

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 5 February, 1981

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY - ECONOMIC DEVELOPMENT
AND TOURISM

MR. CHAIRMAN: Morris McGregor (Morris): I call the Committee to order. We're on Resolution 48 1.(b)(1). The Honourable Minister.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman.

I'm sorry that the gentlemen that were asking me some of the questions today, or making comments today aren't here as yet. The one question that has been brought up about not having a Deputy for nine months. I can only say that we will be probably — in fact, not probably — making an announcement regarding the Deputy of Economic Development in a very short time. That is just about finalized at the present time.

The other comments about DREE that were made, I don't know why the member would be so upset about us using DREE. The Province of Manitoba is a DREE province and when we have people come in working with our development officers and they ask us what incentives are available in the Province of Manitoba we naturally would suggest that DREE is available in Manitoba. Thng the Deputy of Economic Development in a very short time. That is just about finalized at the present time.

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The member mentioned that we weren't looking at larger industries such as transportation, electrification of transportation. Mr. Steen, the Member for Fort Rouge, at a meeting in January announced the federal-provincial agreement on energy conservation and this is done through the Department of Energy and there's \$150,000 study being initiated re transit systems in Winnipeg to look at the alternative fuels and electrification. That was announced on the 29th.

There is also a study being commissioned, and until we make sure it won't be any duplication of what is being done by the Energy Department through the Department of Transport and the Department of Economic Development, a \$40,000 study being initiated on railway electrification, taking a look at the line between Winnipeg and the Lakehead especially. So we are working in that area.

We mentioned hopper cars, we have been in touch with people that manufacture hopper cars, and the fact of the matter is that the two plants that make hopper cars in Canada can take care of the capacity required in Canada. The possibility of that company running out of space in their present plant is one that is there and we have been in constant touch with them on that subject.

The \$4 million fund that was announced by the Federal Government, Mr. Olson in his press conference here, not more than a week ago, when he was asked about that by the press, he said there has been no decisions made on the \$4 million fund, he said it could be used for infrastructure and he said the \$4 billion fund, I think I said 4 million before, it's \$4 billion fund, could be used up on infrastructure of double tracking alone, and that were some of the comments that he made, and he emphasized that there are no decisions being made on that fund at the present time and we have been in discussion with them.

The Honourable Member for Transcona also mentioned the transportation business as far as hopper cars and rolling stock. I am very surprised that he would not know that Griffin Steel, within his own constituency, is in the process of having an excess of \$10 million expansion. Mr. Gordon Stewart, who is the plant manager of Griffin Steel, would be very pleased to discuss that with anybody at any time. In fact they sent a press release out back in November announcing that particular change in that plant.

Mr. Green is not here, but I take note of his five points and I certainly will take the opportunity when we are on my salary to comment on his opening remarks. He outlined five points that we should be aware of and we should be thinking of and I think they are points that certainly should be thought of. Mr. Green — well he's not here at the present time so I think I'll reserve my comments when I'm winding up when we're on the Minister's Salary and hopefully he'll be there at that time.

There were comments made by Mr. Doern that my speech seemed to indicate that there was a plot by the Opposition and media against us. I don't think at any time that I have ever stated that the media is against us. I would say though it is a little bit disappointing at times to find that the announcements of plant closures and people being laid off does seem to take more prominence than plants that are opening, but certainly I have never made any complaints about the press.

I have in front of me here a list of announcements that have come into the press, all the plant openings and as I said many of them are DREE announcements, but they are DREE announcements on plants that want to come to the Province of Manitoba and they want to have DREE assistance.

The advertising campaign was mentioned several times. As I explained in my press conference on the advertising campaign, it's part of an overall campaign. The Manitoban campaign and the . . . campaign awareness of hydro-electric power in Manitoba. Two sections of the campaign are jointly funded between the Federal Government and

ourselves through Enterprise Manitoba, but the one that was receiving the comment is funded by the Province of Manitoba

You may ask, and the question seems to be asked, or the inference is that it's political; I don't believe it's political. One of the reasons for going the way we did, if you take a look at all of the statements that are being made by many people, and I quote from Mr. Bates' speech of the Bank of Montreal, "The Manitoba economy is enormous and there are projects in motion now which will contribute to the setting us on a course to realize potential, but our own attitude will have a significant bearing on how much that potential is realized. As a relative newcomer to this province I have observed the need change pessimism to into optimism, timidity into boldness, and thoughts into action. We have much to be proud of and we would not hesitate to tell the Manitobans that story. We, the Bank of Montreal, have confidence in the future of Manitoba and there is concrete evidence of the confidence. We are today announcing the plans we have to construct a new major office tower immediately adjacent to the main branch at Portage and Main."

Then you have, Mr. Chairman, a situation where if you were watching Points West the other night where a lady said, we are just newcomers to Manitoba and we believed it was a wonderful place to live, but after being here a while and listening to the people we wonder whether it is or not.

The electronics industry was mentioned earlier. I have an article in the paper about the electronics industry in Manitoba moving ahead very fast. The member brings up Indus Industries, and Indus Industries had financial and management problems and they had an awful lot of assistance from the provincial government. In fact, the provincial government was at their side most of the time.

We have Mr. Driscoll of Burroughs saying, Driscoll believes Manitoba has the edge over Ontario and other provinces in many important respects relevant to the electronics industry. These include abundant and cheaper hydro power.

The comments by one of the people in this article by saying that we have to get rid of our pessimist attitude in Manitoba.

Mr. Chairman, all of those particular items that we have been speaking of, or I have mentioned, relates to the fact that the Manitobans' campaign and the television shots are ones that Manitobans are saying what a good place Manitoba is to live, a good place for Manitobans to work, and a good place for Manitobans to invest.

I know the Opposition does not agree with that. I had no doubts that it would be brought up in my estimates. I don't apologize for the campaign. I don't believe it's political, and I outline to you and I have said in many speeches that one of the problems in Manitoba is, it's Manitobans who don't seem to realize the potential within the province and I think that when they sit down and they think about it or have the opportunity to think about or something to remind them of it, they realize what type of province we have.

Winnipeg On The Move from the Winnipeg Business Development Corporation, they put a bulletin out every month. Every month there's different new industries that are announced in the

Province of Manitoba. Bristol Aerospace, \$4 million expansion in their plant in Stonewall. Boeing's has an expansion coming; Interprovincial Co-Ops. I won't read them all, they're all here and there's six pages of new things that went on in Winnipeg in this December report. I don't ever recall the Opposition, when the previous government was there, criticizing the Yum Days. I don't ever recall anybody standing up in the House and talking about them. If they felt that was what had to be done in advertising in the Province of Manitoba to help the economy of Manitoba, I say if that was the decision at that time to help the economy at that time, fine, but that program cost between \$30,000 and \$40,000 in 1970 dollars. Daly Display was the people who had that.

There was also the "Jack's Thing". It was a film that was taken out through the provinces to let people know the assistance available to the industry, and then there was the television campaign that went with it. The "Jack's Thing" was done and made or produced by, I believe, a person by the name of David Cherniack from Toronto. I don't remember the Opposition at that time being critical of any of those programs and the television programs that were put on on the basis that they were put on to try and help the economy of the Province of Manitoba. Whether I agreed whether it was the right type of television show or not is one thing, but I don't think anybody was ever critical of the efforts being made to help the economy of this province.

On a by-line program last week in Saskatchewan somebody phoned in who had heard this program in Swan River, called the by-line person who was on it, it was the Tommy Demick By-Line Show. The guest on the show was from the advertising agency which handles Quebec and Saskatchewan government ads. They talked about the ads, they are for potash, Sask. Tel, how they buy all their supplies and so on but the question asked was, how much money did they spend on it, and they spent \$2 million, which is overall I will admit, but I might suggest the reason the program was on is because Saskatchewan are now planning to put the ads in the theatres in Saskatchewan. And if the Minister of Economic Development, or I believe Mr. Vickers, who is called Industry and Commerce in Saskatchewan believes that's what he has to do to help the economy of the Province of Saskatchewan, all the more power to him. I don't think the criticism has ever come from that point, from that way from ourselves.

This is "Welcome Manitoba". All this they are happy to share with those who come here and visitors, especially vacationers, in search of relaxation that only pleasant stay in friendly Manitoba country can provide. Manitobans are always eager to tell you all those pleasant things about their province but there is one attraction they may forget. This was done by the Tourism Department; Tourism ads and Tourism advertising and I might say it's a very good book. I think it's an excellent book. I don't recall ever seeing any criticism, or putting any criticism of that. As a matter of fact, we still use the "Friendly Manitoba".

Mr. Chairman, I can only say that the reason for sometimes feeling a little bit uptight is that the announcement of all kinds of new projects and programs that are going on in Manitoba, or advancement or new industries that are coming on, I

believe they should be highlighted as much as those that are in the paper that are folding up, or maybe laying some people off. If the people see those things in the paper they know there are jobs available and they know that there is some encouragement that there will be more work, and we are up 29.8 percent in manufacturing this year.

I don't believe that I have ever been critical of the press. I just believe that the announcements regarding new plant expansions are every bit as important as the others.

That's all I had, Mr. Chairman, I believe I have come close to answering the questions that were put to me. We are on the Deputy's Salary. There are places within the estimates; we have a promotion and information services sector; we have our program development and technical services; we have our business development sector. All these questions can be asked and it can be a wide-ranging discussion on what the province is doing. We announced the six sectors that we were concentrating on last year. We presented that to the committee and five of those sectors have had an increase over last year.

Regarding the construction industry, yes, housing is down, but I can tell you that we are starting to show, as far we can see, a turn around in the housing in 1981. But, if you breakdown the construction industry in the Province of Manitoba in 1980, it isn't as high as we want it to be. The construction industry has been in tough straits in the Province of Manitoba but primary industries in construction is up 16 percent; manufacturing construction is up 22 percent; transportation, communications, and other utilities are up 10.8; trade, finance and commercial services are up 13.9; institution and government departments are up 10.3; housing is down, housing is down minus 16.8.

The comments, and I guess I am getting close to Mr. Green's comments when he says that I was a person who was always critical, I was a person who always said let's not talk about other areas, let's talk about Manitoba, and I believe that. I mention the figures in my speech today, and I mention them on the basis that the facts and figures that are being presented have not been properly analysed by the people who present them. I state again the Canadian average is out of proportion because of the provinces to the west of us and when you have the amount of expansion and the sizable increases in all sectors, in two areas which are doubling and tripling, doubling and tripling the other provinces across Canada, you have a hard time saying that Manitoba is as bad off as it is because it gives a reflection upon Manitoba that we don't believe is the proper reflection. I state those things on the basis that they are sources of information, that those figures have to be analysed.

MR. CHAIRMAN: The Member for Transcona.

MR. WILSON PARASIUK (Transcona): I would like to ask the Minister what the role of the government is, in this department specifically, with respect to the main thrust of this government regarding economic development, namely these mega projects. Does this department have a role to play as the department of economic development?

MR. JOHNSTON: The Department of Economic Development was the first department and the first

people to contact Alcan to ask if they were interested in Manitoba. The Department of Economic Development supplied one person, and later on two people to work steadily on that project with the people from Alcan. When they came to town they would ask ahead of time who they wanted to see, what parts of the province they wanted to go to, directions on how they could get around the province, all the information that they would need when they came into Winnipeg. They were directed not to any specific consultants, but given lists of consultants in the area that they were looking for, they went out and called on themselves.

There was an awful lot of assistance given by the Department of Economic Development. But the discussions with Alcan regarding Hydro naturally leads from the Department of Economic Development into the Department of Energy and to Hydro itself. We are still available to work with them on anything. We can do surveys, we can do research for them, we can help them in any way, freight rates, etcetera, but I might say that Alcan has a very large staff of their own and they prefer to hire their own consultants to get a lot of their information. We were the first people involved with them.

I don't know why you would think that the Department of Economic Development would be involved with the potash, it's strictly a mining and resource type industry and is worked at by Mines and Energy. Certainly the Department of Economic Development or myself, as Minister, I am on the Economic Development Committee where the discussions take place on those mega projects.

The Hydro line, the power grid, that we are speaking to the west, again is the Energy Department; again I am part of that committee, and again it will be our job when finalization of that grid is there, we will be out working with our manufacturers to get as much of that business as we possibly can. I hope that answers your question.

MR. PARASIUK: I was wondering whether in fact the Department of Economic Development had a role to play that was larger than that of being in a sense a type of travel agent. I would have thought that the role of the Economic Development Department would have been to determine what the particular advantages to Manitoba, say of the Alcan plant would be; what type of employment it might expect; what type of import substitution there might be; what type of economic spin-off to the rest of the provincial economy there might be; and that it would involve itself in the discussions completely so that Alcan doesn't in a sense fool the government into having the government give it a sweetheart deal with respect to a long-term energy commitment that would find ourselves 20 years from now feeling very sorry for that which we have done. And I look back to Inco where Inco has been in Manitoba for some time, has a very good contract from their point of view. It is a long term contract. Inco consumes, and their officials told me that they consume virtually as much electricity as the City of Winnipeg but they pay only about a quarter of the rate that the people of the City of Winnipeg pay. And that's because of contracts that were signed because the government at that time didn't take the initiative to develop a research capacity and a resource capacity which was just as good as Inco's. And what we are finding

today is the Minister is saying, you know we brought this company in here, we introduced them to the various people in Manitoba, but we're letting them do their own thing because they're much better than we are. They have a better capacity than we have.

Well I'd like to be assured that the Province of Manitoba has people on its side who have done their homework and we haven't been assured that yet. When we ask questions about the Alcan agreement — and today, my colleague, the Member for St. Vital, asked questions about the hydro commitment for Alcan, and whether in fact any type of further effort by Alcan was dependent upon the guarantee of a very good deal with respect to hydro — the Minister, the Deputy Premier, was very evasive in his answers. And all the members on the Conservative side chortled at his evasiveness. And I can only recall 1965-66 when people chortled at the evasiveness at that time. And surely, from a provincial interest point of view, you don't want to be evasive, you don't want to be second best to Alcan, you want to be at least as good.

And again I haven't had any reassurance from the Minister that this is the approach of the government, or at least that this is the approach of the Department of Economic Development which we were told yesterday is the key department of the Conservative government when it comes to the whole issue of dealing with the terrible state of the economy in Manitoba. They said, look to the Department of Economic Development. Well when we look to the Department of Economic Development and we compare what it's doing to those grandiose plans that are being thrown out by the First Minister that might come into effect in 1985, '87, '89, we wonder what is being done in a rational, systematic manner and we haven't had an answer.

MR. CHAIRMAN: The Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Chairman . . .

MR. CHAIRMAN: If the member, someone from St. Johns frowned at me, that wasn't a signal he wanted the Chair? If he just signals that he wants it he will be recognized in fairness.

The Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman, we are dealing with the item headed "Executive" under Resolution No. 48. Further to some of the questions posed by my colleague, The Honourable Member for Transcona, I would like some explanation from the Honourable Minister for the about turnaround of his position over the past three years on a very key issue. I'm sure the Honourable Minister will recall, and I'm sure that he must have written that particular paragraph in the Speech from the Throne because after all, it couldn't have been the Minister of Education or Health or whatever because it's more related to him than to them, the reaffirmation of his belief in the fundamental importance of a strong and competitive private sector which was stated in the Speech from the Throne in 1978.

And then in 1979 the Honourable Minister and his colleagues came on a bit stronger in talking about government intrusion, government intervention and proposing to the House legislation that would remove government intrusion, government intervention from

a whole variety of areas in agriculture and economic and cultural concerns, government intrusion in the economy — I'm looking at the second page of the Votes and Proceedings — and it goes on and on. There are about 25 references to government intrusion and government intervention within that Speech from the Throne.

And then in 1980 the government said, it was just a one line statement, "government intrusions into the ownership of business enterprises and of farmland throughout Manitoba have largely ceased". Okay, fair enough, Mr. Chairman, that's the philosophy of this government and I'm prepared to accept that and I'm prepared to fight the government, come the next election, on that basis. But then, come the Speech from the Throne which we heard on the 11th of December of 1980, there's a complete turnaround, Mr. Chairman, a complete turnaround from the position stated over the past three years. Now, and I think it's the Minister who's saying this because I think that it is this Minister who wrote these paragraphs which appear on Page 2 of the December 11th Votes and Proceedings, and if he didn't write them then he can disassociate himself from having made the statement, but I suspect that he did. And he says: My Ministers do not believe that government can afford to stand back as though what happens in the economy were not its concern. The private sector will continue to be the prime engine of economic growth in Manitoba but within our mixed economy government has a variety of roles to play in encouraging development and in ensuring the developments which do take place serve the interests of the people of Manitoba, and accordingly my government will play an active and flexible role within the economy to complement and support the activities of the private sector in the interests of all Manitobans".

And this really surprises me, Mr. Chairman, you know, that this Minister, who is such an opponent of socialism has suddenly become a socialist. And I would like the Minister to explain what has happened over the past while which has prompted this Minister to change his position from that which he had assumed over the past three years to that stated in the Speech from the Throne which we heard six or seven weeks ago.

I find it rather difficult to believe that this Minister has moved towards socialism. I'm not arguing against the principle or the notion of government involvement in the development of our economy, but it really does surprise me that this Minister, of this government, would take that position. And I would like the Minister to explain what prompted him, what prompted his government, to take this turnaround position from that expressed over the past three years to that expressed in the Speech from the Throne which we last heard read about six weeks ago.

Now, No. 1, I would want him to give the reasons why he changed his position; No. 2, having changed his position, and we are presently dealing with the general overall operations of his department, to assist the members of the Opposition could the Minister indicate where, within the two resolutions, and then of course there are subsections to them, in his department, where within those resolutions could we find the mega projects, or if not mega projects,

at least micro or mini projects within which this government intends to involve itself in in the development of our economy? In other words, within which appropriations will we find some input on the part of government, government participating with the private sector in the development of Manitoba's economy?

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I wanted to deal with the fact that the minister said that he was uptight on the question of the press reporting of plant closures rather than plant openings. It called to mind a clipping I have of an interview with the Coordinator of Communications for the Cabinet and the head of an Administrative Committee on publicity who is quoted on January 8, 1981 as saying "You can't rely any more on newspapers and news reporters to get across your message." I go on: "There's no secret that this government is concerned about getting its message across" and said the government obviously "thinks it is fair" to use public funds to hire media specialists and finance a publicity campaign. And now this is not a quote but it says, efforts have been made, he said, to keep the commercials from being blatantly political. Note the words, Mr. Chairman, efforts have been made to keep the commercials from being blatantly political. "All advertising is in a sense sort of political, but there is a lot of information in the advertisements".

Mr. Chairman, the reason I mention that is that obviously the government of which this minister is part recognizes through the appointment and continued employment of Mr. Armit that they must now embark, and have indeed, I believe embarked on a program to supply the information which they think they cannot rely on the press to do. The Minister said he was uptight on the question of plant closures versus plant openings. It seems to me, without ever having been a person in the media, that when people lose jobs, that's a matter of great note; when employment opportunities arise for various people, that too is important, but doesn't have the same impact as the fact that people lose jobs.

That's what brings me to the more specific comment. When the Minister said several times a couple of days ago that he would like to see someone who would say that Manitoba is not an attractive place to live in, I would have to say to the Minister, having chosen to live in Manitoba all my life — which is growing to be longer and longer a period — that if he, the Minister, had lost his business and his prospects were as bad as Mr. MacDonald of Kane Equipment says they are, or if he had lost employment and had to look elsewhere, or if he had to stand in an Unemployment Insurance line, or at Manpower looking for a job, he might well become somewhat disillusioned and not be prepared to say Manitoba is a place to live in.

It's attractive to me; it is attractive to the Minister, but there are some people who have left the province, and when there's a net loss I think it's an affront on his part to say, and who dare say that Manitoba is not a good place to live in. Well there are people who have said it; people who have left Manitoba have said it. And the Minister says, well, I don't think it's political for us to say to Manitobans,

Manitoba is a good place to live in. I say it's political because that is the basis of a campaign which the political party, the Conservative Party, is involved in and which I think is a logical sequitor to the statements made by Mr. Armit less than a month ago.

Now the Minister failed to answer a question asked of him a day or two ago, or three ago, when he was asked how much or if any part of this Manitoba program or "I love Manitoba" program — I don't know just what it is called, but the program we've been talking about — how much of it, if any, is being advertised out of Manitoba. He was asked the question and as far as I could tell in listening to him I did not hear the answer. I'd like to know how much of it if any went out of Manitoba, and if some did, then I'd like to know the proportion of money spent that went out as remained in Manitoba. I'd also like to know — I presume we can in due course get an itemized cost of this program broken down into its various factors — I'd also like to find out for our future dealings with his department just where that item is charged, whether it's charged somewhere in Economic Development or in the Tourism aspect. And finally I would ask the Minister who says he doesn't think it's political to explain that part of that program, or at least the one I saw on television, which said something about Manitoba is freedom. I wonder if the Minister could clarify for us what he meant the message to be when the word "freedom" was injected into that Manitoba advertisement.

MR. JOHNSTON: Mr. Chairman, I will comment on the first one first. I was asked that at the press conference about that particular statement by the person on the television ad. I don't know what he meant. It was a comment that he made on his own; there was no script. We supplied the names of everybody that are shown on those. I don't know really personally what his thoughts were when he said it. He was asked to make a comment on the province of Manitoba.

MR. CHERNIACK: Mr. Chairman, since the Minister or his servants deemed it advisable to repeat that statement, may I ask the Minister what's the sense of putting an advertisement on the TV that the Minister himself doesn't understand. And if he doesn't understand, what does he expect the listener to interpret of that. I'm not suggesting that he managed any of the words. I'm just saying why leave in something that he himself doesn't understand.

MR. JOHNSTON: Mr. Chairman, I'm just repeating myself. These were unrehearsed statements. He made them when he was asked to make comments on the Province of Manitoba. I wouldn't even try to interpret the man's thoughts. I think if somebody wants to call him up and ask him, fine, but I certainly wouldn't try to interpret his thoughts.

MR. CHERNIACK: Mr. Chairman, may I ask the Minister whether everything that was filmed and recorded for the purpose of that program now appears on that TV show, or was there anything that was sorted out, selected and rejected?

MR. JOHNSTON: We received advice and we also had advice, but the decisions of which one to use

were done by the advertising group within the government and that one was chosen. I, quite frankly, don't take any objection to what he says, I think the fellow said it in all sincerity and again I wouldn't be about to interpret his thoughts

MR. CHERNIACK: Mr. Chairman, from what the Minister said it is clear now that not everything that was filmed is in that ad and I don't fault that, I think that people who prepare advertising, such as Mr. Armit says, all advertising is in a sense sort of political, that there has to be a certain amount of selectivity just from the theatrical point of view, if no other. But since there were items that were obviously omitted, rejected, weeded out from the total preparation, then how is it that it is possible that the Minister, and ultimately everything comes back to the Minister, as we all know, is not able to give an explanation as to what is the advertising that he is sending out to the people and he says he has no objection. My question is what's the point? I do think a Minister should want to justify what he's telling the people of Manitoba, and incidentally, I don't know yet whether he's telling anybody outside of Manitoba, he's not yet answered that question.

MR. JOHNSTON: Mr. Chairman, I'm not telling anybody anything. I didn't make the statement and everybody who made statements on that program, they are on those ads, were invited to view them before they went on. We wouldn't even have presumed to allow ads to go with people making statements on those ads without them first seeing it and they were asked if they were satisfied that what they had said was in the ads and were they satisfied that they were being played the way they were shown to them. Everybody seemed very satisfied when they saw them that that was what they had said and they didn't have any argument with it. So again I don't presume to interpret the man's thoughts. He's a Manitoban making a statement to other Manitobans.

MR. CHERNIACK: Mr. Chairman, I think the Minister is not following my reasoning. I don't question, I've no reason to question, that what is shown to have been said was indeed said. What I'm saying is that in the end there had to be editing of all the scripts, a certain amount of footage would be taken, it would be edited down to what is the final product, and since there surely would have been editing if somebody hiccupped or did something during the filming that was not appropriate to the advertisement. Nor would I think if somebody said something discreditable to the format would that have been selected and I would understand that. But now the Minister is saying, well, I don't know, I don't understand it, I don't know why it's there but it's there because the man said it. And I'm saying it's there because somebody in his or her wisdom decided that it was worth keeping in there. I think the Minister understands the point I'm making. It was not taken out whereas I'm sure other things were. I suggest to the Minister that if he still doesn't understand what is meant, and if he still can't explain why it is in the television advertisement, then surely it is a waste of taxpayers money to be sending a message out which has no meaning to the Minister himself.

MR. JOHNSTON: Mr. Chairman, it was left in and I don't think we would have presumed to take it out, the man made the statement.

MR. CHERNIACK: All right, Mr. Chairman, it's clear. The Minister doesn't think it's political, Mr. Armit justified what he says "all advertising is in a sense political, in a sense, sort of political". He also said you can't rely on news reporters to get across your message; this is a message that's going across, the Minister said it's not political. The only reference I can think to the word "freedom" is the joy with which a Conservative Party supporter would see that word being inserted there as having some connotation which is meaningful, otherwise why have it. Either it's very sloppy advertising which I don't believe, or it is intended to convey a message which I do believe. To that extent it's clearly political, in my way of thinking, and if it's aimed only at Manitobans the Minister's is busily running up and down Manitoba saying to Manitobans, "Hey, this is a good place to live in".

Well, Mr. Chairman, I find that most peculiar that the Minister who challenges out loud, who dare say that Manitoba is not a good place to live in, is spending taxpayer's money to tell Manitobans that it is indeed a good place to live in. I remind the Minister, through you, Mr. Chairman, that the people who have proven that, good as it may be, Manitoba is not a place where that person could stay because that person has left; that that kind of advertising should be sent out to the places where that person has ended up in, to say to him, Hey come on back. Indeed, Mr. Chairman, I would think that that's one of the first things the NDP will have to do is say to all those people when we form the government, "Fellows come on back, Manitoba is again a good place to live in". To that extent that's as political a statement as the Minister has been making at taxpayer's expense — to the extent of some \$62,000.00.

Mr. Chairman, I won't belabour that, I ask the Minister and I hope in due course he will indicate where that item appears in his Estimates and would undertake to give us an itemized breakdown of the cost of that program, and would, I hope, still answer that question which remains unanswered as to what audience this program is aimed at and, if it's aimed outside of Manitoba, the proportionate extent to which it is so done.

MR. CHAIRMAN: The Member for Brandon East.

MR. LEONARD S. EVANS: Well, Mr. Chairman, yes, when we get into the Information and Promotion Services we can ask and we'll have to get a lot more detail than we've been provided so far. But I would like, since we're talking about the general thrust of the department, I'd like to ask the Minister to elaborate on, I think, a statement he made in the House the other day or certainly in the newspapers, that there were other kinds of advertising, general advertising, programming, going on. I think he stated there were some ads in national newspapers, such as the Globe and Mail Report on Business, perhaps the Financial Post, I'm not sure, but could he indicate generally what other advertising is going on besides this particular \$62,000 program?

MR. JOHNSTON: Well, Mr. Chairman, I did read off where the advertising was going under the Energy Reserve campaign, the Manitoba Makes Man campaign and the campaign that the Member for St.

Johns was talking about. We have an item in our Estimates which is Promotion and Information Services under 2(a)(5), but I might say that the advertising program that you see at the present time is out of last year's budget. It ends the end of March, the particular advertising you're seeing at the present time, this current year's budget, fiscal year's budget.

MR. CHAIRMAN: The Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Chairman, could the Minister advise then what series of advertising he's projecting for the upcoming fiscal year since the series of ads, "Stay in Manitoba", ads that Manitobans are viewing at the present time come within last year's fiscal year, could the Minister advise what program of promotion and advertising does he foresee during the fiscal term included within the Estimates before him?

MR. JOHNSTON: Mr. Chairman, I just finished saying under 2.(a)(5) we have a budget and we have Promotion and Information Services.

MR. PAWLEY: I know that the Minister has indicated that but could the Minister detail for us whether he anticipates another seven-week series of Stay in Manitoba ads during the upcoming fiscal year?

MR. JOHNSTON: Mr. Chairman, we are anticipating quite a few promotional items in the upcoming year. The decision as to whether there will be any further ads on television is not one that has been made as yet. (Interjection)— Well I said I'd be quite willing to explain that when we get . . .

MR. PAWLEY: Is the Minister then indicating that he has a slush fund that he may or may not be using, depending upon circumstances, for further TV advertising under this section?

MR. JOHNSTON: No, I'm not indicating a slush fund; I'm indicating that the money will be used for promotion in one of three ways.

MR. PAWLEY: Mr. Chairman, I find it rather regrettable that the Minister comes to the committee at this stage and appears to be so vague as to his intentions pertaining to a continuation of the promotional activity during the next year, being uncertain as to whether he's going to resume this sort of advertising program that we are now witnessing or not. I'd like the Minister to advise what other provinces in the past fiscal year have embarked upon a "stay in that particular province" series of advertising. "Stay in Alberta, stay in British Columbia, stay in Nova Scotia", etc., etc.

MR. JOHNSTON: I mentioned earlier the Minister in Saskatchewan, Norm Vickar has his particular type of programs; he's even putting it into theatres. I don't criticize Mr. Vickar for his decisions on what he thinks will benefit the province of Saskatchewan anymore than I criticize the people of Alberta or any other province for their decision of what they believe will help the economic condition of their province. I explain the reasons why; that we felt that the initiative of Manitobans saying what a good province

it is to live in, to work in and invest in, would be beneficial to the economic situation of the province of Manitoba.

MR. PAWLEY: Is the Minister suggesting that the Saskatchewan ads are ads urging Saskatchewaners to stay in the province of Saskatchewan, not leave for other provinces?

MR. JOHNSTON: No, I didn't suggest it. The Leader of the Opposition is not listening; I didn't suggest that at all. I suggested that I believe that he's doing what he believes is best for the economic development of the province of Saskatchewan, the same as other Ministers would feel that way about any province. I suggest that the program of ours to do exactly what I have said it will do, or hope what it will do, is one we felt would be good for the economics of the province of Manitoba.

MR. PAWLEY: Mr. Chairman, I don't believe there is anyone at the committee, just for the information of the Minister, that would question good sound informational advertising. There is a need for informational advertising and that may very well be the kind of ad that he's referring to as being played in Saskatchewan. I think what Manitobans do find very disgusting with his present series of ads, that they are not informational, they are geared towards a clear form of progaganda and from the Minister's answers I sense that the Minister cannot list any other province that is engaging in a "stay in that particular province" ad advertising effort. I think the Minister then should be prepared to advise just what is so unique in Manitoba that Manitoba alone should engage in this kind of, to say the least, certainly, I think it's apparent to most just really plain and plain propoganda ads rather than any ad that even purports to give any information. What is so unique in the Manitoba situation?

MR. JOHNSTON: Mr. Chairman, I believe I explained that earlier when the Leader wasn't here. I will explain it again for his benefit. If he had watched the "Points West" show the other night he would have found that somebody on the show said that when I moved to Manitoba I thought it was a great place to live but after being here awhile and hearing what Manitobans say about it, I'm beginning to wonder. We also have a situation where we've had for many years the development in the western provinces and Manitoba people have sort of for some reason or other felt they were second-class citizens and they seemed to have the feeling that Manitoba isn't a good place to live, to invest in or to work in. All of those types of attitudes doesn't help the economic situation of the province of Manitoba. The best thing they could have within a province is the people being enthusiastic about the province from a point of view that they realize what they have within the province and they're probably the best salesmen we have. If the people of Manitoba are out promoting the province and all out promoting the province, it's got to be an economic value.

MR. CHAIRMAN: Before I recognize the Leader of the Opposition, I've just been looking over the list of expenditures and it would appear that this item would probably be more appropriately discussed

under 2.(a)(5) and I wonder if our business could be conducted more efficiently if we would deal with (b)(1) which would do these Estimates perhaps in more order.

The Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, I understand your concern about orderliness but we are dealing with government policy. I think that it's appropriate that we discuss government policy under this particular item. I listened carefully to what the Minister has to say, and I've heard the Minister make these similar kind of comments before, wondered about them, and I find — and I say this to the Minister — that Manitobans do have a great deal of confidence in their province. Manitobans are quite confident in the future of their province and if there is any lack of confidence in Manitoba it's only in the performance in the past three years of the present government in the province of Manitoba; it has nothing to do with the state of the Manitoba provincial community, and it's really unfortunate that the Minister, and as his Leader is doing, setting out to blame Manitobans for a situation that has been created, not by Manitobans but by mismanagement, by poor performance, by lack of innovation on the part of his government, including his Ministry.

MR. JOHNSTON: Mr. Chairman, I can only say that's an opinion and I'm sure the Leader of the Opposition is welcome to it.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Mr. Chairman, while I agree with you that detailed discussion of Promotion and Information Services is provided in 2(a)(b) I think we have got onto a general policy question here and in that line I would like to make a brief comment on what the Minister has stated and what some other members have touched upon, and that is this particular type of advertising that's costing the taxpayers of Manitoba tens upon tens of thousands of dollars, and a type of advertising which we can all legitimately ask why, just why is it that the Department of Economic Development is spending money on a very vague, very non-industrial, non-economic type of objective?

My information is that the Department of Regional Economic Expansion was prepared and indeed has cooperated with the Government of Manitoba and this department in putting ads in papers across the country to help stimulate industry in Manitoba, but they refused to participate in this program. And I can understand why, Mr. Chairman. The reason the federal Department of Regional Economic Expansion refused to participate in this program was that it was obvious that it was too vague, it had very little tangible value — exactly what was it supposed to accomplish? How do you measure the value of this expenditure? How many more jobs are we going to have because of this? How many more people are going to stay in Manitoba because of this ad? How many more industries are we going to have. And I'm sure this is what DREE asked of the Minister and his department, and I'm sure they concluded that it was simply too political and they wouldn't touch it with a 20-foot pole — maybe a 20-mile pole. There's simply no value from an industrial or a direct economic

development point of view. At least with Yum Days, at least we were trying to get across to the people of Manitoba that they should buy made in Manitoba food products, and you could then go about to see whether there was an increase in the processing of Manitoba food products. What do you measure here? Usually when you spend money on advertising you go about to see what the results are; any good businessman would do that, any good efficient government administrator might wish to do that as well. You spend money to achieve an objective and then you go about to see if you can measure the accomplishments to see whether or not you've met your objective.

And here, Mr. Chairman, I simply am at a loss, and I'm sure the Federal Government and the federal authorities were at a loss too because there's simply no way of measuring the value of this money spent and I would submit therefore, Mr. Chairman, it was a total and is a total waste of taxpayers money. If anything, the opposition of any Legislature, any parliament, has to be concerned about good value for money spent. We are here and the whole purpose of Estimates is to see that money is spent adequately and efficiently, and, Mr. Chairman, there's no question that this has got to be one prime example of total waste, pure simple unadulterated waste of the taxpayers money.

MR. CHAIRMAN: 1.(b)(1) pass.
The Honourable Minister.

MR. JOHNSTON: Not according to the people who have contacted the office saying that this is what Manitoba needs.

MR. CHAIRMAN: 1.(b)(1) pass.
The Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, I asked the Minister two questions which he has not answered yet. No. 1, I would like to know, could the Minister offer us some explanation for this turnaround in his position with respect to the economic development of our province where for three years he had said that we'll let the private sector do its own thing and the government isn't going to be involved at all; in fact you will recall, Mr. Chairman, I had made reference to about 25 statements in the Throne Speech of two years ago when they repeated reference to government intrusion, government intervention and that the government is going to just wash its hands clean of it and then last year this government, of which this Minister is a part, I think, I know he hasn't disassociated himself from it, said yes, we've removed all forms of government intrusion, intervention in the economy of our province.

Now this year, this Minister, and I suspect that he wrote this or if he didn't write it somebody else did — probably within his department and maybe he's not aware of it, became aware of it later and maybe that's why he's spending the sleepless nights that he did — where he says that my Ministers do not believe, His Honour said that on behalf of the government, that government cannot afford to stand back as though what happens in the economy were not its concern. Then, going on to the next paragraph, accordingly my government will play an

active and flexible role within the economy; and then he proceeds to give a number of examples, Hudson's Bay Mining and Smelting, International Minerals and Chemical Corporation and so forth.

I would like to know what is the reason for this government's turnaround in its philosophic position from the previous one of a hands-off policy type of thing to the present of, as stated in the Throne Speech which we had dealt with five or six weeks ago, that there is a justification, rationale for government involvement.

Now, if this government is going to, in its own words, play an active and flexible role within the economy to complement and support the activities of a private sector in the interests of all Manitobans — and I think, Mr. Chairman, that I'm quoting the words of this Minister because who else would have written them — would it be the Minister of Education or Health? No, surely not. It must be this Minister, because he is the one who has a prime interest and concern within this area of operations of government. If that is the case that this government will play an active and flexible role within the economy, could the Minister at this point indicate to us within what sections of the Estimates that we are dealing before us will we see a reflection of this statement within the Speech from the Throne, so that when we come to them we could question the Minister on this government's move toward a more active and flexible role within the economy.

So again, Mr. Chairman, the two questions I will repeat. No. 1, could the Minister indicate why this reversal, this turnaround in this government's philosophy? Is this another example of a flimflam government, as the Leader of my Party had referred to in the reply to the Speech from the Throne when he used the expression of Henry Fielding in criticizing that flimflam First Minister many years ago, 280 years ago, Robert Walpole, as a flimflam Minister. Is this another flimflam Minister that we have before us, Mr. Chairman, who from the first two and a half years while his party is in office they hew one line, yes, we must remove government intervention, government intrusion, because that, Mr. Chairman, I believe is the real Conservative philosophy. Now, approaching an election, playing the Robert Walpole role, well, we've got to find some votes. The nice thing to say is that accordingly my government will play an active and flexible role within the economy to complement and support the activities of the private sector in the interests of Manitoba and then leading to the involvement of Hudson's Bay Mining and Smelting and International Minerals and Chemical Corporation.

So, Mr. Chairman, I think the Minister has to explain to this committee what is the reason for this turnaround in the position of his government, you know, from a previous one of a hands-off position to the one of involvement that I stated in the Speech from the Throne which we had heard seven weeks ago and debated for eight days. After he explains his rationale for that change, explain that — not flimflam but now flip-flop position, I hope that the Minister would then assist this committee by indicating to us that, yes, in Item 2, Item 3, whatever item, 2.(b), you will find there are funds appropriated that will enable this government to play a more active and flexible role within the economy to complement and support

the activities of the private sector. So that, as we move on through the Minister's Estimates, we would know where to zero in on those areas.

This Minister has become a socialist. I never dreamt that this Minister would become a socialist and here, in his Speech from the Throne, he says that he wants to play a more active and flexible role. So surely, Mr. Chairman, this Minister ought to explain why he has changed his position from being opposed with a passion to government involvement in the private sector. Now he says, no, we can't turn our eyes to what's going on in the private sector, we have to be involved. And you will recall, Mr. Chairman, that over the past two or three years he said, well, let the marketplace take care of everything. Now he says we have to be involved. Surely the Minister has to tell us why he has changed his position. Now it may well be, Mr. Chairman, that it's his colleagues who have changed their position but not he. Maybe he is not part of the government, maybe it's the other — how many Ministers are there?

A MEMBER: 18.

MR. HANUSCHAK: Minus one, that's 17. Maybe it's the other 17 Ministers who are speaking here, maybe what is said in the Speech from the Throne does not include the Minister of Economic Development. If that is the case then let him say so too, but surely this Minister who ought to take prime responsibility for what is occurring in this province within the area of economic development ought to explain this to the people of Manitoba, why this change in attitude of government and this change of government's involvement in economic development which is a very very significant change. You know, from one as expressed in previous years that the hands-off position to now what the government is saying, yes, we must become involved. So he ought to explain that.

And, secondly, if they are going to become involved, let him tell us, let him indicate to us in advance to assist us in dealing with the Estimates in a most expeditious manner. Under what items are we going to be dealing with matters of government playing a more active and flexible role within our economy so that we could zero in on that particular issue under those particular items and not take up the time of the committee needlessly.

MR. JOHNSTON: Well, I won't take up the time of the committee needlessly, Mr. Chairman. I don't believe the government has changed its opinion regarding its role. I haven't changed my opinion regarding the government's role and I can assure you that when we get down to Business Development we can discuss the role of my department regarding the helping of the Manitoba economy, and there are many other sections where we are working to help the Manitoba economy. We have not in my opinion changed the opinion of the government's role.

MR. HANUSCHAK: Well, it's interesting to hear the Minister say that he hasn't changed his role. I really didn't expect him to, because you know, Mr. Chairman, that over the years he was the most outspoken opponent to government intrusion, government intervention in the economy of the province. So now he says he hasn't changed his role.

But, Mr. Chairman, the government speaking through Her Majesty's representative, His Honour, our Lieutenant-Governor, says that it did, because, Mr. Chairman, I will repeat to you again that "accordingly my government will play an active and flexible role within the economy." Then it goes on to say that "my Ministers are currently involved in a number of important negotiations to strengthen our economy." And there's reference to equity participation. I underline that, Mr. Chairman, equity participation. Hudson's Bay Mining and Smelting. And then in the next paragraph, exploratory work undertaken by International Minerals and Chemical Corporation, St. Lazare. And this we know, Mr. Chairman, from press statements which have followed that it is the government's intention to undertake equity participation in that. So obviously it becomes quite apparent, Mr. Chairman, that it is the government's intention to change its position from that previously expressed of a hands-off to becoming involved as partners, you know, becoming part-owners of the mineral development.

But this Minister, Mr. Chairman, says that he hasn't changed his role, so I guess we can only assume that this Minister is not part of government, that there is a split, there must be some division between this Minister and government, that I guess, Mr. Chairman, this Minister had no role to play in the writing of these four or five paragraphs within the Speech from the Throne that I'm looking at, because he says he hasn't changed his position. But the government says it has, but this Minister hasn't. You know it's quite interesting. This Minister says he hasn't changed his position. He says, well, let the government do what the hell it wants to do, I haven't changed my position. Well, that's really interesting. You know, that here we have a Minister of Economic Development who is not speaking for government because the government says it has changed its position.

Mr. Chairman, again I ask the Minister, could the Minister explain why the government has changed its position?

MR. JOHNSTON: Mr. Chairman, I said to the member the last time I answered him that all of the things in the Throne Speech say my Ministers, and I don't believe the government has changed its position regarding its role for the economic development of the Province of Manitoba. You are stating an opinion of yours; I don't believe the government has changed its opinion.

MR. HANUSCHAK: Mr. Chairman, the Honourable Minister says that the government has not changed its position. I did mention this to you earlier this evening and I will repeat to you again, just to demonstrate to you that somebody, if not this Minister then somebody within his government, has changed their position because in 1978 — and to assist the honourable minister this occurred shortly after 2:30 p.m. on 16th of March, 1978 — when His Honour said, speaking the words of the government, that "my government has reaffirmed its belief in the fundamental importance of a strong and competitive private sector". And within the same speech, it went on on Page 2, and I'm referring to Page 2 of the Journals of Legislative Assembly of Manitoba, Mr. Chairman, "My government is confident that market

forces will operate that should be allowed to operate to help keep price and compensation increases at levels which will not increase inflationary pressures, etc.". That was the general tone of that Throne Speech.

The following year, and I mention this to you again, Mr. Chairman, that it's this government's intention to ensure protection for the citizen of a traditional freedoms of choice in economic, cultural and social concerns. And then there are about 25 references, 25 pieces of legislation that are going to be brought before us which are going to remove government intrusion, government involvement, whichever way you wish to put it, Mr. Chairman. Then last year there was a one-line statement of government intrusions into the ownership of business enterprises. Mr. Chairman, I want to repeat that statement. Government intrusions into the ownership of business enterprises have largely ceased.

Now, Mr. Chairman, I as a Socialist, I have no quarrel with, I have no objection to government intrusion in the ownership of business enterprises because we do believe that there is room for a proper mix, a proper balance of both. But I am asking this Minister, who purports to be a member of the Conservative Party, a member of a party that is opposed to government ownership of business enterprises, I'm asking this Minister, how in the hell can he justify what he said in the Speech from the Throne this year, when he said that "my Ministers do not believe that a government can afford to stand back as though what happens in the economy were not it's concern". He wants to become involved, he wants to become a shareholder. Now how in the hell do you justify that, that turnaround from the position that you have stated for the past three years to the people of Manitoba? Now you're saying you want to become involved; now you say you want to become a socialist or what the hell is it you want to become? Now you better tell the people of Manitoba what it is that you are, or in the words of Henry Fielding, this is another example of a flim-flam leading to another south sea bubble.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Mr. Chairman, I would only repeat to the honourable member I don't believe the government has changed its position.

MR. HANUSCHAK: Well now, Mr. Chairman, now surely the hell the Minister understands English, where for the last three years he and his government have been preaching the removal of government from involvement and intrusion within the economy. Now, Mr. Chairman, I will read, through you to the Minister, very slowly, very carefully, word by word, syllable by syllable. You will recall, Mr. Chairman, that I said that in 1978, in '79, in the Throne Speech of early 1980 when the government said, well we've driven the last nail into the coffin and we've buried government intrusion. Amen. Then 10 months later, now, Mr. Chairman — and I hope the Minister listens to this — when they said that they buried government intrusion, 10 months later this government turns around and says that it must become involved within the economic development of our province; he says it must become involved. And then he proceeds to give a couple of examples

— Hudson's Bay Mining and Smelting and International Minerals and Chemical Corporation. And the Minister continues saying that there's been no change in the position and in the attitude of this government.

Well you know this, Mr. Chairman, I find really difficult to believe that this Minister can't see this as a change in the position of his government from that taken by the previous three years — now I say three years, more than three years because, Mr. Chairman, you will recall the many fiery speeches that this Minister made when he was in opposition, going back in '69. All the speeches that he made — and if this Minister would give me 10 or 15 minutes, and I don't know if the library is still open or not but if I'm sure that within 10 or 15 minutes time I'd be able to dig up at least six speeches that the Minister made criticizing our government — when the New Democratic Party was government for government involvement government intrusion within the economy of our province. So, as I said, for the first three years they said well we're just going to wash our hands clean of government involvement in the economy of our province. Now this year he says oh now we've got to become involved.

And this Minister —(Interjection)— that's right the election year. And now this Minister says there is no change. Now, Mr. Chairman, you know how stupid does he think the people of Manitoba are. Now he has to explain that, he must have some rationale for having changed his position and I wish, Mr. Chairman, that the Minister would explain what had occurred within the economy of the Province of Manitoba that prompted this Minister, because he is the one who had to take the lead in this because, like I said, it wouldn't have been the Minister of Education, it wouldn't have been the Minister of Health, it wouldn't have been the Minister of Corrections or Welfare, it had to be the Minister of Economic Development and he is the one who sort of co-ordinates all areas, all phases of activity within the province related to economic development. Something must have occurred which prompted the Minister to change his position because the change is very clear and obvious. The fact that the Minister says there's no change, that doesn't convince any one person within the Province of Manitoba because everybody within the Province of Manitoba can read the Speeches from the Throne as well as anyone else can. The change, Mr. Chairman, is very clear and very obvious that for the first three years it was a hands-off policy. Now on the election year yes, we have to become involved and the Minister has to explain that to the people of Manitoba; if he wants to retain his own credibility as a Minister he has to explain it.

MR. JOHNSTON: I don't read the word "must" in the paragraphs he's referring to and, Mr. Chairman, I repeat I don't believe the government has changed its policy.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, I think the Member for St. Johns had a very brief question, or a point.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman, just a brief thing. I'd like the Minister to give us an undertaking to deal, when it comes up, two questions which I asked which he has not yet responded to, three I think. I asked him to tell us the extent to which any part of that Manitoba program is being shown outside of Manitoba and, if so, the extent to which it is; I'd ask him to give us that information under the appropriate item and to undertake to do so; I'd also ask him to undertake to give us an itemization of the costs of putting together that program as to the cost of production and the cost of advertising it and probably, at the same time, give us the places, the media where it is being advertised. Since he hasn't answered those questions I don't ask that he answer it now but I hope he will undertake to do so when we come to the item. If that's a fair question I would not press it.

MR. CHAIRMAN: The honourable minister.

MR. JOHNSTON: Well I can answer that quickly. There's a program that is outside the province, the television ads you see about Manitobans is inside the province. There is no television outside the province. Those ads are not outside the province, the ones you see on television.

MR. CHERNIACK: All right, he's answered that question. Would he, in due course, let us have an itemization of the cost of the preparation of the program and of advertising it in due course. I think he is nodding his head and I'm assuming he is agreeing to do that.

MR. JOHNSTON: My officials will.

MR. HANUSCHAK: Yes, Mr. Chairman, I've asked the Minister a second question which he had not answered. Could the Minister indicate to us the particular items within his Estimates wherein we could see this shift to socialism within his thinking that the government must play an active and flexible role within the economy and acquire an equity ownership, etc. or in whatever fashion. But the shift to government involvement, the shift to government intrusion, to use the Minister's words because I think the opposition would like to debate those issues when it's proper but you know just looking at the figures over here and the one line descriptions of what the programs are all about doesn't really tell us that. Is there anywhere within his Estimates where this Minister has endorsed what is said in the Speech from the Throne, that he will play an active and flexible role in the economy to complement and supplement the activities of the private sector?

MR. JOHNSTON: Mr. Chairman, I repeat there is no change in the philosophy of the government. If the member wants to ask questions on technology, industrial design, human resource management, promotion of services, business development, and then, of course, we have the agreements with the Federal Government, market development, small enterprise development and the Travel Manitoba agreements with the Federal Government I think there's questions he could ask on just about any one of those as to what the department is doing within the province.

MR. HANUSCHAK: Well, Mr. Chairman, that's really interesting to hear. So obviously there is no change in the thinking, in the philosophy of this Minister, despite the fact that the Throne Speech said that there is change of thinking of, and philosophy, of the government because the government said that it will play a more active and flexible role in the economy and it goes on to give examples. But this Minister says there is no change. Fine, that answers my question, Mr. Chairman.

MR. CHAIRMAN: 1 (b)(1) pass.
The Member for Brandon East.

MR. EVANS: I understood from the Minister's earlier remarks that the department that he is responsible for is not really taking the lead in the major economic development thrust of this government which is the mega projects. If anything, as I read the Throne Speech, as I listen to the Premier of this province, the major thrust, the major emphasis on this government to achieve economic growth, economic development is via mega projects. I was very disappointed in the Minister's opening 32-page statement which he read yesterday that really it's become very obvious that the Department of Economic Development is not playing a key role. May be consulted, may be supplementing with information, advice, etc. but really not being the role of key actor. I was rather disappointed that the Minister could not be more positive and say, yes, I am the Minister of Economic Development, my department is the key agency and we are leading the battle in developing these so-called mega projects, whether it be the potash, the aluminum, the copper, or even the hydro. And the Attorney-General told us yesterday in the House that if we wanted — he talked about economic development policy — this is the place to do it, and so on. But it is apparent, Mr. Chairman, that the department is not organized — we're talking about the organization of a department here under Executive — the department is not organized really to lead the action, as it were, in bringing about the fruition of the dreams and hopes and aspirations of the government to see these various mega projects come to life.

The Minister did indicate, well, after all one or two copper and potash are in the mining industry and that could be looked at by the Department of Mines and Energy and, of course, Hydro is indeed obviously the responsibility of that corporation itself, plus, of course, the Department of Mines and Energy. But really, Mr. Chairman, it is obvious what the Minister says is very rational, that these are mining and utility projects. I say that, at the same time, I think it should be a clue to the people of Manitoba, to the taxpayers of Manitoba, that the title of this department is a misnomer. It was changed from Industry and Commerce to be the Department of Economic Development. I submit, Mr. Chairman, that indeed the title is pretentious; the title Economic Development is very very all-encompassing, it suggests a thrust on all aspects, all segments of the economy, whether it be mining, forestry, fishing, agriculture, or indeed, manufacturing.

And it is obvious that the major thrust of the government does not allow the so-called Department of Economic Development to play a key role. If I can gather it it is not this department, they are playing a

very minor role. The key role is being played by the Deputy Premier and his Department of Mines and Energy. And I say, Mr. Chairman, that this title is a misleading title, in a sense, and while we are prepared to see organizational changes, see government departments reorganized, retitled, etc., because that has to happen from time to time. It is obvious that we have got a lot of title but not very much else; it sounds great.

When you have a Department of Economic Development surely you're thinking of a department that does, indeed, take the key co-ordinating role in bringing about economic growth in the province, a department that co-ordinates, a department that plans, a department that has its various officers and so on involved in all the key decision-making wherein government is involved in facilitating and encouraging economic development. But that isn't the case.

So I would very seriously suggest to the Minister he has not got a Department of Economic Development. This, Mr. Chairman, is no reflection on the staff; he has an excellent staff, one of the best you'll find in any department of its kind anywhere in Canada or anywhere in the world. I said that in so many words yesterday, I say it again. So, my criticism of the title and the thrust of the government in the way it chooses to organize is not a criticism of the staff, but it is a criticism of the Cabinet which says, let us call this the Department of Economic Development, because it isn't. It is really a department of business and tourist services, and really, that is what it should be called, Mr. Chairman, it should be renamed. It is not the Department of Economic Development. The major mega project development thrusts are not happening through this department, they are happening everywhere else but in this department.

So I say a more appropriate title, and a title I think which reflects a service which is a proper service and a necessary service, business advisory, business technical assistance which is valuable and needed and money well spent. But let's call a spade a spade; it should really be called, the way it is operating now, as a Department of Business and Tourist Services. There is nothing wrong with that title. And I say that is calling a spade a spade because what the department is now and what the title is is completely two different things. And so I make that as a recommendation to the Minister, maybe he would like to comment on it.

MR. JOHNSTON: Well, you're not right, you're wrong and the Department of Economic Development is one that works with all departments. There is a committee, an Economic Development Committee of Cabinet. The Premier was at one time the Chairman of that Committee, the Deputy Premier is at the present time. The department works with agriculture, it works with all departments. And, as I explained earlier, when you mentioned the potash, the mega program in potash, it is definitely initiated and worked on by the Minister in charge of mines; the forestry complex is also a resource. But the Department of Economic Development's job is to make sure and work with the other departments at all times; and secondly, as these projects advance our job will be to work to bring industry into the Province of Manitoba, not only to support those, but

also to have industry come to this province that will be properly geographically located here and suited to the province and will be here for a long time.

So the member has a certain hangup about the name of the department. I can only suggest to him that when he was Minister of Industry and Commerce the Manitoba Development Fund came under the Minister of Energy.

MR. EVANS: I'd like to ask the Minister whether the government has task forces, has it organized itself into task forces to deal with the various mega projects that have been talked about, whether it be in forestry, whether it be ManFor, the copper mine, the aluminum project or potash; are there task forces, interdepartment task forces, and is his department leading these task forces?

MR. CHAIRMAN: (1)(b).
The honourable Minister.

MR. EVANS: Well, Mr. Chairman, I'd like an answer.

MR. JOHNSTON: I would say the decision on any group that would lead any particular project would be decided by the Committee of Economic Development.

MR. EVANS: I take it then, from the Minister's remarks, that there are no task forces set up within the government to deal with this major thrust in the Throne Speech, this presumably big economic development thrust. No task force is existing now.

MR. JOHNSTON: I didn't say that, I said any task forces that would be set up would be decided by the Committee of Economic Development and ultimately the Cabinet, and I can say that the decisions are made on who is the best to handle it.

MR. EVANS: Well, has his department at least made some assessment of the economic impact of the various projects that had been proposed and suggested in the Throne Speech?

MR. JOHNSTON: Yes.

MR. EVANS: Well, can the Minister enlighten us, since this is such a major item, just exactly what is the impact supposedly of this major development thrust?

MR. JOHNSTON: It is a hard question to answer in a lot of detail but if you take the potash development it is \$500 million; and the \$500 million would be a spinoff on that particular investment into all sections of the economy of the Province of Manitoba — the manufacturing sector, the construction sector, the transportation sector, all of those sectors would become very involved in supporting in that kind of a development. The economic spinoff of \$500 billion has to take place in a very large way and when it is finished, 300 people working; and while it is being constructed about 600 people on the job. There is no question that the economic spinoff is there; we have seen the economic spinoff in Saskatchewan when the potash mines were developed there.

MR. CHAIRMAN: The Member for St. Vital.

MR. D. JAMES WALDING: Mr. Chairman, I wanted to ask the Minister a question or two, following up from my colleague from Brandon East's comments.

Firstly, on the name of the department and on one of their mega projects. I was a little surprised to hear the remark made that the Department of Economic Development did not have any part in these mega projects, or particularly, the Alcan proposal. Did I hear the Minister correctly . . .

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

MR. JOHNSTON: On a point of order, Mr. Chairman. At the very beginning of the evening I answered the Member for Brandon East as to the amount of input the Department of Economic Development had in the Alcan project, and when it got to a certain point it had to be turned over to Energy and Hydro. We still have some involvement as far as working with the company.

MR. WALDING: Mr. Chairman, I wasn't in the room earlier in the evening, I apologize to the Committee for having missed that. Did I understand the Minister to say, just a few minutes ago, that the Economic Development Committee is a committee of Cabinet?

MR. JOHNSTON: That is correct.

MR. WALDING: Can I ask the Minister if it is that committee that has been dealing with the Alcan proposal, or has it been left entirely to the Deputy Premier?

MR. JOHNSTON: The Deputy Premier is the Minister of Mines and Energy and has been for quite a while, while he was also with Finance. He reports, as we all do, to the Economic Development Committee of Cabinet and we discuss all of those projects within the committee.

MR. CHAIRMAN: The Minister of Consumer and Corporate Affairs.

MR. WALDING: I really haven't finished.

MR. CHAIRMAN: Well, all right. Signify, I'm not a mind reader up here.
The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. We'll undertake to indicate to you when I've asked the last question, Mr. Chairman, if that will be of any help.

Mr. Chairman, I would like to ask the Minister whether he can give us any additional information as to the negotiations presently ongoing between Alcan and the government? I have a couple of press releases of a few days ago which indicates that a Vice President of the company has now made the statement that they will not build in the north, and that negotiations are ongoing with the government for "assured long-term supplies of electricity at favourable prices". Can the Minister confirm that these negotiations are, in fact, in progress? Is it the committee that is involved with that, or has the responsibility resolved onto the Minister of Energy and Mines?

MR. JOHNSTON: I think the answer is obvious. The Minister of Mines and Energy and Hydro are presently within the negotiations with Alcan. The Minister reports to the Economic Development

Committee of Cabinet and they are all discussed, and negotiations are presently being carried on.

MR. WALDING: Indication in the press report, Mr. Chairman, is that the company is requesting an understanding with the government of a special rate for electricity for something in excess of 50 years before it will undertake its feasibility study. Now, can the Minister confirm that that is in fact the case?

MR. JOHNSTON: I can confirm that negotiations are going on, I have no comment on what the company may be saying.

MR. WALDING: Mr. Chairman, there is also an indication in this press report that a decision is expected by April. I wonder if the Minister can confirm that that is a target that they are aiming for, and does he see that as being a reasonable time in which we might expect a decision?

MR. JOHNSTON: The press report is accurate in that they used the words "expected it would be by April"; we would hope so.

MR. WALDING: I have no further questions at this time.

MR. CHAIRMAN: The Minister of Consumer and Corporate Affairs.

HON. GARY FILMON (River Heights): Thank you, Mr. Chairman, I just wanted to give some information here that emanates from the address by the Vice-President of Alcan, Mr. Creighton Cross, that the Member for St. Vital was referring to. It might perhaps clarify some of the suggestions that were being alluded to both by members opposite and the Member for St. Vital just a few moments ago.

Firstly, and I quote from the second page of his address, "It was the provincial Department of Economic Development that originally stimulated our interest in establishing an aluminum smelter here." It goes to say that in July of 1979 he was contacted by the Deputy Minister and so on. He gives full information and I would be happy to share this with the Member for St. Vital, full information as to the reasons why the northern part of Manitoba would not be an acceptable place for them to locate a smelter. He goes on to clarify that they are looking at a long-term investment with an initial capital outlay for the complex well in excess of a half billion dollars. He continues to say that Hydro electricity is of course the major ingredient in the economic mix that will result in their final decision. But he also indicates numbers of people who might be employed on this potential mega project; 400 to 500 construction workers per year during the construction phase. Direct employment for 700 people and indirect employment for 1,000 people after completion of the project.

A MEMBER: The word was "might".

MR. FILMON: No, in this case he says that are projected to be employed under the circumstances that are intended. He indicates that approximately 90 percent of the work would be carried out locally even during the construction phase. He indicates that even

just the feasibility study stage involves an estimate of \$10 million to \$12 million. He indicates that they would always be giving local preferences in terms of selection of personnel. Then he boils it down to the factors that involve the final decision. First, the electricity, and he makes the point that with the capital investment well in excess of a half billion dollars they have to be assured of secure long-term economic power supply, and I quote, "From our discussions with the Manitoba Government to date, I believe we will be able to reach an agreement that is attractive to both Alcan and the people of Manitoba." Secondly, he indicates that they must be certain of their initial estimates of transportation costs. Thirdly, that the demand for the finished product must exist; and fourthly, and I quote, "Last, we must be wanted by the majority of people in the province and the community in which we choose the plant site." He then goes to say that "should this agreement not transpire, then Manitobans will be aware" because they will report to them on each of these four matters what was their final decision.

It seems to me, Mr. Chairman, that the members opposite are in no way anxious to see the Alcan people locate a smelter here. We've been hearing nothing but negative comments, nothing but criticisms about the province pursuing such a major development and nothing but criticisms about the role of the Department of Economic Development in wanting to attract this kind of development and all of the both short-term and long-term jobs that it will create for the province. I would suggest, Mr. Chairman, that they ought to be ashamed themselves for the attitude that they are portraying to visitors from outside who are interested in investing great sums of capital in our province.

MR. CHAIRMAN: 1.(b)(1) pass.
The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I appreciate the offer by the Honourable Minister to make available some information that he has that I don't have. It would appear from listening to him that the press reports that I have do emanate or come from either that press report or a press conference at the same time. He does say quite categorically in there that the company will not locate in the north and quite frankly I'm not surprised. I'm a little surprised that they would even contemplate setting up a smelter in Manitoba, so far from both the sources of boxite and also for the markets. I don't understand why they should show this interest unless it is in the matter of Hydro.

I was rather interested that the Minister should confirm that the government is considering and negotiating with the company for a special deal on hydro rates and that is why the Opposition is questioning this particular deal. The Opposition is not opposed to Alcan building a smelter in this province, nor were we opposed to CFI building a paper mill in The Pas some 14 years ago. What we were suspicious of was what would the cost to Manitobans be in such a deal? We recall the Government of Manitoba at the time taking out a full-page ad in I believe it was the Wall Street Journal stating clearly that there was \$100 million available to any company willing to come to Manitoba and do such a thing. We learned

subsequently that the Premier and some of his officials of the day visiting the town council at The Pas and putting great pressure on them to make special concessions to the company as regards property taxes in the area. The more we hear about this particular deal, Mr. Chairman, the more similarity there appears between those two particular deals. We await with great interest, Mr. Chairman, to find out just what sort of a deal this government is going to offer to this particular company on a process or a project that we see as being of very doubtful feasibility in the first place.

Having said that, there was one other question I wanted to ask of the Minister, Mr. Chairman, particularly with regard to this company and that was whether Alcan has to the Minister's knowledge made any approach to the Federal Government for a DREE grant to cover part of this cost and/or whether his department has been involved with assisting Alcan in making such a presentation.

MR. JOHNSTON: Alcan has made it very clear and Mr. Cross has made it very clear on several occasions. Alcan does not accept special government grants in Canada. Mr. Chairman, and the feasibility that the member speaks of, Manitoba is a hydro-intensive problem. The reason Alcan was approached, because 40 percent of the costs approximately of making aluminum is Hydro. They have to my knowledge never been really asking for anything special. They have asked to negotiate with the province on hydro and that's what is being carried on at the present time. He says, why do they come away from the source? Well, there is no boxite in Canada. I will admit that they are close to seaports where they are at the present time. We asked them to study the feasibility of bringing alumina; they will not be transporting boxite into Manitoba. If they come to Manitoba it will be alumina. Boxite is processed into alumina at the source. Now they have done some studies which they feel overcome their problems of shipping that alumina into the centre of Canada and they have done those studies. So, Mr. Chairman, the feasibility of them coming here, the company has every step along the way been working on their own feasibility studies. They haven't turned back so obviously their studies are looking good.

There is now negotiations going between the Minister of Energy and Hydro at the present time and I might say, Mr. Chairman, that if the honourable member was the head of a company that was planning on investing in excess of \$500 million I don't think that he would want to do anything that would put that investment in the situation of being worthless the next day. So naturally, naturally, they are negotiating with the province on a hydro arrangement between the province and Alcan.

MR. CHAIRMAN: 1.(b)(1) pass.
The Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Chairperson. I might take this opportunity to ask the Minister if he can acquaint us with what representations his government has made in regard to the location of any possible aluminum refinery and in specific we're talking to the Alcan proposal in the vicinity of the Port of Churchill.

MR. JOHNSTON: When the Department of Economic Development first approached Alcan, they were requested to look at all parts of Manitoba and I can assure you that they did do research on all parts of Manitoba and especially in the north. As Mr. Cross has announced, he does not believe nor is it feasible for them to locate at the Port of Churchill. I think he's made that very clear publicly.

MR. COWAN: I agree with the Minister that Mr. Cross has made a public statement to the effect that they do not foresee locating such a facility in Northern Manitoba but the question to the Minister was, what representations his department made to them in regard specifically to locating in the Port of Churchill? Now I would assume that when the negotiations were first initiated that the department as a matter of course would request that they take a look at all areas of the province for the location of an aluminum refinery. I imagine that would be the first step in any regard. As a matter of fact I would expect that the company itself would undertake that course of action on their own without encouragement from the Minister. But I would ask that the Minister has provided Alcan with any specific direction as to how they might benefit by locating at the Port of Churchill, if they have tried to offer them any encouragements, other than their initial request, to have them take a look at all parts of the province.

MR. JOHNSTON: As I said, we made a special point of asking them to look at all parts of the province. We made a special point of asking them to look at Churchill where there is a port. They did; they did. Now if you're asking if the province is going to give them some special grant to go to Churchill, no, we didn't do that.

MR. COWAN: Thank you, Mr. Chairman. I hear that it's said that they won't accept a special grant and perhaps they won't. I've read the public statements as well, as have other members on this committee in regard to Alcan's opinion of government assistance in locating a plant. However, I do think that the government can go a long way towards encouraging a corporation to locate in a certain part of the province without having to make that corporation operate against its own wishes and not accepting government grants. They can provide a great deal of encouragement; they can also provide research into specific areas and how that might benefit the corporation. They can make special representations to the corporation. In this case I think that they might be beneficial although I do not have the research capability to determine whether or not it would be economically feasible for Alcan to locate in Northern Manitoba. I am certain that the department could make the necessary studies that may in fact act to convince Alcan to take a second look at Northern Manitoba. I would ask the Minister if he has directed his department to make any sorts of those studies or if he is taking the statements of Mr. Cross without any question in accepting that there can in fact be no location of that refinery in the north and that the province has given up on trying to encourage Alcan to locate in Northern Manitoba.

MR. JOHNSTON: Alcan has presented to us their reasons for not wanting to locate or showing non-

feasibility of locating in Northern Manitoba. We have examined those and they are very obvious. They are very obvious why Alcan has decided not to locate in Northern Manitoba and I think Mr. Cross has explained why, there's all kinds. The railroad itself wouldn't handle the weight required; the trains have to travel at 30 miles an hour in some sections. The port is not designed for importing, it's designed for exporting wheat. There are all kinds of very obvious reasons but they did take a very close look at it.

MR. COWAN: Yes, I'd ask the Minister if Alcan provided the Minister with a more specific explanation of why they chose not to locate in Northern Manitoba than they provided to the general public through the statement which was released just a short while ago?

MR. JOHNSTON: They didn't present us with a feasibility report. They sat down and outlined to us the reasons why it would not be economical for them to locate in Northern Manitoba.

MR. COWAN: Yes, Mr. Chairperson, the Minister indicated that one of the reasons was the opinion of Alcan that the railroad wouldn't handle the weight or the traffic which would be necessary for the successful operation of the aluminum refinery in the area of Churchill. Has the Minister checked that statement for verification with CNR or with any other outside consultant which may be able to provide them with more information on whether or not that railway might, in fact, be able to handle that weight load?

MR. JOHNSTON: We're well aware of the weight loads of the track going to Churchill. It doesn't even take a standard hopper car all that well. Boxcars are used to go up there as far as shipping wheat is concerned. So we know the capability of that track and that has been known by our Transportation Department for a long time.

MR. COWAN: So the Minister is saying that he agrees with Alcan that the Herchmer subdivision would not be able to accommodate the traffic that would be necessary for the refinery to locate in that area. Is that correct?

MR. JOHNSTON: I didn't catch the last point.

MR. COWAN: I'm sorry, I asked the Minister if he agrees with the assumption by Alcan that the Herchmer subdivision would not be able to handle the traffic which would be necessary to enable the refinery to be located in the Port of Churchill area?

MR. JOHNSTON: I agree with Alcan and I am satisfied that Alcan took a close look at Churchill and presented to us reasons why they would not want to locate in Churchill or Northern Manitoba.

MR. COWAN: But my question to the Minister was in specific reference to the Herchmer subdivision. I'd ask the Minister then if he agrees that the Herchmer subdivision is incapable of handling the type of traffic which Alcan would want it to be able to handle in order for them to locate in the vicinity of the Port of Churchill? The Herchmer subdivision by the way is

that last stretch of the line into Churchill which is the one that does represent perhaps most of the difficulties in any rail trip into the community.

MR. JOHNSTON: I don't recall ever discussing with them any specific section of the railroad.

MR. COWAN: Well then I'd ask the Minister then if he agrees with them that the railway in general would be incapable of handling the types of traffic and weightloads which they feel would be necessary to be handled in order to allow them to locate their refinery in the vicinity of the Port of Churchill?

MR. JOHNSTON: The weightloads plus the fact it's not double track, plus the fact of the volume that they have to come in and the timing of the volume that has to come in to keep their refining operating, all those things were taken into consideration.

MR. COWAN: The Minister indicated earlier that Alcan had determined that the Port was not designed to accommodate the type of import that would be necessary to operate the refinery in that area. I'd ask the Minister if he's received a brief from the Local Government District of Churchill which addressed itself, or at least attempted to address itself, to that very issue?

MR. JOHNSTON: Yes, I received a three-and-a-half page brief from a person who I don't believe had quite frankly done the research that the Alcan Company did.

MR. COWAN: Would the Minister be prepared to offer some assistance to those persons who prepared that brief, probably out of their own time and using very limited resources, so that perhaps they might be able to prepare a more comprehensive brief for presentation to the Minister and to Alcan in regard to what they believe might be a possible solution to one specific problem that the Minister has indicated Alcan has referred to him, and that is that the port is not designed to handle imports.

MR. JOHNSTON: If they made their request we would consider it, Mr. Chairman.

MR. COWAN: I'd ask the Minister, if he were to give advice to those persons who wish to make such representation, would he suggest to them that there is still a possibility that the government will make representations on behalf of those persons to Alcan to attempt to get them to look, once again, at locating in the vicinity of the Port of Churchill? In other words, the question simply is the door still open in the Minister's opinion as to a decision or has Alcan made a final decision?

MR. JOHNSTON: I believe that Alcan has made a final decision but if they decide to locate in Manitoba it will be within, as I've stated, within 50 miles of the City of Winnipeg. I don't think the door is open for them to take any more representation regarding Churchill but I can assure you that I think if any representation was made to them they would sit down and talk with them just the same as Mr. Cross has accepted a speaking engagement in Thompson on the 19th, and I believe in Snow Lake on the 20th

in the north. Mr. Heintzen invited him to go up there and he is going; those questions could be very easily put to him at that time.

MR. COWAN: And the Minister has indicated that he is willing to accept a request from the community of Churchill and to give it consideration in regard to providing assistance to them so that they can provide a more comprehensive brief supporting their argument for the location of the facility at the Port of Churchill. Is that not correct?

MR. JOHNSTON: No, that's not what I said and I don't want words put in my mouth. I said I believe the door is closed for the north; I believe that the company has made their decision where they would locate if they come to Manitoba but I do believe if the people from Churchill, just the same as Mr. Heintzen did, made a request to have a talk with them and sit down and have a discussion with them I'm sure that door would be open.

MR. COWAN: Well I'll have to review Hansard in order to determine whether or not I heard the Minister correctly but I thought I heard the Minister say before in reference to the three-and-a-half page brief which had already been presented to him, and in answer to my question, that he might be prepared to offer some assistance to the Local Government District of Churchill in preparing a more comprehensive brief if that request was made to him and I just wanted to confirm that I had heard him correctly.

MR. JOHNSTON: Mr. Chairman, I say to the member that I was very clear in what I said. I said I would consider it if they made the request.

MR. COWAN: Then the Minister is clear in what he said and I'm clear that I heard him say that and I agree that that is exactly what he did say. I just wanted to confirm that before I spoke to those interested parties in Churchill in regard to this matter. I didn't want to give them false hope or create false expectations. I will relay that information on to them and am certain that they will be in contact with the Minister in regard to that.

Having said that I can only say that I am not certain as to the viability or the feasibility or the potential of the area of the Port of Churchill in relationship to the location of a large-scale aluminum industrial refinery such as being proposed by Alcan. But I do know that those residents have every right and every responsibility to make those sorts of representations and would encourage them to do so, and would hope that the Minister, on their behalf, would make certain that Alcan was appraised of their viewpoints and would make certain that they had every opportunity possible to provide Alcan with the best brief possible and he's assured me that he will do that. I accept him at his word and I'm certain that the representatives of that community will be in touch with him shortly on this matter and we'll probably have another opportunity to discuss it after they have had opportunity to talk to the Minister in this regard.

MR. JOHNSTON: I said I would consider it but I would also suggest to Churchill that they do what

many other communities have done; they have written directly to Alcan and asked if they could make presentation to them.

MR. COWAN: And I can assure the Minister that I will pass that advice on to those residents as well so that they are making use of every opportunity to put forward their case.

MR. CHAIRMAN: The Minister of Consumer and Corporate Affairs.

MR. FILMON: Mr. Chairman, it may be of assistance to the Member for Churchill to give him the reasons that were put forward by Mr. Cross in his speech of last week as to not locating in Northern Manitoba and I quote, "I should point out that both the Provincial Government and others have expressed the hope that we would find Northern Manitoba an attractive location for a smelter. I am afraid that it does not meet our needs on two key counts. A 200,000 tonne aluminum smelter would involve importation of over 500,000 tonnes of raw materials and operating supplies each year. We would need to import on a 12-month basis. The Port of Churchill could not meet this constant year-round need to transport raw materials north by rail, then finished products south would involve additional costs that would cut deeply into the profitability of the plant. Added to this the additional cost of operating a large heavy industrial plant in the north would add to the logistical problems which are already a major factor in a Manitoba location". Thank you.

MR. COWAN: Yes, well I can assure the Minister for Consumer and Corporate Affairs that I too had read Mr. Cross' comments from his presentation and had accepted that they may, in fact, be valid comments although I am concerned that, especially when dealing with the Port of Churchill, that parties sometimes make assumptions which are not always correct assumptions. And that I wanted the residents of that community and the representatives of the people of that community to have an opportunity to try to correct what may be misconceptions. In regard to the length of operation of the port, as we all know, as technology advances that that port can stay open longer and longer although no one is suggesting that it is at the state where it can become a 12-month a year port. There have been considerable advances made in icebreaker technology and also experience in ice-bound ports that might suggest that it can stay open longer than has been in the past if there were a reason for it to stay open longer in the past.

Now we all know that the amount of grain that's being shipped through it right now does not provide that reason for the port to be opened longer and we can cast some blame on the Federal Government and their agencies for that but I would hope that we would take every opportunity to try to extend the use of the port and that would include going back to Mr. Cross, or going back to whomever represents Alcan, and suggesting to them that perhaps there's more information that might be of some benefit to them and let them make the decision based on the best possible evidence available. I'm not certain that they had access to that; I'm not certain that they didn't but I know had the Provincial Government made

strong representations to them and had the community had the resources and the opportunity available to them to make a comprehensive brief on this that they would have done so.

And that's all I'm trying to help to happen right now is to provide them with one more crack at convincing Alcan that there might be some potential for location of the refinery there and encouraging the Provincial Government to assist them in whatever way possible. I can assure the Provincial Government if they do assist them in the development of that brief that that brief will not only be restricted to representation to Alcan but that brief can be used time and time again for other projects which might possibly be better suited to the area. So it's a long-term investment in that respect and I can only hope that it is proceeded with and that the Minister, who has given assurances that he will consider the request does in fact, after reviewing their request and taking it into due consideration, come up with a positive response, but we shall have to wait and see on that. I can only encourage him to do so.

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

Committee rise.

SUPPLY — AGRICULTURE

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 9 of the Main Estimates, Department of Agriculture, Resolution No. 7, Clause 1. General Administration, Item (b) Planning and Management: (1) Salaries pass.

The Honourable Minister.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, before we broke for dinner I indicated to the Member for St. George that I would get some numbers on staff, some three years ago as compared to now. Could he be more specific on which department or what area he was talking about, Mr. Chairman?

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

MR. BILLIE URUSKI: Thank you, Mr. Chairman. I believe I indicated that it was the Deputy Minister, Assistant Deputy Minister, and director positions.

MR. DOWNEY: The figures as I have them, Mr. Chairman, are 18 directors.

A MEMBER: How many?

MR. DOWNEY: 18 directors, 4 ADMs and 1 deputy, that was in 1976-1977. The period of 1979-80; 1 deputy, 4 ADMs and 19 directors. I may add that there is an additional department there, Agri-Water, that wasn't there prior to the year, 1976-77. I do also think that with the information I have that there was one contract employee in 1976-1977 that wouldn't show in the staff man years.

MR. URUSKI: Mr. Chairman, the contract — just to clarify that — a contract employee was not of a

director status or was it? —(Interjection)— No, I gathered not. Thank you, Mr. Chairman.

I would like to ask the Minister, in the area of General Administration, where we would find and could discuss the area dealing — and just for clarification because last year we had the Beef Income Assurance Program item which has now been deleted from the Estimates. Just so that we do not miss that discussion I would like some indication where the Minister would be prepared to have discussions in that area, either in the Animal Industry Branch or wherever he pleases.

MR. DOWNEY: Mr. Chairman, it probably would be appropriate to do it under the Economics Branch. That is basically where the administration of that program took place. I think probably that would be more appropriate, unless the member wants to do it when we conclude our remarks.

MR. URUSKI: Mr. Chairman, I don't want to leave everything to the end. I thank the Minister for indicating that on Resolution 12, Economics Branch, is where we can discuss it and that's fine with me.

As well, Mr. Chairman, could the Minister indicate, he hired some new staff, public relations or a media person, to his department last fall. Could he indicate the nature of that position. Is that a Civil Service position or is that a contract or a term position?

MR. DOWNEY: The individual was hired in Communications through normal Civil Service hiring.

MR. URUSKI: Mr. Chairman, were there vacancies in the Communications Branch that a position was filled and what kind of a position did you have?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: Would the Minister indicate the extent of the number of applications applying for that job? Was that job bulletined?

MR. DOWNEY: I don't know specifically, Mr. Chairman, right at this point, but I think there were two or three, as indicated to me by staff.

MR. URUSKI: I'm sorry, I didn't hear.

MR. DOWNEY: Mr. Chairman, the figure I had indicated, without being specific, were two applications, or three.

MR. URUSKI: Was the position bulletined and was it advertised?

MR. DOWNEY: It was bulletined, Mr. Chairman.

MR. CHAIRMAN: (1) pass; (2) pass; (3) pass — the Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman, on Item (3), could the Minister indicate if the amount of money on Special Emergency Programs remains the same as last year? Could the Minister indicate whether that amount of money was expended? Is that just an emergency fund that the Minister might use for himself in case he has to vacate his position rather quickly?

MR. DOWNEY: Mr. Chairman, I think probably if we look back over some of the past Estimates, that that

figure hasn't changed too much. It is fairly constant for unknown emergencies of minor natures.

MR. CHAIRMAN: (3) pass; (4) pass; — the Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Here we have an increase of some \$40,000 in terms of expenditures on the Milk Prices Review Commission. Could the Minister indicate the increase and what is entailed in those sums of moneys?

MR. DOWNEY: Basically, Mr. Chairman, it is for the hiring of one staff and support work to that individual in order to carry out the responsibilities of the Milk Price Review Commission.

MR. URUSKI: Mr. Chairman, could the Minister elaborate on that? Were there staff employed by the previous Milk Control Board and if so, what is the role of this person, what type of classification of job does this entail, and a bit of further elaboration on this?

MR. DOWNEY: Mr. Chairman, no, I can't elaborate, just to say that the individual last year was a part-time secretary to the Board. This individual will be doing more work with the Milk Price Review Commission. It has to be a full-time job.

MR. URUSKI: Mr. Chairman, what kind of work will this individual be doing? Will this be investigative work of complaints, or what does his or her role entail and has that job been filled?

MR. DOWNEY: Mr. Chairman, it's in the process of being filled and the member is correct in what he has assumed the responsibilities will be.

MR. URUSKI: Mr. Chairman, dealing with the Milk Prices Review Commission, over the last number of months, we have seen several increases in the prices of milk, some of which have already been labelled as unnecessary by producers in the milk industry because there was no justification. The Minister, if you recall, and I will hark back his words that he indicated back in July or August of 1980 when he proposed the legislation, indicating that this was the time to take off the controls off the processing and retailing industry but yet the farmers should be happy with a cost of production formula. He indicated, and I quote from his press release: "This will give processors and retailers an opportunity to offer consumers cost savings by merchandising and promoting milk. Competitive pricing at the retail level was never exercised under the old Act."

Mr. Chairman, the Minister gave a commitment, or at least an indication to consumers, that there would be some reductions in the price of milk. Well, we have had reductions in the way of a three-cent increase, in the way of a five-cent increase since this legislation, eight-cent a litre increases was a very fine reduction in prices to consumers.

Mr. Chairman, the fact of the matter is producers are still being controlled. Mr. Chairman, we still at this point in time have no cost of production formula for the producers to be able to guarantee them what their costs are going to be and what returns they will receive. That was the main intent of the legislation,

Mr. Chairman, and we didn't argue against that, that there should be a formula. (Interjection)— Mr. Chairman, I'll let the Minister have his say when he wants to get up and make his comments. We were not opposed to having a cost of production formula but what we were opposed to, Mr. Chairman, was how this whole system came about. Mr. Chairman, the Minister sat on his thumbs for approximately two years while the pressure built up, while producers were not happy with the way the hearing process was conducted. Finally the producers — it wouldn't surprise me that the Minister himself gave producers advice to boycott this, in a way, to at least give him some opportunity to bring this type of legislation in.

So, Mr. Chairman, he finally brought the legislation in, indicated that nobody was happy with it, especially the producers and, Mr. Chairman, nobody knocked it. Nobody was opposed that the producers should receive a cost of production formula. But what has resulted, Mr. Chairman, we have yet to see that cost of production formula. We now have a Milk Prices Review Commission that will supposedly examine price increases to see whether they are exorbitant or not. So who do we have? We have one person. Now how will that individual investigate any complaints of price gouging which may be practised in some areas of the province? What is going to happen? How is this going to be handled, Mr. Chairman, and how is this individual going to handle complaints from all parts of the province? What is the mechanism? The Minister hasn't explained how this is going to work. Is there going to be some method of investigating increases, Mr. Chairman? There was a method, a very simple method of justification and if the Minister wanted to take out one segment of the industry out of that hearing process, all he had to do was say that no longer will there producers be required to go to a hearing. There will be one hearing to set the cost of production formula and that will be it and then if there are changes in the cost of production, they will be brought in. But the fact of the matter is, Mr. Chairman, farmers still don't have that cost of production formula. And consumers, one can only assume they have already been hit by 8 cents a litre.

Farmers have already complained that one of those increases were really unjustified, Mr. Chairman, but no one really knows. No one has made an analysis; no one is in a position to say whether or not those price increases were justified by the industry. There is no analysis, so what will happen, Mr. Chairman, if someone goes in and complains? Which increase should they look at because there has already been two increases and there is likely to be more in terms of the next period of time? But we will wait and see how the Minister handles this.

What we could see, Mr. Chairman, that if the department under this new process is to do an effective job in terms of policing or monitoring the cost increases, you will be setting up a bureaucracy, a bureaucracy to investigate the complaints when they come. Do you expect one individual to be able to handle complaints when increases will vary from area to area as will be evidenced by changes in the prices of milk because now it's not being regulated at the wholesale or retail level? And if you can't, then where will the citizens of Manitoba be able to go to register their complaints?

Mr. Chairman, where will the citizens be able to go? Is the Minister prepared to indicate that, yes, they will investigate and what will they do about it? What is the Minister prepared to do in the event that there are complaints? What's the mechanism? The previous Milk Control Board at least had the cost that the industry has. This new board, I would hope that at least that they would take the industry's costs but who is monitoring them? Mr. Chairman, there was a very easy method of justification before that's gone out the window. The Minister has removed it. Mr. Chairman, the fact of the matter is that the Minister said that competitive pricing at the retail level was never exercised in the old Act. Mr. Chairman, those words that the Minister made, that statement that he made last year were stretching the truth because what was always dealt with under the Act was the maximum price. Only the maximum price under the Milk Control Board was set. The minimum price was never set, Mr. Chairman, what was set was the maximum price and the Minister can't say that the minimum price or any type of competition was always open to the industry. Mr. Chairman, what was held was the maximum price and now the lead has been taken off. If the Minister indicates that all complaints will be investigated then what kind of a bureaucracy is he going to be setting up, Mr. Chairman? Is the Minister of Consumer Affairs going to use his staff in terms of investigating complaints? Who's going to be doing the inquiries into the industry's books in terms of justification, Mr. Chairman? And to date we don't have any cost of production formula. When will that cost of production formula be in and who is handling this system, Mr. Chairman?

MR. DOWNEY: Mr. Chairman, I think probably that the performance of the Milk Review Commission is demonstrating to the public that it in fact can work that the consumers of milk and the producers of milk in Manitoba can work towards a common goal of having an adequate supply of top quality milk at a reasonable price and I think that the only people to date that have had some concern and it's only been again a red herring, and that's been the Member for St. George and those from Elmwood who have been trying to again mislead the public of Manitoba by trying to tell the farm community that there hasn't been any increases to them when in fact there was an increase last November 1st when the price of a litre of milk to the farmers from the consumers went up at 5 cents a litre and we never heard the Member for St. George indicate that. Now he's trying to suggest that there has been some price increases that aren't being monitored. Well, I have a lot of confidence in the Milk Price Review Commission who was chaired by Dr. Gilson and a lot of the other people within the industry, both the dairy producers and the consumers of this province.

In fact it is my understanding and of course we have to remember that the majority of the control as was under the last government falls within the jurisdiction of the Milk Price Review Commission, it was then known as the Milk Control Board. The consumers have full protection when it comes to the pricing of milk at the retail level. The member opposite suggests what kind of a bureaucracy will it be to maintain or to control the prices? I understand, Mr. Chairman, that the Consumers Association of

Canada are working with the Milk Price Review Commission to in fact do just that — to monitor and to feed their information and their concerns into the Milk Review Commission. Plus, Mr. Chairman, that we now have a full-time person working in that office, where over the past few years there's only been a part-time individual.

I would invite the Member for St. George as well as the Member for Elmwood to go out into the community and to really, with the true facts, and campaign in the next couple of years to the farm community telling them they're going to change the system back the way it was. I really challenge the Member for St. George to open his mouth in that regard —(Interjection)— yes, I think he should. I would like to call that meeting and I'd like to be on the platform with him in any dairy farm community in this province and have him advocate the changing back to the old system. And I'd also like to challenge the people who are as concerned as we are when it comes to looking at the prices of milk to the consumers because in fact all stores haven't put their prices up the 8 cents that the Member for St. George has in fact suggested. In fact, some of them are still below what the Milk Price Review Commission has suggested could be a maximum. We do see a variation and in fact there is a break to the consumers of the province when they are buying milk.

So I think that there has been a lot of red herrings dragged out. In fact, I know there has, particularly by two members of this Legislative Assembly and we will continue to see that the Commission works well. I have all the confidence in the world that they are doing an excellent job and I would also like to say that we have still got the most reasonable priced milk in Manitoba compared to any other province in Canada and all you have to do is look at some comparative facts to see that. I think, Mr. Chairman, that we in the government on this side of the House are pleased with what I would call a progressive step as far as the development of the working together of both the dairy producers and those people who are consuming it.

Again, there is the safeguards for the consumers. If they are unsatisfied with the prices they are having to pay, they have the full opportunity to be heard through an appeal system, the same way they were previously. But at the same time the producers of milk in this province are able to go ahead and make a fair and honest living in society.

MR. URUSKI: Thank you, Mr. Chairman. The only red herrings that are being brought up in this committee are by the Minister of Agriculture. The fact of the matter is, Mr. Chairman, we now have a system that will deal with price increases after the fact. Mr. Chairman, previously we had a price-setting mechanism and authority which dealt with price increases before the fact. That is the basic difference. The fact of the matter is who now is going to investigate whether price gouging takes place in any community in Manitoba or even in any part of the City of Winnipeg, Mr. Chairman? The fact of the matter is the Minister accused the Member for Elmwood and myself of being the only ones that raised the red herring. He should read that the President of the Milk Producers Co-operative Association representing half the province's 1,300

dairymen said, I don't think they deserve one when there was a 3-cent a litre increase announced by the processors. Mr. Chairman, the very same individual indicated that he was not happy. The fact of the matter is this Minister promised the producers of milk that there would be a cost-of-production formula in place. We have now had seven, eight months since the legislation was through, Mr. Chairman, and there is still no cost-of-production formula and that is the basic difference between the approach that we would have taken. There hasn't been any disagreement that the producers could not have a cost-of-production formula.

The Minister wants to rag that around as being a fundamental difference. There is no difference there but that could have been accomplished and we said, under the old legislation, Mr. Chairman. He wanted to get rid of the old Milk Control Act to give the impression that he was doing something. The fact of the matter is —(Interjection)— you're darn rights he did, Mr. Chairman. He let the consumers of this province be thrown to the wolves in terms of price increases because now there is no mechanism to deal with the complaints that will come in should there be future increases. One person, Mr. Chairman, one individual and who is —(Interjection)— oh, the Consumers Association are the ones that are going to be doing it. Are they going to be going up to Churchill or wherever the complaints may come from, or Thompson, or Gimli, or wherever the place may be, Mr. Chairman, to examine it? They have one individual in the department.

The fact of the matter is there was a very simple system that had to justify the price increases in terms of the processing end. Mr. Chairman, he wanted that decontrolled but he still wants to have the producers on it under their control by the basis of a cost-of-production formula. The fact of the matter is, producers will still be controlled because their costs will be put into a formula. What formula will the processors have, Mr. Chairman? What formula will they be under? Who is going to judge whether that price increase is justified or not and it will be, Mr. Chairman, after the fact, not before the fact? So there can be some manipulation, but you see, Mr. Chairman, the Minister also left in the legislation the power for himself to regulate if necessary the minimum price. You must remember that, Mr. Chairman, that power, he did not leave it wide open to allow true and free competition in the marketplace. He still left under the legislation the power that he can regulate the minimum price and you must remember that, Mr. Chairman, so that if he feels there is really undue competition in the marketplace he can say, oh, oh, boys, you know, you really can't compete too hard so we're going to set the minimum price. He as much indicated that he didn't want too great a competition under The Milk Prices Review Act. If he was really sincere, Mr. Chairman, he would have taken that section right out of the Act and provided true competition in the marketplace so well that he espouses that he wants freedom of competition. He left that part in the legislation, Mr. Chairman, and he can't dodge that because he still has the power to set the minimum price.

So he really doesn't believe that there should be an open and free market in the milk industry, Mr.

Chairman, that control is still left to him. Let him not get up and say that there will be competition because he has the final say, but the fact of the matter is everything will be after the fact, that consumers have little or no protection, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, the opportunity that the The Honourable Member for St. George presents is just too tempting to pass up. But to put a little bit of history on the record for those including members of the media that are new to us and indeed some of our members and indeed the Minister who is new to us, but The Honourable Member for St. George was part of a government that had Machiavellian plans for the dairy industry in the Province of Manitoba and it's called "Crocus". The Crocus Food Plant, milk producing plant at Selkirk. (Interjection)— Well, Mr. Chairman, the honourable member says producers would have control. The greatest producer organization that we have, producer-control organization, Manco was up in arms about that project and the honourable member knows about it. The honourable member knows about it and, Mr. Chairman, what was Crocus all about? It was a scheme on the part of the New Democrats, that government, to build one gigantic milk plant in Selkirk. I have no idea why they chose Selkirk but Selkirk happened to be a good location, I suppose, and they were going to close down most of their independent dairies that are still operating. So few of them that are left operating in the Province of Manitoba including Manco. They were going to truck milk from all parts of the province. By the time it got anywhere near Selkirk, most of it would have been sour, and they were going to pun all this with a by-product called whey. Now whey makes good vodka and makes good other things but it would not have done much for the quality of milk production in this Province of Manitoba.

Now, Mr. Chairman, they had the further audacity, without so much as by your lead, collect upwards from \$90,000 to \$100,000 with a check-off from the producers in anticipation of building that plant. They took \$100,000 from the milk producers because they were so determined that they were going to carry out that project. Well, Mr. Chairman, every once in a while, opposition members have some success and I would have to put on the record that that was one of the successful efforts of the then Opposition, which I was very privileged to be part of, and the Honourable Member for Rock Lake, I remember particularly, the Honourable Member for Gladstone, the Honourable Member for Roblin. Indeed, it was a combined effort. We even got the Honourable Member for St. James into the act and we were successful in a combined Opposition attempt to block that ill-conceived expensive tinkering in the production and processing of milk in this province.

Mr. Chairman, we have heard very little about Crocus from the honourable gentlemen. The Honourable Member for St. George chastizes the Minister of Agriculture about competition or ensuring that competition exists in the marketplace. He was part of a government that was going to build the giant in Selkirk and close down all the available competition that was to them.

So, Mr. Chairman, let history record just how the honourable members opposite now find it convenient to talk to the Department of Agriculture about how they are handling the management of milk in this province. I am satisfied, and I do represent, as the honourable member represents, perhaps a bigger amount of dairy producers in the Constituency of Lakeside. I can indicate to the honourable members — I can indicate to you, Mr. Chairman, as I should be indicating to you, Mr. Chairman, through you to the Honourable Member for St. George — I indicate that the dairy producers in my constituency, which historically and over the years have provided a very substantial amount of milk for the half a million people, 600,000 people that depend on it in the City of Winnipeg, that they are happy with the progress that is being made in milk management in the province. A dairy farmer is no exception and will never be completely happy about all things in life as long as he is involved in agriculture activity but I will tell you, he is extremely more satisfied, and I am receiving considerably less letters as an MLA than I was receiving five or six years ago.

Mr. Chairman, I thought it would be worthwhile just to have the honourable members opposite, for those of you who would want to do some historic research into that plant called Crocus — it was a well-named plant, you know, Crocus. It augers up visions of spring flowers bursting out of our native grass at the first sign of spring. Mr. Chairman, had there not been a diligent Opposition in those days, that Crocus flower would have developed into one gigantic stinkweed in the Province of Manitoba, one that would have cost the producer money, as it already had cost him. They extracted, without his permission, \$100,000 and then had to shame-facedly give it back to him, and you had to give it back to him because we made you give it back to him. But more important, the price of milk in this province would have been up 10, 15, 20 percent, just the way the price of hydro went up 150 percent in the time you had time to dabble with it. So let's not talk about the price of milk; let's not talk about the plans that you had intended for milk management in this province. Let's leave the Minister of Agriculture carry on with the job.

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

MR. URUSKI: Mr. Chairman, I'm glad I wore my knee boots to the Legislature this evening after hearing the remarks of my colleague, the Minister from Lakeside, with respect to the milk industry and the supposed great plans. Mr. Chairman, the fact of the matter is, the opposition from Manco, and the Minister well knows, was only for one thing, that they would have wanted to have that one major plant. That's why Manco objected to the Crocus plant. Mr. Chairman, the plant would have been operated by the Milk Producers' Marketing Board, and the fact of the matter is, you ask any of the executive in the Milk Producers' Association today and they are very sorry that they did not go ahead with that plant today in terms of the efficiency of milk production and milk processing. Whether the location was in Selkirk or wherever, Mr. Chairman, it's immaterial.

The fact of the matter is that plant would have had the most efficient milk production in this province,

Mr. Chairman, over the objections and you know, it was certainly a play through some of the small operators — the fact of the matter is, who were the Members of the Opposition protecting? They were protecting the largest milk processor in this province, who controls more than 50 percent of the market today and who is that, Mr. Chairman? Beatrice Foods, Modern Dairies, Mr. Chairman. Manco does control a goodly amount of production but the fact of the matter is the bulk of the industry, and that is the fluid milk industry, Mr. Chairman, is Manco. They used the little producers as the scapegoat to protect one large operator. Let the Member for Lakeside not try to bring forward red herrings about the Crocus plant, Mr. Chairman. We know all well who they used and who was the scapegoat in terms of protecting the largest processor in this province, and that was Modern Dairies, Mr. Chairman. So let him not try and bring forward the red herrings that he wanted to bring forward.

The fact of the matter is, Mr. Chairman, the Minister of Agriculture is in an indefensible position with respect to the consumers of this province. The new system is backwards. If he is going to do an effective job, he is going to be creating a bureaucracy, Mr. Chairman, a government, a party that has indicated that they want less government in terms of the people of this province. In order to do an effective job of investigation, what do they have to do, Mr. Chairman? They have to set up an investigative bureaucracy. That is what they have to do if they are going to keep to their word of investigating because now they don't know what the industry costs are. I want the Minister of Agriculture to get up and tell me that the industry costs are justifiable in terms of the increases, or any future increases. Who is going to monitor it? Who will the industry come to? They don't have to. — (Interjection)— Mr. Chairman, the Member for Roblin says the marketplace will handle it, when his own Minister can set the minimum price, that he will not allow free and open competition in the marketplace. That's what is in the Act for this government. They are still leaving the producers' hands tied, Mr. Chairman, to a formula that we have not seen yet, and the producers are waiting for, Mr. Chairman.

I would hope that the Minister would be prepared to indicate where that study is; who is doing it; at what stage is it. Give the public of Manitoba some indication as to how far has it gone; who is doing it; what the costs of that study are; who has been employed. Surely he should have some information with respect to the whole system. He should be able to provide us with some information.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, as far as the formula is concerned, it is my understanding the Commission is in the process of having a formula developed. There was a public press release that went out on January 9, which I am sure, as he has indicated, the public should be aware of. If he was prepared to read the press releases that were coming out of the Milk Review Commission's office, they have hired a firm to proceed to put a formula in place. I would expect that would be done very shortly. He can refer to it himself. It's a press release from the Manitoba Milk Price Review Commission.

I might also indicate at this particular time that when he is talking about the price of milk to the consumers, that the consumers today do have in fact a better opportunity of having more say in what is happening to the retail price or the price of milk than they had prior, because they also had to accept the price which was set by the Milk Control Board, and they had no guarantee that all the efficiencies of the processing plant or the retailers were built in.

I have had indicated to me just as of a few minutes ago, that in fact we have seen the price of some milk go down; that you can buy I think it is 8 litres at a time; that on January 2nd, it was something like \$2.82, \$5.64, but as of February 2nd, that package has been reduced by six cents, that's on home delivery. So there has been indications of the prices of milk being reduced under the system that's in place today, so I think it goes to show that —(Interjection)— Bill, if you would . . . I'm sorry, Mr. Chairman, if the individual across the way would do some research work, he in fact could find that the actual price of milk in certain areas had not gone up to the extent that they were trying to make the public believe but in fact is in some cases reducing.

I had one other comment to make, Mr. Chairman, and I think it should be said at this time and that's for the benefit of the Member for Ste. Rose who has been attempting to mislead the public in putting information into some of the New Democratic brochures, that in fact, a creamery out in the Glenella area that creamery had closed because of some of the policies of this government. It is my information, Mr. Chairman, that has not happened; that the creamery that he is talking about is not closed and is receiving product Mr. Chairman, and is still in the business of processing, and I am sure the Member for Gladstone could give us a little more elaborate coverage on that particular incident. But it again is a misleading kind of information that is coming from the members opposite and I don't think that it is in the best interests of the agriculture community to have that kind of report being put out and I would challenge the Member for Ste. Rose to come out and correct the statements that he's been passing around throughout the community.

MR. CHAIRMAN: (4) pass — the Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): Mr. Chairman, the information that I have is that the creamery at Glenella is now a receiving station and not a full fledged creamery. Now if I am wrong on that I would like him to correct me, but the information I have is that it's only a receiving station now; it's not a creamery. The question that I was raising there is that the creamery was going to close because of requirements that were required at the creamery.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. DOWNEY: I think the point that has to be made, Mr. Chairman, is the fact that the business, and it's admitted here tonight by the Member for Ste. Rose, that the Glenella creamery is still open, and he was bold enough to go forward and say that it was one of the businesses that had closed in Manitoba; totally misleading to the public of

Manitoba and I think he should be called to task for it.

MR. ADAM: Mr. Chairman, I would like the Minister to show me any documentation where I did say that the creamery was closed.

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

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Chairman. I think if the Member for Ste. Rose will check Hansard, I think that he will find that the creamery at Glenella he claimed was closed, and I believe for a few days possibly it was, it was closed for a very few days because of a sanitary inspection. Of course he wasn't honest enough to admit that. He goes around the country, I won't say mouthing off because I don't think he has the ability to do that, but spreading false stories and here again this is much the same kind of story as he spread about the Beef Income Insurance Plan, whereby he said that our government was cutting the people off, et cetera.

I did have the pleasure of going to a meeting in Glenella, I think there were about 300 farmers, and the Member for Ste. Rose didn't have the intestinal fortitude to stand up on the platform and defend the policies of the previous government. He was invited to come to the platform. It was a program that had been established by his government. He wouldn't stand up and defend it. He hid about six rows behind the front row and wouldn't say one word, in his own constituency, in his own backyard. Guess who . . . it wasn't the Member for Ste. Rose.

He started the story again, I believe it was last spring or not too long ago, probably within the last 12 or 15 months, the fact that the Glenella creamery was closed; certainly it was. It was closed for one reason and it was only closed for a few days, but here again is the half truths and the innuendoes from that great and glorious Member for Ste. Rose, and as I understand it now he is contemplating not running in Ste. Rose, he is going to move to another territory, and God bless him, he'd better because he'll never be back in as the Member for Ste. Rose.

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

MR. ADAM: Mr. Chairman, I am very happy to hear the Member for Gladstone get up and say that I was indeed correct when I said that the plant was closed. It was closed. If we hadn't brought pressure to bear the creamery would still be closed. The Minister can laugh and so can the Member for Gladstone, but we brought pressure to bear and the Manitoba producers, Mr. Shelburn and Emil Shelburn, and we had been receiving calls from him to get involved and see what was happening and we did get involved, and the plant did close.

If the member wants to talk about a meeting of beef producers in Glenella, the fact was that the beef producers had been trying to get a meeting with that Minister for weeks and months before that and they were unable to get and it was not until their strong supporter up at Glenna, Mr. Heinz Morone, got in touch with the Member for Gladstone that there were people that want to see him and that's how the meeting came about, Mr. Chairman. I was not invited

to go to that meeting. I was never invited to go, Mr. Chairman. They didn't want me there, and when I came there. Mr. Chairman, sure the Minister asked me to . . . not the Minister but the Member for Gladstone asked me if I wanted to . . . It wasn't my meeting. It was arranged. The Member for Gladstone asked me if I wanted to go up to the stage. It wasn't my meeting. I didn't organize the meeting and I wasn't invited by the Minister. If he had invited me to — at least given me the courtesy to — as the member for that area to come down, I would have gone up to the front. It was your meeting, Mr. Chairman, you should have been at that meeting. They dragged on and dragged with formula, Mr. Chairman, and when they wanted to get into the real meat of what was really bothering them, they cut down the meeting right away. That's what happened. Around 10 o'clock when they dragged on the meeting of the formula for the support price of beef and when they wanted to start talking about other issues, they cut off the meeting; I'm sorry, it's getting late, let's close the meeting, and that's what happened in Glenella.

MR. CHAIRMAN: (4) pass — the Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, I would like to ask the Minister what development is being done between the Manitoba Producers Milk Marketing Board in terms of the quota system and market sharing quota; what kind of work is being done now in terms of looking at a reorganization of the whole milk marketing system?

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: I am not aware of any change in policy over the last year as far as the allocation of quota is concerned. I know there has been some discussion on the changing of the pooling system of milk in Manitoba. I know there has been some requests I believe made by the Producers Board, in fact they have indicated desire to make changes. I think it has gone to the Manitoba Marketing Council but has not passed that body of judgment. It is my understanding that in talking to a fairly broad section of dairy farmers, an input to this point, that they are not desirous of reverting to a two-pool system milk pricing in this province, one which I know the member opposite is quite familiar with. There was quite an upsetting activity when they in fact all went into one pool. So it is my opinion at this time that there has to be a lot more understanding within the dairy industry really what is going on and I know that there has been some pressure from the producers board that they would like to change back to a system of two-pricing.

At this point I am not satisfied that is in the best interests of the dairy industry and I think there has to be a lot more understanding before any changes like that were to be made.

MR. URUSKI: Mr. Chairman, I thank the Minister for his comments. I will be quite specific then. What is the government's position vis-a-vis a two-pricing system in terms of the pooling of milk? We haven't heard. I'm glad that the Minister raised it that there is some discussions. I have heard that's generally the

way that some of the discussions are going. Is the Minister indicating that if there's enough convincing done by the Milk Marketing Board of Producers that he is prepared to allow the going back to the two-price two-system pricing, Mr. Chairman, or is he prepared to allow the system as it exists now in terms of equality of pooling whether it be for cheese or for fluid milk, the price of A milk, is that price no matter which area it goes to and the price of B milk goes at a different price and the two quantities are pooled for a blend price to all producers? Is that their position? Is he prepared to say it is his government's position that in terms of equity of incomes to producers is the best system that we have at the present time or is he prepared to allow a dialogue to go on so the producers can be convinced to go back to the old system?

MR. DOWNEY: Well, Mr. Chairman, I think the member is quite aware that in a country such as we have that we wouldn't want to ever consider cutting down any kind of dialogue that might better the interests of any segment of society and that would be the last thing in the world that I would want to see happen, that anybody would try and stop that kind of process. I would hope he is of the same thought. If that kind of dialogue and debate brings forward a new system within the industry then it should be considered. I would have to say that there is a mechanism in place that if our proposed changes and those changes are not in agreement with the industry, then we have a Natural Products Marketing Council in which the people who are unsatisfied with that change can put their appeal before. I understand that has gone to that process and they have not in fact approved it. That is the information that I have.

My position at this time and I've just stated it — we've seen in the last few years a pooling of milk and I understand that there were a lot of upset people in the dairy industry going through that process. I would not like to see that same kind of a disuniting of the dairy industry at this particular time. We have seen some changes within the dairy industry in the last year with the Milk Price Commission. I think we should sit back and at this particular time give it an opportunity to work. I think there's no question that if it were in the best interests of the total industry and they could demonstrate it over a period of time and a decision were made to go ahead then I would give it serious consideration.

At this point I am satisfied that it is working in the best interests of all the producers and would hope that it would stay in that state until it could be demonstrated a lot more thoroughly that the producers are anxious to move back to a two-pool system.

MR. URUSKI: Yes, thank you, Mr. Chairman. Is the Minister indicating that the discussions have gone so far as to have already reached the Manitoba Marketing Council's desk in terms of a proposal that has been put forward by the Milk Producers Marketing Board? Am I understanding him correctly?

MR. DOWNEY: Yes, Mr. Chairman.

MR. URUSKI: Mr. Chairman, would the Minister be prepared to, before we reach the area of the

Manitoba Marketing Council, to advise them to bring forward the proposal and if a copy of that proposal could be given to members on this side that has been forwarded to the Manitoba Marketing Council for examination so that we could see what kind of a proposal has been made?

MR. DOWNEY: Mr. Chairman, it hasn't proceeded to the point of becoming an order by the Milk Control Board and hasn't been tested in that way but I know it has been discussed with the Producer Board and with the Natural Products Marketing Council as a preliminary type of procedure but there hasn't been, to my knowledge, an order made by the Milk Control Board that has been challenged before the Natural Products Marketing Council by the Producer Board. But I know that there have been discussions taken place, Mr. Chairman.

MR. URUSKI: Mr. Chairman, is the Minister indicating that there is — if one can put it this way — testing of the waters of the Minister and his Marketing Council to see before any moves are being made to ascertain whether or not there may be some receptive attitude on behalf of the government through their council to some proposed changes? If so, this makes it just a bit more different than what I've heard. I was under the impression that there had been wide-ranging discussions and maybe there have been some meetings between producers but the Minister indicates now that there have been discussions but no formal proposal. Then if there has been no formal proposal does the Minister indicate that . . . Is his position very clear at this time that with respect to any proposed changes he is not prepared to as what he has seen, he doesn't want to see any division, is he prepared to be receptive to such changes at this time?

MR. DOWNEY: It would be very difficult to predetermine which, if in fact that were to take place. If he uses the words testing the waters I guess that's probably the proper term. I guess that would be the best way to put it. I would have to say if at this particular time that I were confronted with having to make a decision of change which of course is the Natural Products Marketing Council's job, which of course could be changed by the Lieutenant-Governor-in-Council if the government weren't satisfied, and I don't think it's fair to enter into areas of assuming that these types of things will happen but there has been discussions. I'm aware of them and as I've indicated earlier in my answer I would be satisfied to think that the dairy industry under the one-pool system has been working fairly satisfactorily and would hope that before any changes, of course, if there were changes proposed they have to go through the normal route of the board putting the regulations or the orders through, and if an individual was not happy he would have the right to appeal to the Natural Products Marketing Council and then a ruling would be made. I would not want to say one way or the other if after that process were to take place, what the situation would be, but I think it would be in the best interests of the dairy industry, as I have seen it work and as I have been talking to some of the dairy farmers throughout the province, that they aren't that unhappy. They are probably at this point a little unsure of some of the discussions

that are going on and as I suggested earlier, I think there has to be a lot more airing and discussion before any advancement of a dividing of the milk pricing system.

MR. CHAIRMAN: (4) pass — the Honourable Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Could the Minister indicate whether or not his office has been involved in any discussions with respect to the changes or proposals being put forward? I presume, and the Minister can correct me, that it has been by the Milk Marketing Board of Manitoba, or is any other organization involved in putting forward any proposals?

MR. DOWNEY: Mr. Chairman, I think I would be correct in answering that I haven't had any former proposals directed to me. I may have had it in some discussion during another meeting, but no specific meetings with the milk producers to discuss that very issue with my office, Mr. Chairman.

MR. URUSKI: The recent annual brief of the Canadian Dairy Farmers' Association, which was sent out to members, I believe on both sides of the House, at least I think sent out through the offices of the chairman of the Milk Marketing Board, dealt with the issue of quotas and quota values. Primarily that was their main submission, indicating that the dairy farmers of Canada want to continue a system, and I presume the system would be one similar to the one that we have in Ontario, where the milk quotas are in effect put on the stock market on a milk quota stock market system, whereby the quotas are bid on and marketed and sold on a day-to-day basis, on a per litre basis. And the quota rights, if you average them out in terms of fluid milk, have been running last fall amounting to close to \$70,000 per cow, which makes it extremely difficult on the one hand for young producers to get into the industry and secondly, with that type of a system in milk marketing, ultimately someone has to pick up those costs and those costs, of course, are ultimately passed on to no one else but the consumer of milk products.

In Manitoba, we have that situation, Mr. Chairman, in this province, not quite as elaborate but still to the tune, I believe, that quota rights were being traded, before the pooling of milk, of upwards, I believe, of \$2,000 per cow. I think that has probably been a normal figure, but when the pooling of milk prices occurred, then that issue was resolved and as a result, the quota values in effect were spread over so fine that basically there were no quota values.

The former administration indicated that in terms of agricultural quotas, that there should be no quota values allowed to be traded and to impute a value when an operation, whether it be in terms of physical assets, or dairy herds, or livestock that will be sold, that there will be no values attached to them.

I would like to know this Minister's position with respect to such a system because inherent, in going back to the two-pricing system of milk, you will ultimately come about the possibility of coming back to the system of quota values and trading of quotas will come back into play and you will again be faced, and the possibility of being faced, with an elitist group or a group that has full control of the

marketing privileges of a certain commodity, and there will be values imputed into that and those values will have to be passed on to the consumer. A perfect example, of course, is the hotel business over the years, where you purchased the assets of the hotel and then there is the licence, the key to the industry. Unless you have that licence, you cannot purchase that hotel. It just so happens that within the selling price, there happens to be a built-in cost of that dear old thing called a licence, the rights to operate the establishment. As a result, that is how the hotel business has grown in terms of inflated prices over and above the assets and we can see the same — and who pays for it? The beer drinker and the patrons of the industry are ultimately saddled with that cost. We know that is going on. The system that we have is certainly not perfect but certainly in terms of food commodities, we certainly should be able to set forward a policy that certainly has some levelling effect in terms of what the consumer of this province can expect and whether or not there will be added costs put in for the basic right of marketing, which has nothing to do with the production costs of the product that a producer may put on the marketplace.

I would like to know the Minister's views in this respect.

MR. DOWNEY: I think, Mr. Chairman, I was questioned in this regard last year and my views haven't changed. I do not believe that there should be a quote value and basically I think it is in the best interests of the agricultural industry and the consumers that it remain that way.

MR. URUSKI: Mr. Chairman, I just happened to glance at the last and final report of the Milk Control Board of Manitoba and —(Interjection)— Yes, it will be almost like the last copy of the Winnipeg Tribune, Mr. Chairman, that we have the last annual report of the Milk Control Board. Where a comparison is made, and it was just very interesting, on Page 15, of producer and consumer prices of fluid milk, as of September 30, 1980. It bears out, to some degree, what I have been saying in terms of consumer pricing versus producer returns. I can see why the producers are unhappy because, Mr. Chairman, just look at those statistics. We look at Manitoba, at a price per hectolitre of 36.08 to producers and a retail price of 61 cents, Mr. Chairman. But if we look at Quebec, at a price per litre of 36.40, which is an increased price to producers of some 32 cents per hectolitre, but the retail price of milk at 59 cents. I can see why the producers are quite unhappy and reacted to the price increase that we had in Manitoba, Mr. Chairman. There is some of the bearing out of what is taking place. This bears out some of the urgency that is incumbent on the Minister to sit on his new board to bring in that cost of production formula, because there is an anomaly. Nobody argued against it, indicated that there was no anomaly in the pricing and it's borne out. When we look at the price that producers receive in our neighbouring Province of Saskatchewan, where we from time to time receive some milk and possibly ship milk to that province. We interchange; it's probably the only place or one of the few places that we interchange milk from one jurisdiction to the other. We may do something into Northwestern

Ontario, but I'm not at all certain, but in Saskatchewan, producers receive \$40.54 per hectolitre and the price of milk in Regina was 65 cents per litre, Mr. Chairman, which again points out that producers in that province are receiving a much greater share of the retail price of milk in terms of cost of production.

So while the Minister argued and he didn't do anything for two years in terms of letting the pressure build to be able to change the system, he could have done it under the old Act. And now we will not see the type of analysis, Mr. Chairman, we won't see the type of analysis. Because the fact of the matter is there will be nothing to determine whether or not the prices are justified in terms of the hearing process. We didn't disagree on the cost of production but we already know that there's an increased cost.

We see in the Budget an increase in the price of staff which ultimately people in Manitoba will have to pay an additional \$40,000 a year, Mr. Chairman, to start with, with no investigative mechanism yet in place. There is an increase in costs already in terms of the new operation albeit very small in terms of the beginning but, Mr. Chairman, I predict that if there are increases where there will be complaints the Minister will not be able to handle it; it will become a very hot issue and, Mr. Chairman, there will be all kind of accusations floating around and some of them will come from me because there is no mechanism to justify the prices that processors may charge and the retailers may charge in other areas. Albeit the retailers historically have received a very small margin on the retail price of milk but that of course, Mr. Chairman, we knew where they fitted into the whole system. Right now the system will become chaotic to say the least.

MR. CHAIRMAN: (4) pass; (b) pass; (c) Management Services; (1) Salaries pass; (2) pass; (c) pass; (d) Research.

MR. URUSKI: Mr. Chairman, in terms of Other Expenditures.

MR. CHAIRMAN: Under which item?

MR. URUSKI: Under (c)(2).

MR. CHAIRMAN: (c)(2)? Okay.

MR. URUSKI: They indicated that there is, in terms of the Computer Services, there was some work being done with respect to the use of statistical data basis of I. P. Sharp, Mr. Chairman, and I've read this and I just wanted to raise it to find out and to test engineering models at Cybershare. Could the Minister give us an explanation as to what this has entailed in the department? What are you actually doing?

MR. DOWNEY: Mr. Chairman, it's to collect information for the Economics Branch to make some of the farm produce forecasts that they're doing.

MR. URUSKI: I thank you, Mr. Chairman. I ask the Minister then would they not have been able to receive the services and expertise from the Manitoba Data Services with respect to the setting up of models and computer services?

MR. DOWNEY: Mr. Chairman, I'm informed that it isn't available through the government service.

MR. URUSKI: Yes, Mr. Chairman. What cost of contract services would this have entailed and over what period of time were these projects done? Is it to any large degree or is it very small in nature? What kind of dollars are we talking about?

MR. DOWNEY: A very minimal amount, in the neighbourhood of \$1,500 to \$2,000 a year.

MR. URUSKI: Mr. Chairman, in the Budget that is being set out for Management Services, is there any new work that is being undertaken insofar as streamlining departmental procedures, staff training or the like? I note that there has been an emphasis within the department on training and development, with more development activity in the farm business aspects of the Professional Update Program. What is the Professional Update Program and who has been involved in that training from staff and who was that training program geared to, Mr. Chairman?

MR. DOWNEY: It's mainly professional staff upgrading, Mr. Chairman, and it's taken place basically at the University of Manitoba.

MR. URUSKI: Mr. Chairman, I'm assuming that program is, as the Minister indicated, at the university. How many staff and at what managerial levels were staff involved in? Were there people at management level or people at the field staff level? How many people would have gone and what kind of costs are there? Would it have been open to both men and women in the department and were there both sexes attending the courses?

MR. DOWNEY: Mostly field staff, both for men and women, and also for some technical upgrading with some of the technicians.

MR. URUSKI: Mr. Chairman, in the Department of Agriculture is there an affirmative action program dealing with clerical staff and the like? What kind of affirmative action program has the Department of Agriculture instituted in the last several years with respect to, and I presume many of the positions, and there have been staff that have been in clerical in what could be considered dead-end jobs for many years within the department in terms of staff? Have there been opportunities available to those personnel to move into other areas? What programs have been instituted since I believe now the government has no central monitoring agency such as management committee, it is done on a departmental basis, you have your own personnel people? Where have you moved with respect to your own staff in the department?

MR. DOWNEY: One of the best farm staffs in all the country, Mr. Chairman, and there's been an ongoing updating program with them and I think that they're doing a good job. As far as any affirmative action programs I would like the member to explain just what he means by that?

MR. URUSKI: Mr. Chairman, it appears that the Minister who has been in government now for three-

and-a-half years, if he does not know what affirmative action is I will not try and give him an updating course at tonight's Estimates on what affirmative action is. Surely his staff have been in the department long enough and whether or not they have pursued . . . You know, we talk about the Minister, his colleague the Minister of Labour, talking about affirmative action and some thrust in his government, but his own colleague doesn't know what it means, Mr. Chairman. Look at the great communication system they have in their government, Mr. Chairman, the fine communication skills between the Ministers of Government and the various programs. Surely the Minister must have some intuitions as to what affirmative action is and whether they have done at least a teensy-weensy bit in terms of some of the job openings that may come open or in terms of staff training, in terms of some opportunities for the groups in society who have been targeted as groups who have been held down, women being one of them, Mr. Chairman, the other group is native people; the third group is handicapped people. Has there been any thrust in that area within the Department of Agriculture?

I can tell you, Mr. Chairman, when I was Minister responsible for the Civil Service for a very short period of time, I had a hell of a time — excuse the expression — with line departments to at least get the thinking through that there should be some conscious effort made. Now we have the Minister — I have been out of government for almost four years — he doesn't even know what affirmative action is, Mr. Chairman. For heaven's sake, your staff people, you have personnel people, have they not at least attempted to do anything?

MR. DOWNEY: Mr. Chairman, I was just testing the Member for St. George to see if he could explain to me what it was and he still wasn't able to. We have had the advancement of all our staff where they were capable and could handle a job of greater responsibility, or a mix or both men and women in different job, and we have demonstrated in the way in which we have some of the fine young women of Manitoba working as ag reps or assistant ag reps, as specialists within the department, and I would think that the Member for St. George would not be responsible in leaving on the record the fact that I didn't know what affirmative action was.

I said earlier I was very proud indeed of our staff and I think we probably have some of the best services throughout Manitoba. They demonstrated that this year in the way in which they performed under unusual circumstances in providing the farmers with the kind of service they needed during a difficult year with drought. Last year in certain areas when the flood was in the Red River Valley, there were a lot of staff people, I am sure, worked far above and beyond the normal call of duty when they in fact were helping the farm community. So I think it is worth noting that I am very pleased and we do have a good affirmative action program within the department.

MR. URUSKI: Thank you, Mr. Chairman. While the Minister indicates that the department has hired women, that still does not indicate that there is an affirmative action program within the Department of Agriculture, Mr. Chairman. I beg to differ with the

Minister, there are many areas where there are very qualified people. Mr. Chairman, Was there, and has there been, a determined effort to deal with the other target groups in society in terms of bringing them into the mainstream of employment within the government services. For if the government doesn't provide leadership, how do we expect private industry to take up the slack and to be able to provide opportunities for people. Surely department by department there should be able to be shown some type of direction and some leadership in this area. Agriculture, being so diverse throughout the province, while it is true there have been hirings of home economists, have there been any men home economists hired within the department, for example, as an area of speciality? You know, the reverse could happen in terms of employment.

What about other areas, Mr. Chairman? Is there an effective program in the department that one can say in three-and-a-half years we have moved in a certain direction?

MR. DOWNEY: I agree, Mr. Chairman, that there should be a good inter-mix of both men and women working within the Department of Agriculture and, again, I would like to say that the majority of our staff, most of them, in a lot of cases are outstanding in their field.

MR. URUSKI: Mr. Chairman, I don't recall, did the Minister indicate there were any new changes in terms of expenditures in the Management Services area, although the funds are very close to what they were? Are there any changes there in thrusts?

MR. DOWNEY: No change, Mr. Chairman.

MR. CHAIRMAN: (2) pass; (c) pass; (d) the Honourable Member for Ste. Rose, on which point, on (d)?

MR. ADAM: Yes.

MR. CHAIRMAN: On (d)(1) Policy Studies, the Honourable Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. I wanted to ask the Minister. Yesterday I brought to his attention concerns that many people have had. We have had a number of people concerned about what is happening in research and I wanted to ask the Minister, in the opening remarks yesterday I spoke about what was happening to farming practice today, what effect does out farming practice have on productivity of the soil? I am not sure how much research — in fact, I believe that there is very little research being done insofar as what the impact of specialization and concentrated farming, heavy inputs of fertilizer and heavy use of chemicals in order to have productive crops, productive returns and so forth. We have had also a lot of concern in regard to plant breeders' rights that has been in the news in the last year or so. What we would like to know, because there has been concern expressed by many groups in Canada, consumer groups, church groups, the United Church, the Roman Catholic Church, and many other organizations, farm groups, that have expressed a great deal of concern about whether there has been enough research done to support that we adopt plant breeders' rights.

I know that the government — and the Minister is on record — of supporting, and I think we asked questions last spring in this regard, as to where the government stood in regard to plant breeders' rights, and I believe the government is on record as supporting plant breeders' rights in Canada. I wanted to know how much research is being done; how much did the government do; how much research was done by this government for it to support the introduction of plant breeders' rights? We do know, Mr. Chairman, that it will certainly increase costs to the farmer. We know that it is going to cost him more to obtain seed grain. We have some concern that there will be so many varieties on the market, many different companies will be advertising new varieties of seed, everyone saying that theirs is the best seed to buy, and it seems to me that we will really have confusion amongst the farm people as to which is the best and we're not sure how you can substantiate who has the best seed available. How are you going to do that?

First of all, you are going to have to pay a high price for it — no doubt about that, it's going to be higher than the farmer has been accustomed to paying.

Secondly, we are concerned that if, for instance, there is a breakthrough or some company comes in with a new variety that may out-produce other varieties, that in order for a farmer to be able to have access to that kind of a seed he will be told, fine, it's a package deal. You can get a few bushels of this grain if you buy so many cans of chemicals, and if you buy so many tons of fertilizer; then we will give you 10 bushels or whatever, we'll give you a few bushels of this new variety of seed.

In other words, we envisage that kind of a situation taking place. Mr. Chairman, it is ironic, when we find out that when the Federal Government comes in with a new program and they do a lot of research, Mr. Chairman, they will come in with volumes of research on any particular program. But we find, Mr. Chairman, when the Federal Government introduced the legislation in the Federal House they introduced about nine pages of all the studies that had been done on plant breeders' rights, nine pages, Mr. Chairman, whereas usually — well, here's research here and we'll use one example, and I think this is a very small study, an analysis made on Agriculture Products Export Institute from Manitoba. In my opinion, it is not a very large study but we have several pages, at least, in this particular research that was done on this particular topic.

But, Mr. Chairman, when the Federal Government introduced its legislation in the House on plant breeders' rights, we found nine pages, that was the extent. Here, we are prepared to hand over perhaps even our destiny because we are dealing with the basic genetics of the production of food for the entire world, and we are now prepared to hand this over to multinational corporations. I am not complaining that it falls into the hands of multinational corporations, what concerns me most is that we are handing them over such a fundamental thing, that is, the seed of the earth. We are handing it over to maybe foreign companies that will have this in their control, Dutch Shell, or Royal Dutch Shell, or some other companies in the United States, companies that are perhaps under the control of

other countries. We had the instance where Exxon was able to divert petroleum that was destined for Canada, they were able to divert some of these supplies of oil that were destined for Canada into the United States.

We are just wondering if we are doing enough study on this particular subject. We think it is a very very fundamental issue and that is of allowing research on plants and developing new strains and so on to fall in the hands of corporations who are not responsible to Canada necessarily. They may be a company in the United States; they may be a company in Holland; they may be a company somewhere else. We think that not enough research has been done on this particular subject. We know that there are only a few basic genetic seeds in the world that provide all of our food and there is the possibility that there will be a wipeout of some of these basic food varieties, these basic seeds. We could have wipeouts if they start maybe breeding hybrids which don't reproduce. We think this has a very serious impact for society and for the people of the world.

I'm also concerned on what — as I said, there is very very little research being done on what specialization is doing, zero tillage, immense amounts of fertilizer and more and more fertilizer being put into the soil, more and more chemicals, and more and more pesticides. This is an area that concerns me considerably and I would like to know from the Minister, and we'll start with the plant breeders' rights, how much research has been put before the Minister to convince him to support the federal legislation on plant breeders' rights? How much information has he had? Because my understanding is that when that was tabled in the Federal House there was a nine-page document. So I want to know why the Minister is supporting that legislation on the basis of a nine-page document, on an issue such as fundamental as plant breeders' rights? I say, Mr. Chairman, that we should maintain the research in the public area. The public must not let go of that fundamental responsibility. We must not allow that to fall into private hands for them to do whatever they want with it. That must remain. We're concerned that if that happens there will be a reduction of financial input at the public level and we think this is not a good thing.

There are many other areas that we could go on speaking on this and we should perhaps discuss it for a while. I would like to hear the comments from the Minister on this very important topic.

MR. DOWNEY: Mr. Chairman, I don't know where the Member for Ste. Rose gets his background information on any nine-page report that he refers to. I would also like to, just on this research policy study that is referred to in our Estimates Book, I think that it is important that we continue to carry on with research in many areas, particularly when we have such irresponsible statements coming from the Member for Ste. Rose as came from him yesterday when he suggested that the production in Saskatchewan was reduced by 50 percent because of the use of chemicals and fertilizers. I think that he would be well advised to check some of his research information himself and if we can help him in any way . . .

MR. CHAIRMAN: Order please. The Honourable Member for Ste. Rose on a point of order.

MR. ADAM: On a point of privilege, Mr. Chairman, because the Minister has just put into the record that I said that production had dropped 50 percent because of the heavy use of fertilizers in Saskatchewan. That shows you how much he listens in the House when anybody speaks.

What I said, and I'll repeat it for him: I said that the extensive use of fertilizers in Saskatchewan was breaking down the soil; the productivity of the soil is dropping, not the crops. You are still getting the crops, but as the productivity of the soil goes down, Mr. Chairman, we have to put more fertilizer to get the same amount of crop. This is what I am referring to. I never said at any time that production had gone down 50 percent; I never said that. I think the Minister should listen a little more carefully when anybody speaks.

MR. CHAIRMAN: The Honourable Minister.

MR. DOWNEY: Mr. Chairman, we'll have the chance to read it in Hansard and then we will be a little more clear on exactly what was said.

The member, in talking about research on the plant breeders' rights issue, I think probably if we looked at some of the work that has been done by notable plant breeders in the province, the stand that they are taking is basically one that I have to pay a lot of attention to, when you have notable plant breeders who have, as I say, a lot of credibility. Basically the positions have been that there should be no less federal funds going into the breeding of plants or the development of plant breeding in this country. Complete control should be maintained. I think that the seed growers of Canada and in Manitoba have taken that position. I don't think in any way should any particular producer of any crop be put in the position of having to pay more money for plants that are produced through the private sector and, in fact, I have not seen in any particular instance where that has happened, because from what I have heard and read that once a seed strain is developed, that a producer can reproduce his own seed as he does in most cases.

I am not here defending federal legislation. It was introduced, as the Member for Roblin said, by the Federal Liberals and there aren't too many issues that the members opposite find themselves different from when it comes to talking, whether there are NDP or Liberals in Ottawa, their basic policies are supported by each; they are of very little difference. I would wonder why they would differ so much in a specific issue such as this when there are so many other areas that they find they are so able to agree on. So I would think that he, as the Member for Ste. Rose, should have quite an influence on the Prime Minister or friends of his in Ottawa who are, in fact, in control of it.

Again, I have to say that I rely to a great extent on the information that has been provided by plant breeders from the University of Manitoba, who are noted people. I think what has to be done is truly a clear and positive explanation to the people of Canada on this very issue. I think that there is too much misinformation being spread and scare tactics being used before a lot of facts are known. (Interjection)— Well, the member says, "By whom?" I would have to mention particularly members of his party. Let me assure you, Mr. Chairman, that I do

not want the producers of any crops in this province to be held up in any way, or in any unjust way, by people taking advantage of plant breeders' rights, and I think that all legislation in this country is put in by government and can be changed by government. Mr. Chairman, as long as the government has the complete control and authority to handle and control that, then in fact I think the producers of crops in this country will be treated fairly and equitably, Mr. Chairman, far more equitably than if we end up with an entrenched charter of rights in the Constitution, which no one will be able to change again, and that is the basic difference in what I think has been debated in the country today.

I do say there has been a lot of misinformation on this specific issue and I think probably it is time that it was fully aired to the producers of Manitoba.

MR. ADAM: Now we know that the Minister hasn't done any research, because he has said that he relies on somebody else, on seed growers, on registered seed growers. As far as I am concerned, registered seed growers are doing a good job in what they do. They are reproducing seed that is given to them in small amounts so that they can seed that and increase the supply, but they don't do the basic research.

Now, the Minister, I have asked him — I think he is on record and I will stand to be corrected, but I am sure that we asked these questions in the last Session, and we got the impression in committee, and I am sure during the Question Period, that this government is in favor of plant breeders' rights and in agreement with the federal legislation. I want to know on what basis does the government and this Minister come to that conclusion, that they should support this federal legislation? The Minister says that it is the Liberal government that brings it in and we should go to Ottawa because we are supporting the Liberals on certain issues. You know, I would have to have influence on the Conservatives, on the federal Conservatives as well on this issue, because they are in bed with the Liberals.

The Minister started talking about entrenchment of rights in the Constitution. I want to tell him that in the House of Commons, that on the major fundamental issues the Conservatives and the Liberals are in bed more often than not, Mr. Chairman.

Mr. Chairman, I am not only concerned about plant breeders' rights, but I am also concerned about how much research is being done and the effects of the kind of farming we are doing, the practice of farming that we use today. What effect does that have on the soil? I happen to believe that very little research is being done to the soil, examining what is happening to the soil, what is happening to the fibre, what is happening to the breakdown of our soils, because we are farming the way we are farming.

I am asking him for information. I want him to tell me how much research is being done in those two areas, concentrated, intensive farming, intensive production. There is a bit of it in here, in this little booklet that he passed on a little while ago. It says if we want to increase the farm income we have got to pour in more fertilizer; let's shove it to her. That's what it says in this book. So I want the Minister to tell us how much research are we doing to see if this is the wrong way to go about it. I think it has very

disastrous consequences if we don't know where we are going.

MR. DOWNEY: Mr. Chairman, I think the member, if he wants to move onto the next item, Agriculture Research Grant, we put \$800,000 into it last year, work being done on the soils by the Science Department. We distributed a copy of the University of Manitoba Faculty of Agriculture book last year, which he probably hasn't read, but there is a lot more in it to do with soil research and development of crops.

As he will notice in the next item, we have increased that grant this year by \$50,000.00. So there is a lot of work being done by the University of Manitoba.

In my opening remarks, I think we should again note that it is their 75th Anniversary at the Faculty of Agriculture and we have had some outstanding people who have done some work in soil research and crop development, and it is that kind of work that gives the farmers of this province the confidence to go ahead and produce the crops for the markets that are throughout the world for agricultural products.

MR. ADAM: I take it then, Mr. Chairman, that the Minister is unable to tell us now, tonight, how much research has gone into those particular areas, on what I have brought to his attention. I take it that he doesn't have any information to give me tonight. Can he provide me with the information tomorrow? How much research has the Department of Agriculture of the University of Manitoba done on plant breeders' rights and on what is happening to the soil with intensive farming? Those are the answers I want to know.

MR. CHAIRMAN: (1) pass — the Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, interestingly enough, I have had a quick opportunity since this afternoon to look at the Annual Report of the Minister's department. One area that this report is completely void of is the area of research, Mr. Chairman, in terms of policy studies. There is a lot of work that the University had conducted and staff in the field have conducted in terms of specific projects of crop management, livestock management, poultry management, soils and crops, in terms of specific special crops under the special federal-provincial agreement, but in terms of policy studies, Mr. Chairman, we keep throwing in an amount of \$100,000 into the department annually, and has there been any specific areas which the department or the Minister has set his staff? He has, I believe, a policy advisor on staff. Has there been any specific areas where the Minister has directed his staff to undertake into policy areas? There is nothing in the report to indicate.

At this time, Mr. Chairman, and since we have dealt with both areas of agricultural research in the University of Manitoba, on behalf of our colleagues on this side, we'd like to share in terms of wishing the University community well in celebrating their 75th year, I believe, in terms of the Department of Agriculture and its contribution to the citizens and the agricultural industry in the Province of Manitoba.

Certainly the research that's been conducted in many areas in terms of plant breeding, in terms of agricultural research, on many areas that the University has conducted, have been most beneficial throughout the years and have contributed very much to the well-being of both urban and rural Manitoba in terms of all the staff within the department, and I would like to wish the present Dean and all his colleagues the very best from members on this side.

Nevertheless, Mr. Chairman, the Member for Ste. Rose raised a very fundamental issue, a very grave policy area which we would have thought this government would have wanted to investigate in one form or another and not just to take blandly the word of the present Minister of Agriculture about the needs, or the former Minister of Agriculture, because I think they were both leading off and only one wasn't there long enough to bring forward the legislation. That's probably the only difference. The legislation hasn't changed in terms of the impact on farmers on the entire research community, on the entire agricultural community and the entire population of this country, in terms of ultimate food costs; in terms of seed costs and ultimate food costs that this issue will bring about, Mr. Chairman.

Certainly we don't have all the answers, Mr. Chairman, but we have been doing some reading. We have talked to plant breeders. If this Minister of Agriculture has done any research, certainly he should be prepared to make it available to members on this side, so that there could be an intelligent debate that could generate within the Province of Manitoba dealing with the issue of plant breeders' rights, Mr. Chairman. If the present Minister of Agriculture doesn't want to take my colleague's, the Member for Ste. Rose, word, will he take the word of three professors at the McGill University, Mr. Chairman, in the Department of Biology, and what they have to say with respect to plant breeding and the proposed legislation? —(Interjection)— I'm sorry, Mr. Chairman, I didn't hear the Member for Roblin, if he would be prepared to . . .

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): On the second page of the United Church Observer, I think the December issue, there was an excellent article by two professors out of the Department of Agriculture, Saskatoon.

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

MR. URUSKI: Mr. Chairman, I would be prepared to receive the copies if the Member for Roblin has copies of those two professors, I'd be pleased. In fact, I have a copy of a speech that was given verbatim, as well as these three professors that I am going to quote from, in a brief that they sent to the Honourable Eugene Whelan, Minister of Agriculture, and a speech given by a Mr. G. G. Rowland, who is an employee of the Crop Development Centre of the University of Saskatchewan, dealing with plant breeders' rights issues. These are just two.

The library from the Parliament of Canada has put out a small document. I believe it is probably

available primarily to Members of Parliament, setting out the basic arguments and the basic issue, but basically, that's all that has been developed other than the remarks that the present federal Minister of Agriculture has made. Surely that issue has importance enough on the agricultural industry in this country that the Manitoba government should have some position as it not only affects, Mr. Chairman, the farmers of Manitoba, but it has, and I would hope the Minister of Consumer Affairs, the former Minister is here, would in maybe playing a role in terms of the costs that will be borne by consumers when they go to purchase not only their vegetables but the seeds, Mr. Chairman.

It's been pointed out in countries where this legislation is in effect that the cost of seeds have increased far faster than the costs of energy, Mr. Chairman, and the fact of the matter is we all know how quickly the costs of energy have risen throughout the world, let alone in this country, Mr. Chairman. Those costs of seeds in terms of plant breeding have surpassed the rising costs of energy in terms of escalation over the last number of years in the countries where plant breeding rights have been in place.

Mr. Chairman, I would like to put on record, and if the Minister doesn't like my words, would he take the words of Jane C. Cooper; A. F. Mohammed, Ph.D.; and Douglas H. Boucher, Assistant Professor of Biology of the McGill University, in which they write a very short brief. The Minister may not want to hear this but the fact of the matter is, this issue is probably, and we would hope that this Minister will come back and say yes, we have done research, and here is what our response is from the University of Manitoba; how it will affect the farmers of this province; how it will affect public research in this country; how it will affect the consumers of this — all the people of this province. That's the kind of research that needs to be done. It's of the impact of this legislation so that the Province of Manitoba, when it does speak for people in this province when it goes to federal provincial conferences, it can make an intelligent position known, and right now we have nothing, Mr. Chairman. We have a void. We have a complete void with respect to that fundamental issue, and an issue which this government should pride itself on at least in terms of its philosophical approach, in terms of bringing in less government, a lesser bureaucracy, Mr. Chairman. It's been pointed out by plant breeders that one of the things that this legislation will bring about is an increase in bureaucracy. Surely the Conservatives, who are totally opposed to an increase in bureaucracy, would want to get up and say, even if there is the slightest hint that this will do it, we don't want this legislation because we don't want bigger government and more government, Mr. Chairman.

How will this happen? Let's look at the legislation, Mr. Chairman. One would think that the issue of plant breeders' rights, and it's a fairly large bill, Mr. Chairman, but the fundamental section, I believe is — the bill has some 44 pages. No, it's more than that; 46 pages. It's voluminous five times as much as the amount of research done by the Federal Minister of Agriculture, Mr. Chairman. But one would think that if we brought in one of the benefits that we would have from plant breeders' rights, would be

that there would be some improvement, some better quality of seed that would be produced, that we would stand to gain in terms of better quality of seed for our farmers.

Mr. Chairman, if one examines the legislation, and the present Minister of Agriculture should have examined this legislation. (Interjection)— I wonder if he has, Mr. Chairman. Has he looked at the legislation, Bill C32? Has he got a copy of that legislation in front of him? I don't see it. Has he read the section? Has he read Section 4, Mr. Chairman, which indicates that a plant variety is a new variety "if". Now here are the "ifs", Mr. Chairman. There are: "(a) It is by reason of one or more identifiable characteristics clearly distinguishable from all varieties the existence of which is a matter of common knowledge at the time of application for the plant breeders' rights respecting the plant variety." There has to be some identifiable characteristic. "(b) It is stable in its essential characteristics in that after repeated reproduction of propagation or where the applicant has defined a particular cycle of reproduction or multiplication at the end of each cycle it remains true to its description." So that it has to have some stable characteristics when its reproduced. Right? "(c) It is sufficiently homogeneous having regard to the particular features of its sexual reproduction or vegetable propagation." Those are the three main features of the legislation, Mr. Chairman. But does it say that it has to be better, that it has to produce better seed? Absolutely, not, Mr. Chairman, it doesn't say that at all.

What has happened in other countries where this legislation is in place?

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

MR. DOWNEY: Mr. Chairman, we are here to debate the estimates of the Department of Agriculture, the Province of Manitoba, and we are on policy studies and we are not doing any policy studies in regards to plant breeders' rights which is federal legislation, Mr. Chairman, and I do think the member would be well advised if he has these comments to forward them to the federal Minister of Agriculture.

MR. CHAIRMAN: On the point of order, I think that the honourable member is using a position as a comparison and we are under the item of Research and if the honourable member will use it, just as a point of reference, and make some reference to what the discussion is under Research: (1) Policy Studies.

MR. URUSKI: Mr. Chairman, only several minutes ago when the Minister was speaking we were discussing the constitution of this country, Mr. Chairman. When he got up, in his remarks to the Member for Ste. Rose, we went all over the place. Now the Minister because he has nowhere to go, he has done very little in terms of one of the most fundamental issues in this country, he's done no homework, one can say he hasn't, clearly, he hasn't done his homework. Even his annual report leaves one of the more fundamental sections out in his department as to policy studies. What do we have in the report, Mr. Chairman? Zilch, absolute void,

absolute vacuum, Mr. Chairman. When we try and bring to the Minister's attention as to what he has done, who he has asked to do certain studies, has he at least asked the University of Manitoba to look into this and give him some commentary from the plant science department in terms of what are some of the feelings? Is the Minister prepared to hold hearings in the Province of Manitoba, call the agricultural committee in the Province of Manitoba to solicit the views of producers towards plant breeders' rights legislation, Mr. Chairman? Is the Minister not interested, not concerned with statements that have been made that it will increase the cost to producers? I believe, from the present cost of about 3 percent of their total costs of operation to 12 percent of their costs of operation, Mr. Chairman, those are the figures that are being thrown out. Does he have any research? Does he have any data available?

I went on to point out the impact that this legislation has, and I indicated with respect to the creation of a bureaucracy that the Tory Party of this country is totally opposed to. The Premier sits in this Legislature, and one of whom was totally opposed to the expansion of bureaucracy, but he brought it in through a diverse move by contracting out, by employing outside contractors in the accounting field, in the area of surveyors, all kinds of devious ways to keep the amount of staff down in terms of the numbers, but the numbers are the same whether they're public or private, Mr. Chairman, the ultimate cost has increased to the people of Manitoba.

But, Mr. Chairman, in terms of this legislation and the Minister may not like that two of the most fundamental issues that face rural Manitoba and the farmers of Manitoba are: 1) Crow rates, the transportation issue and we've had a very wishy-washy position with respect to this government. First they supported the change, now they support it in a different way, a very unclear position. Now we have the other issue of plant breeders' rights and no position, no research, other than one can say is that they do blindly support the legislation. Last Session the Minister said we support it clearly, his Assistant Deputy Minister said we support it, there is not enough data — well he's had more than a year or he's had almost a year since this legislation was tabled in the House to do some background work and has he made any positions known to the Federal Minister of Agriculture on this very issue, Mr. Chairman? We could discuss it even further, but dealing with what has happened . . . I should point with respect to the issue of bureaucracy, Mr. Chairman. You know what they have done in England, Mr. Chairman, where this legislation is in effect? The public is still doing research work, Mr. Chairman, but the bulk of its money is spent because their legislation is very similar to ours. You know what the staff is doing in the research centres to try and keep track of this legislation, what the public role is there? They're there because the legislation is not clear, as it is not clear here, that there will be better qualities of seed. What do the staff do in the research centres? They're there measuring the leaf size, the plant size, the seed size to determine whether there are any different characteristics that can be made, not that whether or not the seed will be better but whether it measures a

little bit wider, whether the leaf is a little bit longer, whether the pod is in a different way, how deep the roots grow; those are the kind of measurements that are being done and wasted, Mr. Chairman, wasted on the very issue of maintaining the profit motive to the private plant patenting trade, Mr. Chairman. That's where the public role will be.

So we've had statements by the Federal Minister of Agriculture indicating that the public research stations will continue; there will be no diminution, but by the very fact that the role will have to change; there will be a bureaucracy that will be doing nothing but wasting public dollars through supporting a system which has only led to the fundamental change in the food system, not only in this country, in many countries and in the Third World.

So this Minister has done very little research; he is not prepared to indicate that he is open to doing or has done something. Obviously he hasn't done something or he'd be prepared to say here's our position, here's where we stand, here's what we've done and this is the reason why we support it. Nothing, totally a void, Mr. Chairman. Farmers will be faced with increased costs as they have been faced in other countries in terms of seeds.

If it's a question that we will, if we have plant breeders' rights, be able to import exotic seeds from other countries, what's preventing us now? What are the advantages? I want to know what are the advantages at least? At least there should be a position of this Minister of Agriculture to tell us yes, these are the advantages, and we want to know what the advantages are of this legislation, because it does effect not only the farmers but all the seed people, people connected with the seed business, all the consumers of this province.

The Member for Minnedosa just shakes his head and indicates — maybe he would like me to read this brief. I won't read it today, Mr. Chairman, I won't read it, but, Mr. Chairman, one of the positions that was taken by these three people, those that I indicated from the McGill University, they indicated that corporate research and development work in plant breeding can continue to be done in other countries where facilities already exist and markets are bigger and the resultant varieties can be patented in Canada. Thus Canadian farmer and gardener pays twice for seeds; once in subsidizing public research which leads to patents, and again in the seed store through higher prices.

Mr. Chairman, a second implication of this bill which we find alarming is the elimination of traditional varieties because there will be a licencing group. These are some of the arguments put forward by these professors and we have no indication as to what this government is doing. I would like to ask the Minister, who sets the priorities for the studies at the university? Is there any input from the Minister? Has he directed that certain studies be undertaken? What input has he got in terms of the grant that he provides to the University of Manitoba? What studies has he done in the last year in his own department dealing with policy that he is prepared to say that we can go into a dialogue and discussion on? Where is his input and thrust in terms of policy direction in his department for the future of agriculture in Manitoba?

MR. CHAIRMAN: (1) pass.

The Honourable Member for St. George.

MR. URUSKI: Well, Mr. Chairman, I would like to give the Minister a chance to reply in terms of the questions that I have raised.

MR. DOWNEY: To be very brief, Mr. Chairman, I don't think we should understate the importance of the work that is being done on an ongoing basis through continual dialogue between the university staff, plant breeders, soil scientists and our department. There's an ongoing dialogue of discussion and work, and one example could be some of the recent work that's being done or going to be done in the area of sunflower development and research to help provide product for the more northerly regions of the province, to help supply product for the new Harrowby Plant, which should have been done several years ago if there had been a progressive government in place and had of built the plant that was proposed for Brandon. So I think basically that's the kind of thing that has taken place and we will continue to provide those funds.

The Agro-Man agreement, as the member has indicated, there's work being done there and funds available for studies on irrigation and soybean crop development and that type of thing. So there is an understanding between the department and the university on an ongoing basis and any new projects which we feel are important, then we work with them to work out a research program.

MR. URUSKI: Thank you, Mr. Chairman. It appears — there's no doubt that there are moneys set aside in the Agro-Manitoba agreement, that is a separate fund and those studies are continuing, we understand that much.

Mr. Chairman, the Minister hasn't answered what policy studies has his department, policy studies, Mr. Chairman, done in the last year. I'd like to be more specific and ask the Minister what is the Manitoba Agricultural Services Co-ordinating Committee and who is on that Co-ordinating Committee, and what role do they play in terms of the liaison or the linkage between his department and the university, and who is on that committee and what do they do and what role do they play, Mr. Chairman?

MR. DOWNEY: That committee is made up of university staff, Department of Agriculture staff, farmers, and also people involved in the agri-business industry like CSP and Agriculture Canada.

I may also point out one of the other areas of policy study that there's being some expenditure, a proposed expenditure, will be to look at the development of a Crop Data Centre for Manitoba which will help to . . . We're going to take a look at the development of such a centre to help determine what the crop production would be for a given year. That's the kind of work that will be done this coming year, but it's very preliminary at this particular time, and I can just indicate that there's a proposal put forward to enter into that kind of a work.

MR. URUSKI: Mr. Chairman, the issue of the Co-ordinating Committee — who heads this up? Who is the chairman of that committee and who does the appointing? Is this strictly a volunteer committee or do they receive some Provincial Government funding or is it strictly a staff input from the province and the university, and how often do they meet? In

reading about it. I would ask the Minister to indicate what role they have played in his department in the last year?

MR. DOWNEY: The Deputy Minister of my department is the chairman of that committee. There is some travelling expenses provided to farmers who have to travel into meetings, but basically that is all the expense that is incurred in that operation.

MR. URUSKI: Mr. Chairman, does the Minister make the appointments from outside government and the departments appoint theirs, or how is someone put on that committee? How is someone chosen? Is it a ministerial appointment?

MR. DOWNEY: Basically, Mr. Chairman, they are invited onto the committee by the department or if they show initiative and desire to be on the committee a consideration is given to them, but it isn't a ministerial appointment.

MR. URUSKI: Yes, thank you, Mr. Chairman. The department seeks out, I presume, these people in consultation and there are no other expenses. How often would that committee meet? Is this a new committee or has it been in operation a long time?

MR. DOWNEY: The program has been going on for some time. The sub-committees meet two or three times a year or as many times as necessary, but the overall committee meets basically once a year.

MR. URUSKI: Mr. Chairman, I'd like to get back to the Minister's earlier statement about policy studies in terms of . . . and he gave one example where there's some work going to be done on a Crop Data Centre. I presume that type of a study was initiated by himself or his department, and who would be conducting it? Would it be his own staff or would he have asked the university research people to look at an area as he has done with respect to the report that was recently tabled, An Agriculture Products Export Institute for Manitoba, Mr. Chairman?

MR. DOWNEY: The Crop Data Centre work will be done by an outside consulting firm to look at the development of that kind of a facility, maybe not facility but group or body whatever it takes to operate it — it's an outside consultant that will be involved in that. As far as the work that was done on the market-development-type institute, that followed along with the same work that was done on the study on Manitoba hog production by Dr. Gilson, that was actually a follow-up to that study that was done some year-and-a-half ago or so.

MR. URUSKI: Mr. Chairman, I'm assuming that the study that was done by Dr. Gilson was as if he was an outside consultant where the department hired him, would those funds have come out of the research grant to the university or would they have come out of the policy studies area of the Budget, or where would such moneys come out of?

MR. DOWNEY: From the policy studies, Mr. Chairman.

MR. URUSKI: Mr. Chairman, then would the Minister indicate that the cost of the export institute

study, what kind of costs have been incurred? The Minister indicated insofar as the Crop Data Centre, that there will be an outside consultant. How will that be handled? Would that be another follow-up of a study like the kind done by Dr. Gilson, or what is the thinking behind this in terms of how is the department going to handle that? Are they going to be taking quotations? Are they going to be putting it out to tender or are they going to make it on a submission basis?

MR. DOWNEY: I think, in a rough estimate figure, the study that he is referring to on the Market Institute, I think was in the neighbourhood of \$6,000.00. The Crop Data Centre Study has been tendered and I believe that is the process that has gone through, and it is in the neighbourhood of \$35,000 for that work.

MR. URUSKI: Mr. Chairman, in terms of the research grant that the Minister gives to the University, would it not be prudent — or the question is why wouldn't you have contracted with the University to do a study of this type in terms of the expertise that are there now in both the economics and in terms of the research capacity at the University since, surely, you are putting up in excess of three-quarters of a million dollars to the University and that's fair ball. Why would you not have had a specific amount for a study where one would generally find the expertise? Is it possible that one of the people from the University will in fact be doing the study in any event? Is that the case?

MR. DOWNEY: I couldn't answer that because I don't know the people who got the work, who they will be hiring, but it is my understanding that the University did not show interest in getting involved in the Crop Data Centre Study. I honestly can't say why they didn't. I guess they didn't feel they have the capacity to do it or the manpower. It was work we felt had to be done and proceeded with it.

MR. URUSKI: Mr. Chairman, the Minister gave us the cost of this at roughly \$35,000.00. Has the contract been let and if it hasn't been let, is it in the process of being let and how many quotations has the Minister received on this?

MR. DOWNEY: We have received three tenders but we haven't accepted or closed the deal with any of them yet at this particular time.

MR. URUSKI: When will the tender be closed and when will the Minister deal with it?

MR. DOWNEY: Soon, Mr. Chairman.

MR. URUSKI: Thank you, Mr. Chairman. Has the Minister, and I believe he has, a policy adviser within the department in terms of a staff person who does advise the Minister and has some input in policy direction?

MR. DOWNEY: I think, Mr. Chairman, we went through this round in debate last year on this. I think we have such a good representation from rural Manitoba of MLAs who represent the farm community, when it comes to government policies, I

look very strongly towards them to have policy input, rather than hired civil servants to develop governmental policy. We have policy input from both staff, and to a large extent from the MLAs who represent the people of Manitoba.

MR. URUSKI: Now we know, Mr. Chairman, why the Minister has basically such great difficulty within his own department and within rural Manitoba. It is very obvious, from the floundering that has gone on in terms of his department, Mr. Chairman. — (Interjection)— It is obvious that this Minister really points out the lack of incoherent direction within his department. If he has the group that he has got sitting behind him, or around him, or with him, or underneath him — I'm not sure which — but it is obvious from where we sit as to the lack of direction that his government has taken in the last three and a half years.

Mr. Chairman, with respect to the research grant to the University of Manitoba, are there any funds in this grant for capital construction at all in terms of the University?

MR. DOWNEY: No, Mr. Chairman.

MR. URUSKI: Is there, within his budget, any funds to the University in terms of additional capital construction anywhere in the budget, while we are dealing with the University of Manitoba, in this coming year?

MR. DOWNEY: No, Mr. Chairman.

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

MR. ADAM: Mr. Chairman, before we leave this item, I am just wondering if the Minister could give us a breakdown of last year's expenditures of \$800,000 for research on all disciplines? I am asking the Minister, before we leave this item, if he could put in the record — give us a breakdown of the \$800,000 that was spent last year on research.

MR. DOWNEY: Mr. Chairman, it is basically in the annual report of the Faculty of Agriculture, last year's report.

MR. URUSKI: Do you have this year's?

MR. DOWNEY: Not yet. It will be available before very long. As soon as it's available from the University, I will distribute it, Mr. Chairman. I will distribute it to the members as soon as it is available from the faculty.

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

MR. ADAM: That information is not available at the present time. The Minister does not have that.

MR. DOWNEY: I haven't got the report yet.

MR. ADAM: Because we want to know where the money is going. The Minister has just finished saying to the Member for St. George that there is no moneys expended for infrastructure and last year there was, according to the report that we have

before us here, 1979-80. We have here on Page 16 where it says that "the grant assisted the development and maintenance of university research infrastructure, including the Glenlea Research Station". Perhaps he could elaborate.

MR. DOWNEY: That, Mr. Chairman, is the operation and work at Glenlea Research, not the purchasing of the farm. That is work that is done on it to do the research work at Glenlea.

MR. CHAIRMAN: (1) pass; (2) pass — the Honourable Member for St. George.

MR. URUSKI: Just one more question, Mr. Chairman. Does the Minister have any input in terms of the direction that the University takes in some of the areas of research? Does he have any input there at all?

MR. DOWNEY: Mr. Chairman, I have the opportunity to discuss with ongoing work or new proposals that the University may want to carry on, or certain projects that I feel are important. I have the opportunity to discuss with the Dean of the Faculty of Agriculture, those types of programs.

MR. CHAIRMAN: (2) pass; (d) pass; Resolution No. 8, Clause 2. Manitoba Crop Insurance Corporation, Administration pass — the Honourable Member for St. George.

MR. URUSKI: Is the Minister intending to continue and if so, we'll get into a new area, or does he wish to . . .

MR. CHAIRMAN: Before we have committee rise, might I just mention to the honourable members that this is the New Year of the Chinese community and I think on behalf of all of the Members of the Legislature we wish them a Happy New Year in the Year of the Rooster.
Committee rise.