URUSKI: Mr. Chairman, the University is an institution that is supported by all the people of this province and obviously the benefits of any research should be made available to as broad a sector of the public of Manitoba as is possible and not be confined to a handful of people to be sold as a commodity.

If there are any returns, those returns should accrue to all the citizens of Manitoba who had, if they'd put up the money. If that individual was on his own completely in terms of the research that was derived away from the public institution, that's a different kettle of fish. But I believe if the University people make certain developments they should be there for the public.

MR. MANNES: That's not the point. These particular new varieties as they come out, they're available to everybody. They're available at a certified seed standard in most cases and they're available to everybody but with a slight mark-up which is called a royalty, which will accrue to the breeder if he so chooses to go that route.

The question being, does the Minister expect all that royalty levee to come back to the coffers of the province as a whole or does he expect it to stay with the University who, in turn, I'm sure, will just put it towards other types of breeding programs? The breeders themselves aren't going to abscond with the royalties.

MR. URUSKI: Mr. Chairman, in terms of public research in the development of, let's say the grain that the member speaks of, as I understand it presently the returns in the development of the grain go back to the University in terms of enhancing public breeding.

I believe that breeding per se and royalties therefrom in terms of a public institution, that all the royalties should accrue for the future enhancement, that research should go on and should be expanded but be done for the benefit of all the public, not to be

cornered to relatively few people who may as a result of work that has gone for many years by other people and then all of a sudden there happens to be one breeder who makes one change in that whole chain of events that have led up to the breeding, can capitalize on it.

I believe those benefits should accrue to the public at large whether it be through the University, so that research can be enhanced and the funding that returns from research, if there are any benefits, can be accrued back to the people in continued efforts and continued expansion.

MR. MANNES: Is the Minister saying then, that the system of royalties is fine as long as it's maintained within the public sector, within the University sector per se, or within the breeding system used by Agriculture Canada who also have the opportunity to determine which direction their new varieties are going to go. Is he saying that that's okay but private individuals who may also want to breed, should not have that same opportunity to maintain the royalties in their name?

MR. URUSKI: Well, Mr. Chairman, I'm not sure what the honourable member is getting at. If he's talking about the legislation that is now before the Parliament of Canada, if that's what he's referring to, I'd like to ask him what he really means.

MR. MANNES: Certainly. My original question was to deal specifically with an example at the University of Manitoba where these decisions may have to be made very soon, and I don't know if this particular Minister will be helping the University make up their mind on how and what direction they're going to release their varieties or not.

My specific question, though, as it deals with a hypothetical case of a private breeder, yes. The decision that is about to be made in Ottawa would have to be made before the Minister could answer that question, I agree.

MR. CHAIRMAN: The Member for Arthur.

MR. DOWNEY: Mr. Chairman, a more direct question to the Minister of Agriculture, in view of the points made by my colleague from Lakeside, particularly in view of the fact that there appears to be more research directed at specific problems or opportunities within certain areas of plant breeding or work activity within the research fields in the United States he referred to, and in view of the fact that the Canadian Seed Growers Association, as well as I believe the Manitoba Seed Growers Association, and following on the comments that he has made, where does the Minister stand then as far as the overall development of research funds, or the obtaining of research funds through selling of the royalties or that kind of development? Does the Minister or does he not support that kind of changes to the plant breeders' rights that would allow that to happen?

MR. URUSKI: Mr. Chairman, without going too far, I think the Member for Arthur well knows my views on the matter of breeding, and plant breeding specifically, in the breeding for food purposes, that our posi-

tion that the development of research and breeding in food production should be in the public domain for the benefit of all the citizens of our country.

MR. DOWNEY: Mr. Chairman, I would take it from the Minister's answer that he does not support the Manitoba Seed Growers Association and he does not support the Canadian Seed Growers Association in their efforts to better develop the seed trade. So I would say that's the only approach that I would have to take, that he does not support the Canadian Seed Growers Association or the Manitoba Seed Growers Association and therefore, I would have to take that because he is not prepared to answer directly, Mr. Chairman.

MR. URUSKI: Mr. Chairman, to be very specific to the honourable member, I believe that research should be enhanced, but the benefits of research should be made available to all the people of the country where the research is done so that those benefits can accrue to all the citizenry and not be harboured in very few hands. That's about as specific as I can be to the honourable member.

MR. CHAIRMAN: 1.(d)(2)—pass. We will continue on with Item 2. Manitoba Crop Insurance Corporation - Administration. Resolution No. 9.

The Honourable Member for Arthur.

MR. DOWNEY: Mr. Chairman, in looking at the amounts of money that are being allocated to the Manitoba Crop Insurance there is a fairly substantial increase to the Crop Insurance Corporation. As the Minister is aware, over the past year, the Board of Directors, which the Minister has recently fired, has had a review done of the Crop Insurance Corporation program, Mr. Chairman, the what is now referred to as the McFadden Report is out and some of the recommendations that the McFadden Report had in it have been implemented and the objectives that I'm sure came from that Report are pretty much in line with the majority of the farm people.

Again as the Minister is aware, or should be aware, that after 20 years of operation in the province - it was started in 1961 —(Interjection)— that's right again another Conservative government who felt very strongly, and probably you know the members opposite can't really understand why the agricultural community believes in the Conservative government, Mr. Chairman. It's pretty much pointed out when you go through the Estimates, when we talk about university funding for agriculture; when we talk about the Crop Insurance Corporation; the developments that have taken place I think speak for themselves. It speaks when it comes to the members that represent the farm community on this side of the House. —(Interjection)— I have some reservations about some of the comments my colleagues may from time-to-time try to get on the record from their chairs. But this, Mr. Chairman, is a pretty important area to the total farm community and I, without going into the history of it, want to ask the Minister specifically about the McFadden Report, the further implementation of programs, the concerns that the farm community, through Mr. McFadden, put on record and he further transmitted to the Board of Directors of the Crop Insurance

Corporation, to the administration and, hopefully, the Minister would be able to report some of the changes the Corporation are planning or have, in fact . . .

Another area that I want to talk about, Mr. Chairman, and that's in the area of the actual internal efficiency or turnaround time, the payout of the Crop Insurance Corporation, particularly at a time when we are seeing high interest rates and if a farmer has a crop insurance claim, I think the expediency or the speed at which they can refund or pay out monies through the Crop Insurance Program, again, is somewhat an important area that the farm community have some concerns. In fact, there were funds put in last year, Mr. Chairman, through you to the Minister, to put in a new process of either cheque-writing or some particular computerized program that would, in fact, enable the Corporation at head office to speed up that process. I would expect a report from the Minister on that particular item.

But I can't help, Mr. Chairman, expanding at this particular time on the Crop Insurance Corporation. It certainly has been indicated to me over the past many years that crop insurance wasn't really serving the needs, or it was certainly not in line with some of the current crops that have been growing, or the developments that were taking place in agriculture. I again have to say that some of the encouragement that we gave to the Corporation or the Board of Directors that we had in place, were upgrading and updating the soil zones or the zoning program that was in place to update and to make sure that the coverage that was available to the different crops, particularly some of the specialty crops, were really in tune with the times and the overall costs of production and the capacities that certain soils could produce.

So I think it's of utmost importance, Mr. Chairman, when he now has replaced the Board of Directors with other people, that new Board of Directors are pretty much in tune with the feelings of the farm community and that they have the ability to assess and to be able to keep updating their policies and programs to the current agriculture needs, particularly at a time, Mr. Chairman, when we see some particularly difficult times in the farm community. I believe at a time like this when there are some financially difficult situations that are developing, I would recommend to almost every farmer in the province that crop insurance be one of the considerations that they give as far as a management decision is taken or put in place.

In fact, Mr. Chairman, I would expect if people are either borrowing money for farming through the Manitoba Agriculture Credit Corporation or through the banking institutes, one of the factors that would mean whether or not the farmer got a loan would be, in fact, if they had an adequate crop insurance program covering their particular operation. Because crop insurance is not in place for a farmer to make money, but a crop insurance program should be put in place so he at least maintains his current cash or the cash position that he was in before he started to plant a crop; that he knows there is a bottom-line return at the end of the year. I think it's only a good business practice for a farmer to do that.

I would think that if the numbers we have seen that have participated in crop insurance — I think last year there was some 75-80 percent of the farmers who

were eligible for crop insurance were participating in it. If I can remember the figures correctly I think there was some \$20 million of a payout to some probably, I don't know how many producers. I would hope that information the Minister might want to expand upon. I'm sure we've all got our reports available. Yes, it's available. I'm sure that information will be available.

I would hope that the Minister, Mr. Chairman, with the additional funds is able to elaborate on whether he has additional people hired or what is the objective, or whether it's just a maintenance of the program with any increased staff; or if he has some new thrusts or ideas to carry out with the program and I would hope he would put them on the record.

But I do want to say, Mr. Chairman, that credit has to be given to the Crop Insurance Corporation for its overall activities in the last few years, particularly with the year of the flood and then entering into the next year with drought. They were pretty keen in the overall administration of the programs that were put in place and they proved to the farm community, Mr. Chairman, that they can be responsive to the needs and perform a service that is really basic to the overall underpinning of the agricultural community.

So, possible the Minister has some specific new ideas or thoughts on the Corporation and I would allow him to do so at this time.

MR. URUSKI: Thank you, Mr. Chairman. I thank the honourable member for his comments dealing with the Crop Insurance Corporation.

I should indicate that part of the recommendations that were made, I'm advised, it's known as the McFadden Report, were accepted by the former Board of Directors and I would assume that the new Board of Directors will also want to examine further the implications of the McFadden Report on the Corporation.

As I understand, the former Chairman of the Board wrote to yourself when you were Minister, and indicated that while they accepted some of the criticisms and suggestions of that report, nevertheless they didn't agree with every criticism and suggestion that was made by him. Some of those suggestions have been incorporated by the Corporation in this budget to speed up the very point or enhance the turnaround time in terms of the payouts.

Most of the funds included, or the increased funds that are included in this year's budget, there is an additional staff man year as an accounting clerk within the department and approximately \$100,000 of the increase requested is to affect the turnaround time in new computer equipment, computer changes, a field adjuster, agent adjuster training and in terms of office and field equipment.

The member no doubt remembers that the Corporation increased the number of adjusters from 110 to 190 and they have hired 19 adjusters on a 60-day guarantee for a six-month period, in other words, six days per month in terms of guaranteed working.

There's been a greater emphasis on adjuster training, especially in the in-field training of staff right in the field, as well in the agency level in the rural areas. The Corporation, I'm advised, has reviewed and improved the office facilities in the rural areas as required, to be able to give better service to the farmers.

Mr. Chairman, last year's program in '81, there was a total payout of \$18.5 million in indemnities under the All Risk and the Spot Loss Option Programs, coverage increased by 5.3 percent from the previous year with a total of 14,239 persons insured. Approximately 400 clients were unable to seed an insurable crop.

Mr. Chairman, as of the crop year ending March 31, 1981, the reserve for payment of indemnities was at zero. An estimate of the balance in the reserve for payment of indemnities at the end of March 31, '82, is also nil. There are no reserves.

By agreement the Government of Canada and the Province of Manitoba have established the crop re-insurance funds and the credit balance of these funds as of the 31 of March, last year, the crop re-insurance fund of the Province of Manitoba is at approximately \$1.1 million and the crop re-insurance fund of Canada for the Province of Manitoba is \$4.896 million.

Premium payments to the re-insurance fund in '81 are estimated to be \$3.5 million for the crop re-insurance fund of Manitoba; and the same amount, \$3.5 million for the crop re-insurance fund of Canada for Manitoba.

Mr. Chairman, there have been some new crops added to the program; field beans and canary seed are two new crops which have been added to the Crop Insurance Program for this year. It tends to develop another four or five crops for the following year and work is being undertaken in that area.

There have been some changes, Mr. Chairman, on an ongoing basis of the contract in terms of technical language and changes. I don't believe there has been any major changes in terms of contracts or the like in the last year other than the two crops that I've indicated.

MR. DOWNEY: Mr. Chairman, I should have at the outset, made a comment about the fact that the Board of Directors which the Minister, in fact, has given notice to or given them their termination notices. I would like to say that I appreciated the hard work and the input that they put into the Corporation. I think that they, as I indicated, put forward some excellent leadership for the Corporation and had the true feeling of the farm community. The chairman, by the way, who was an excellent individual in this capacity with the past experience that he'd had prior to 1969, was one of the individuals who was instrumental in the laying out of the program. When the program was initially introduced in 1961 he was very instrumental in the overall framing of it and then to come back in as a chairman to assess it after that period of time and to give it some re-direction I think, was — it's just impossible to outline the total efforts that were put into it, but a very dedicated person, as were the other individuals on that particular board and it's unfortunate that the Minister couldn't have seen fit to have added some new, if he felt that compelled to change, but to totally wipe the slate clean again is his prerogative, but I want to emphasize to him that the objective, as far as I'm concerned, is to provide a program which is going to give the basis of protection to the farm community and would hope that's the kind of thoughts that he has had in mind when he has put in place the board that he has.

One of the problems, Mr. Chairman — I have to

— speak to this because it's been of some concern to me — is that as we see the ongoing operations of a Crown corporation or of a system that is, yes, Mr. Chairman, it's a subsidized insurance company that the Federal Minister is always concerned whether he's getting his Brownie points for the money he's putting into it. In fact, he even makes that a major issue sometimes when you're talking federal-provincial relationship. But when you're dealing with a government organization, and again I'll clarify the involvement because the Minister is aware that the Federal Government have a re-insurance program. They pick up half the premium charges and they also give that kind of support in the re-insurance program, and the province pick up the administration costs. But the point I want to make, Mr. Chairman, is this, that after 20 years or a certain number of years of Crown corporation or government-operated organization can become over-regulated, Mr. Chairman, over internally bound with regulations an overlying of red tape and become so they're almost inoperative and sealed to change that may be helpful to the farm community. It's no criticism of any individual; I think it's just the way in which we see these kinds of things develop. And they're certainly responsible to protect the taxpayers money in the best way possible, that's what their mandate is.

But I sometimes have to question they don't become overly restrictive and almost become their own worst problem when it comes to serving the community in which they've been given the mandate to serve. So, that again is why I think they have to have the ability to be looked at, I think that's an ongoing process of the Board of Directors. I think the management themselves have that ability. And the other point, and I'm sure that the McFadden Report touched on it and I can see it as a Minister responsible for it, and the Board of Directors felt very strongly about this: that the whole reporting system, that somebody had to be accountable to the farm community at close to the farmers' level; that it would be very easy to say to the local adjuster or the agent that the farmer had a particular problem, but it was very difficult for that agent or person to make any decision or resolve the problem. It was sent to head office and after several months or a period of time there was a decision made but really the farmer didn't feel that it was his own organization. And that's one of the problems that developed and I hope the Minister and his board will keep that in mind. I'm sure with his dual responsibilities of running the Manitoba Automobile Insurance Organization he has other ideas that might help him in the operation of the Crop Insurance Corporation.

So, Mr. Chairman, I can't see any major changes and the Minister has indicated that the new Board of Directors that he has put in place will be reviewing the McFadden Report, and if there are any new changes adopted or to be made that we can expect an announcement from them, I'm sure, dealing with any specifics that might have to be put forward.

MR. MANNES: Thank you, Mr. Chairman, I would like to ask of the Minister how Manitoba Crop Insurance Corporation plans to handle an emerging — I almost call it a problem it may not be in the minds of some but is in my mind at least — preponderance of new varieties that are coming onstream. The reason I

bring that up is because some varieties are being left off the list of those eligible for coverage and they're probably being done so because of a decision made by probably the — I don't know what it stands for but I know it's the MASS Committee, the committee that brings the so-called experts from every area together who make the decisions on these sort of things — and probably it would be best to use a couple of examples and it may make the picture a little clearer as to what I think we're generally headed into because we're having so many new varieties come on the scene.

Selkirk wheat, I think, I don't know if it was de-licensed but it just came off the recommended variety list some two or three years ago and consequently crop insurance will not offer coverage of that particular variety of wheat. Then we could have a variety of wheat like Sinton which up until Benito was the newest and latest release and yet through our area, we found this year that as has happened on occasion in a number of areas, that the older wheat, that being Selkirk, out-performed the newer one, that being Benito. Had anybody had a claim in, that had grown Selkirk wheat for any particular reason, that claim would probably have been rejected. The same thing happened in two-row feed barley where you only had a variety such as Summit which became very susceptible to something called barley stripe or leaf stripe this year. My question is to the Minister, is crop insurance completely satisfied that the varietal process of the varieties which they have decided to cover on the basis of some decision made by another body. They believe that's the process to follow, particularly again when they have so many new varieties coming forward.

MR. URUSKI: Mr. Chairman, I'm not fully acquainted with the system that is in place but I am advised that the Corporation does use two methods of determining which crops shall be insured and there is a time table, and I gave part of that time table to the honourable member as questioned, the Honourable Member for Arthur. In terms of new crops that are on the horizon to be insured, there are some four or five for next year in terms of seed and in '84, a number of vegetable root crops and other crops that will be insured by the Corporation. However, they use two methods as I started indicating. They use the recommended list by the Manitoba Department of Agriculture and also there is an Advisory Board to recommend on new varieties. The Advisory Board is composed of staff from the Manitoba Department of Agriculture, the University of Manitoba, Agriculture Canada and the Seed Trade. In that group as far as I am advised, generally that has been made satisfactory process in advice to the corporation and the Board of Directors in terms of the seed that should be recommended and insured in the years ahead. That's the process that is in place now.

If the honourable member has some other options or alternatives or suggestions to make, I would certainly be pleased to hear from him if there are any further suggestions, because there may be some other methods that the Corporation might want to use and the honourable member may have some suggestions that could be employed by the Corporation. I'd be willing to consider any comments that he has in this respect.

MR. MANNES: I don't have anything to offer. I guess I'm being a little bit more critical than I am helping, but I would say that particularly when we have a great number of, not new crops but new varieties within a crop, that are being licensed and, of course, traditionally the experts will always want to drop off the older-type variety. I don't think that system is going to stand very much longer, and I just would hope that the Minister would pass on that concern to Manitoba Crop Insurance Corporation that, in fact, rather than just standing back and waiting for the recommendations to come through other people, that they actively watch this whole problem and have their eyes open to it and recognize that system has been in existence for such a long period of time may not — I stress may not — be the one that should suit us for the generations to come.

MR. URUSKI: Mr. Chairman, I maybe didn't give the honourable member quite the full picture in terms of the Committee that I indicated. That Committee that's been established is only beginning. It's in its, I believe, second year. So, a new system actually is in place. I didn't quite give the honourable member the full picture. So, there is something new being tried by this Advisory Committee and they are in their second year of advice to the Corporation in this. So, hopefully we will be able to have some kind of pattern and see whether it will be better than what was before. Obviously it seems to be working quite well. I've had no complaints so far but there may very well be. It is something new. It's a new process that was established. This is the second year of operation and I would welcome any comments that the member has in watching in terms of what crops are developed and placed on the recommended list through those four groups who are acting as the Advisory Board to the Corporation. So, there is a new process in place and hopefully it will be a better system than has been in the past. It's new.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): My concern would be somewhat the same as that of the Member for Morris, and that is that Selkirk was taken off the list as being a wheat recommended by crop insurance and that you would no longer receive coverage on it. There still is a great deal of Selkirk grown throughout the province. I know that I myself grew it with a yield of 52 bushels to the acre. I can really not see any reason why Selkirk wheat should have been taken off the recommended list.

However, Mr. Chairman, I wonder if the Minister could tell us who the new Board of Directors are and where each one of them is from; the qualifications?

MR. URUSKI: Mr. Chairman, first of all the varieties in terms that the honourable member speaks of that have been removed from the insured list; those varieties, I'm advised, are insurable except for the problem or the disease for which they were not recommended, or de-listed. In other words let's say a grain had problems with rust or stem rust. That grain would still be insurable provided that any losses that would be

claimed would not be claimed for the problem of stem rust. If the loss was claimed for wetness or for other reasons, except the reason that it was de-listed, the crop is insurable.

With respect to the members of the Corporation, Mr. Chairman — I didn't have the list and I even forgot who was on the Corporation now — the Chairman of the Corporation is Mr. Fred Tufford, he is the farmer from the Portage area, Mr. Chairman; Mrs. Pat Rattai is from the Beausejour area — (Interjection) — Pardon me? No, Mr. Chairman. Mr. Chairman, the other members are: Mr. Mike Sowtis who resides in Winnipeg but farms in the Rossburn area; one other member is a Mr. William Sloane who is a farmer in the Clearwater area, and a Mr. Nick Huminicki who farms in the Winnipeg Beach area.

MR. MANNES: I'd like to ask the Minister of Agriculture a half-serious question, and it's to do with production costs. How does he rationalize the fact that he has an Economics Department that puts out production costs in the \$180-an-acre area, and yet I know, at least by my contract the maximum coverage that I can receive for covering my production costs on my farm are certainly far below \$100 an acre; how does he rationalize that difference?

MR. URUSKI: Mr. Chairman, I am advised that the costs that are arrived at are based on a 70 percent figure of the average yield at the current market price. That is the basis, I understand, how the corporation arrives at its coverage per acre value. The costs that have been put out in terms of producing the crop, Mr. Chairman, I have to say, the market signals that are variable, there are very grave concerns to producers and decisions that they should or should not make as to which crops they should grow in terms of the market price levels but, in terms of the corporation, they use the current market price and establish the coverage at 70 percent of the yield, based on that current market price.

MR. MANNES: The Minister gave me less than a serious answer, I must admit. 70 percent, if you read the preamble into the Annual Report, of course, of the Manitoba Crop Insurance, it says the specific purpose of crop insurance is to cover cash production costs; not all costs, but the production costs. But still I question why there is such a vast difference between — and I could be corrected here — but it seems to me the maximum coverage at 70 percent of the long-term average, is some \$70 or \$80 an acre. How can he rationalize, again, his department of economics, saying that the cost is \$180.00.

MR. URUSKI: Mr. Chairman, there is a difference in terms of the two. As I understand the department's analysis of costs do take into the cost of land, whereas the corporation deals with strictly the input costs and that's where the difference comes in.

MR. MANNES: I'm glad that the Minister recognized that but let's put the issue back then, specifically, to non-land costs. It seems to me that same report, that emanated from his Economics Department, indicated that cash costs, the same costs that would be covered

under crop insurance, that the Manitoba farmer this year could expect costs to run between \$100 and \$110 an acre and yet crop insurance coverage would certainly be, I would estimate, some \$20 to \$25 less than that particular number.

MR. URUSKI: Mr. Chairman, I am advised from the Corporation to give the answer to that, that in terms of arriving at those costs there may not be, and I say that in all seriousness, there may not be that closeness in terms of the calculations done by the Corporation versus the costs, all the costs that are imputed in terms of the department. I would have to have someone go through all those costs that are listed in their area and those that are conducted by the Corporation to be able to give the member an intelligent answer to his question, to say, well how did you arrive at the two. My advice from the Corporation is that they do take into account costs of herbicides, costs of seed in arriving at their coverage figures. However, I acknowledge those figures that have been put out in terms of the cash costs of ranging \$100 to \$110 per acre by the department. I want to take that question that he has raised and to make sure staff of the two areas, to find out what the incompatibility, in terms of those figures, are so that I can provide you with an intelligent answer because I can't give you the specifics of where the difference is occurring.

MR. MANNES: Well, I'm not finding fault certainly with the crop insurance and I don't even know if I'm finding fault with the economics department, but the thing that concerned me the most, and this is probably the wrong area, is that when you go to an Outlook conference and you see \$180 facing you, if you're a farmer, you walk away very demoralized. You don't know how accurate it is or not, but I can tell you that many farmers that I spoke to haven't recovered yet from those types of information that came to them by way of the Economics Branch, and I only point this out to show you that there are differences and that maybe there should be some consistency if possible.

MR. CHAIRMAN: If there are no further comments, that concludes Item No. 2. Manitoba Crop Insurance Corporation - Administration.

Resolution No. 9. THEREFORE BE IT RESOLVED that be granted to Her Majesty a sum not exceeding \$3,043,800 for Agriculture, Manitoba Crop Insurance Corporation - Administration for the fiscal year ending the 31st day of March, 1983—pass.

Continuing on to Item No. 3, the Manitoba Agricultural Credit Corporation, Resolution No. 10, Item No. 3. (a) Administration.

The Member for Arthur.

MR. DOWNEY: Mr. Chairman, the Manitoba Agricultural Credit Corporation funds or the request for funds that the Minister has in the Estimates this year are somewhat higher than the previous year, particularly in the interest cost. I would ask him if that is a reflection of some of the Young Farmer Interest Rebate Program that was introduced in 1978, is that part of the increase of that cost or is it the major portion of it, Mr. Chairman? Is that the first part of the interest subsidy for the young farmer rebate?

MR. URUSKI: Mr. Chairman, the figures that he speaks of are in the second line of the MACC, Net Interest Costs.

MR. DOWNEY: Well, Mr. Chairman, maybe then while the Minister is getting his staff with him, I would like to again put on the record, for the benefit of our members on this side of the House and again for the farm community, that the Board, which I think performed an excellent job in the administration of the Credit Corporation, I would like to thank them for their dedicated service because they did do an excellent job, I believe, in a manner in which their number one interest was to operate the Credit Corporation to again serve the farm community in the areas of farm financing, particularly when we look at the record in the Credit Corporation Report where we saw, in the last year, some total activity of 1,744 loans; we saw the direct lending program which 98 percent of the proceeds went to the young farmer recipients or were young farmers of that particular program and I would have to say that the administration and the objectives of the credit corporation under the past administration were somewhat well received by the farm community.

It's unfortunate that the Minister, and maybe he can clarify this for the committee and for the farm community, the fact that he has frozen or has not allowed the corporation to further loan money and that they're doing a policy review, is he doing the policy review, or is the new board doing the policy review, or is it a combination of both?

Mr. Chairman, we are being asked to vote funds here tonight to support a program or the staff that are going to be administering the program, and we aren't really clear — or I'm not clear to this point — what the Minister's plans are or the new board's plans are for the corporation and would ask him directly if he plans to reintroduce the Land Purchase Program that was so unpopular in the eight years that they were in office before — quite often referred to in the proper term as I would say called a State Farm Program — where the corporation not only were supposed to be the directive of MACC or the Act which administered MACC was to help the farm community but in fact turned around to be a competitor to individuals in the agricultural community for the purchase of land.

Mr. Chairman, I have some grave concerns if that's the type of approach or the policy direction that the credit corporation is going to again embark upon. I would think that he would be well advised to think very carefully before he went down that particular road again. I would say that the record of the last few years of our administration when the individuals were able to buy — I'm not saying that they weren't able to buy under the program in the last few years of their administration — but in fact when they had the opportunity — the young farmer recipients — and proceed to own their farms some two-thirds of the 576 or 500-and-some lands purchased by them when they were government, that some two-thirds opted to buy that particular piece of ground.

In all cases, and I'm sure the Minister may want to indicate that those individuals who bought that land are in financial difficulty today and they'd have been better off if they hadn't have bought that farm. I don't

believe that's the case, Mr. Chairman, because there is a specific problem which I did get a response from the Minister today by letter where there have been and I had asked the Board of Directors to deal with the particular issue and asked them for recommendations on how they felt as a Board of Directors, how the issue of capital gain that was accrued to a parcel of land which the individual through a contractual arrangement had purchased from the province — the individual has purchased a parcel of land from the province — the increased value of the land was to be paid back to the province or to MACC and over a 20-year period the amount of which the producer or the farmer who was in that program, the amount that he had to pay back was reduced by 5 percent a year over a period of 20 years until the total amount which had to be paid back would be totally diminished.

Mr. Chairman, I have to indicate that there are some people in my constituency and other constituencies in the province that have with current economic conditions, been faced with some real hardship cases with that clause in place. I haven't changed the policy, Mr. Chairman, our Board of Directors were dealing with it. There had been discussions back and forth how in fact the policy change could take place that would treat the province fairly as far as the payback of funds were concerned and at the same time not penalize that particular producer who was wanting to clean up some accounts that he felt more of the appreciated value of the land was actually his and how that could be dealt with. I hope the Minister is dealing with it. I hope that he's not just saying that it's a continuation of policy, a program that the board aren't going to be asked to deal with it, because it is causing some extreme hardship cases. I would hope that's one of the priority areas that the Minister has — it isn't a problem of a lot of people — but there are some real extreme cases of hardship.

Mr. Chairman, in this particular report, there is the old Beef Producers Income Assurance Program which there are some 78 loans that are made by MACC to those particular individuals. You probably would want to make a comment on that or I would ask him to not only make a comment but to respond how the payback is coming to the province under those agreements — if in fact they are being paid back — what terms and conditions that they're operating under. I would, Mr. Chairman, at this time ask the Minister to answer the earlier part of my comments or my questions when I asked him if there were any policy changes or if they were in fact going to enter into the State Farm Program and start purchasing land again at this particular time.

MR. URUSKI: Thank you, Mr. Chairman.

Mr. Chairman, I have to as I've indicated in terms of the review of the policies of MACC — there is a review being undertaken between staff and the new Board of Directors — I will be waiting for recommendations from the Board and from staff to myself in terms of future lending policy in the Province of Manitoba.

Mr. Chairman, our thrust this year in terms of the corporation is, we view that the major requirements of farmers are to deal with those that have refinancing problems, debt consolidation and operating capital. As a result, we've increased the budget to MACC

substantially this year to attempt to deal as best we can with producers who we feel will be able to and should continue farming.

We have, as I've indicated earlier, held any further lending, at this point in time, for the purchase of a farm land in the terms of taking on new applications. There are some applications in the process that were applied for when the corporation ran out funds. I've asked the Board of Directors to review every one of those on the basis of the applications that have made and the Board will be making recommendations and making decisions on those applications that are in the mill. I don't know exactly how much money is involved in there; I'm advised by staff somewhere in the neighborhood of \$4 million dollars of applications for land purchases. Those will be reviewed by the Board. For this year, until the review is complete, we will be utilizing our funds that we make available here, primarily to deal with many of the financial difficulties that farmers face, and we will be utilizing our funds in terms of debt consolidation, refinancing; and operating capital will be the thrust of the corporation in this year's lending program.

With respect to the member who spoke about the interest rate rebate, the member indicates and should realize that the increase in terms of the interest rate subsidy is approximately \$2.665 million in terms of the young farmer rebates and there's a net interest cost of \$254,000.00. This increase is to provide for the expected shortfall which is the difference between the interest charged by the Department of Finance and outstanding Capital advances and the interest revenue on loan principal repayments.

Mr. Chairman, in terms of the staffing within the corporation there are no changes in the staffing of the corporation. Most of the increases are to deal with salary adjustments, allowance for bad debts, word processing, and various items within the operations of the corporation.

MR. MANNES: Thank you, Mr. Chairman. The Minister made a comment that raised my curiosity no end when he talked about those applications now in the mill. I have one constituent that I know of, and many more that I probably don't know of, that probably are in the mill. They applied for credit under this program, probably around Christmas time or just into the new year; they had met the criteria and told, in fact, that their application had been accepted but because of shortage of money nothing could be done until new allocations had been made. I should also say, of course, that this was for the purchase of land which was to be seeded starting in about one month's time. Is the Minister now saying then that those applicants will have to wait considerably longer before the fate is known as to whether they, the \$4 million she's talking about, they may have to wait some considerable time and indeed may not know within the next two weeks as to their situation. And if that is correct, could you at least do them the service, at least make it known to them, communicate to them, exactly what's happening? Because right now I'm positive that they're sitting out there, under the belief that they're waiting for Estimates to be passed at which time money will be made available and that they then can buy that land.

MR. URUSKI: Mr. Chairman, I should advise the honourable member that shortly after I was appointed Minister I had the occasion to meet with the Chairman of the Agricultural Credit Corporation, I believe it was early in December. At that point in time I suggested, and I gave the Chairman my views in terms of, when he mentioned to me that Capital was running short, and I said that my priority would be, in terms of the economic conditions of farmers today, that in terms of lending policy it would be my hope that we would shift away, for the immediate, in terms of financing of farm operations, from land purchasing to operating capital, debt consolidation and those kinds of areas. Those comments were made in my discussion with the Chairman of the Board in the early part of December.

I've asked the new Board to review those applications that are in the mill and if they have been made prior to statements in the House, and prior to any communication of the Board that was in place, they will have to be reviewed and I will be seeking advice from the Board. But I have to tell the honourable member that it may be beyond a week or two in terms of before those applicants will be formally advised if the new Board will want to discuss it. I don't know exactly whether the former Board did advise those applicants; they may have, because I have to say to the honourable member, that funds were freed-up after January - I think was some \$6 million, somewhere between \$4 million to \$5 million dollars where there was a repayment schedule. It's a bookkeeping transfer anyway from MACC to the Department of Finance, where we indicated that these funds could be utilized and the repayment held back so that funds could flow and the Corporation could again advance funds.

All other aspects of the lending program in the Corporation are continuing with no change. The only change is the financing, at the present time, for land purchases, but I've indicated honourable member that will have to be reviewed and I be advised by the Board and by the staff of the Corporation.

MR. MANNES: Well I'd like to know specifically when the order went out from the Minister to the various regional offices and the Minister of the MACC program, as to when they should no longer accept applications for the purchase of land?

MR. URUSKI: Mr. Chairman, I would have to check that, whether there in fact was. I didn't issue any instructions per se to stop, but I did speak with the Chairman of the Board and it would have been my hope that he would have communicated with the staff. That's why I've indicated to the honourable member those applications that are in process will have to be reviewed.

MR. MANNES: Oh. Even more then to the point, those applicants that have been waiting for some two months, and I say they've been waiting under the belief that in fact funds would be directed towards the purchase of farm land. Have they been notified at all that in fact there is a very good chance they will receive no funds whatsoever, and that the hopes of seeding that new acquired land in three weeks, in fact,

will never be realized?

MR. URUSKI: Mr. Chairman, I'm advised that the procedure that the corporation goes under is the applications are accepted, but there's never a commitment made on any loan application until, as I understand it, the facts are presented to the Board and those approvals are made by the Board or the Corporation. But, once the applications are accepted, at that point in time, there's still no commitment made.

MR. DOWNEY: Mr. Chairman, the Minister has further brought forth one of my major concerns at this particular point. Now he is telling us that the applications for loans have to be reviewed by the Board, when the administration of the Manitoba Agricultural Credit Corporation were approving them all along under policy guidelines, Mr. Chairman, it's now become a political operation by this Minister where the board are going to approve the loans for the farms. I can't for the life of me understand what he is trying to attempt to do with the Manitoba Agricultural Credit Corporation.

If he is telling us that all loans that are in the mill, that his new board — he first of all fired the board that was in place — he's put a new board in place, a candidate who is now the Chairman from the Swan River area for the New Democratic party and that new board of directors are going to make the decision whether those individuals whose applications were approved by the board and ready to be funded as soon as the funds were approved, then we can't accept that. Mr. Chairman, I don't believe that the MACC should be used as a political instrument to give loans to those people that the board feel are rightly or wrongly capable or justified in getting it.

Mr. Chairman, I would indicate and there's no problem with me doing so that some of the ones that the administration had previously had difficulties with I'm sure were referred to the board, but he is telling us now that all of the loans that are in limbo have to be approved by the board. I would think it would be an automatic process that those that are in the mill like my colleague has said, that they're just waiting for funds, that the approval is made and I would hope that he's proven, or his colleagues that were in the Ministry before him have proven that those kinds of things can happen, that he wants to be hands-on again and directly get into the state farm business. I would hope, Mr. Chairman, the Minister could clarify that for those people who are waiting for support from MACC who have loans in place or have applications in place.

MR. URUSKI: Mr. Chairman, I want to indicate to the honourable member that applications that are made to the Corporation, staff do approve the loans.

I'm advised that in early January all applications that had been received by the Corporation were advised that the Corporation no longer had funds at its disposal and that there was no commitment made that funds would be available to them for those applications in terms of whether funds would be approved or not. But, Mr. Chairman, I want to indicate to the honourable members those applications will be reviewed, those that are in the process.

The honourable member says, when? Obviously, his government should have provided the funds to

that Corporation which ran out in December and there were no funds available. —(Interjection)— Mr. Chairman, I am indicating to the member that those applications will be reviewed. The changes were passed six days ago, they will be reviewed and those applicants will be notified.

MR. DOWNEY: Mr. Chairman, that's not the point. Why do they have to be reviewed? They've been approved, Mr. Chairman, by the administration that had been in place. He's now saying that the people who have been approved under the old board or under the administration that's in place, that they're now going to review people who have had a commitment from MACC and with a new board coming in, the board are going to review them and possibly change the decision on people who've got a commitment from MACC to get funds. Is that what he's saying? He's now going to have the defeated NDP candidate as Chairman of the board review the applications that were approved under a Conservative government. Is that what he's saying.

MR. URUSKI: Mr. Chairman, if the honourable member wants to indulge in some guttersniping, he can do that. He should know, he was Minister responsible for four years that when an application is approved and a client is notified, then those funds are committed. Until that approval is given by the staff and he's notified that approval has been given there is no commitment that the application is accepted and funds are committed. I have indicated that those will be reviewed, Mr. Chairman.

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

MR. J. WALLY McKENZIE (Roblin-Russell): Mr. Chairman, I am completely confused by this Minister once again.

I have a constituent whose application has been in there since, as I understand, late December it was approved and as late as last Friday, April 2nd this farmer was told there was no money available.

MR. URUSKI: How could it be approved if there's no money?

MR. McKENZIE: Well, I'm told by this gentleman that the application was approved and then as late as last Friday he was told there's no money. So unfortunately this poor farmer if he's going to seed that land this year, he phones me and says what am I going to do? I said, well I asked the Minister a question in the House, I didn't get any satisfaction. Should he now go to the banks? Should he go to the credit unions or where should that farmer go? He can't wait another two or three weeks because he will not own the land and therefore he will not be able to seed it. I think it's terrible the way the Minister has handled this matter.

MR. CHAIRMAN: Committee rise